

HOUSE BILL REPORT

HB 1835

As Reported by House Committee On:
College & Workforce Development
Appropriations

Title: An act relating to outreach and completion initiatives to increase postsecondary enrollment.

Brief Description: Creating outreach and completion initiatives to increase postsecondary enrollment.

Sponsors: Representatives Hansen, Leavitt, Santos, Simmons, Chopp, Slatter, Bergquist, Valdez, Pollet and Ormsby.

Brief History:

Committee Activity:

College & Workforce Development: 1/12/22, 1/13/22, 1/20/22 [DPS];
Appropriations: 1/31/22, 2/4/22 [DP2S(w/o sub CWD)].

Brief Summary of Second Substitute Bill

- Requires the Washington Student Achievement Council (WSAC) to conduct a statewide marketing campaign to promote the Washington College Grant.
- Establishes a Free Application for Federal Student Aid (FAFSA) and Washington Application for State Financial Aid (WASFA) Outreach and Completion Pilot Program.
- Establishes a State Library FAFSA and WASFA Outreach Pilot Program to have certain public libraries work with community-based organizations to increase FAFSA and WASFA completion rates.
- Makes changes to the Washington College Grant program to determine a student's financial need eligibility based on whether they are receiving benefits through a public assistance program.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

- Establishes the Washington Career and College Pathways Innovation Challenge Program.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Chandler, Hansen, Hoff, Paul, Pollet and Sells.

Minority Report: Do not pass. Signed by 2 members: Representatives Kraft and Sutherland.

Staff: Megan Mulvihill (786-7304).

Background:

Financial Aid Applications.

The Free Application for Federal Student Aid (FAFSA) is the federal form that current and prospective students fill out to determine their eligibility for federal and state financial aid for attending postsecondary education institutions. The FAFSA asks a variety of questions based on federal income tax returns to determine a student's financial need, taking into account the student's dependency status, income, assets, family size, and other factors. Students without legal immigrant status are ineligible for federal financial aid. The Washington Application for State Financial Aid (WASFA) is an alternative form for students who cannot file a FAFSA, but may still be eligible for state financial aid. The WASFA is administered by the Washington Student Achievement Council (WSAC).

The Washington College Grant.

The Washington College Grant (WCG) is the state's largest financial aid program and provides grants to low-income students to pursue postsecondary education. The WCG is an entitlement program administered by the WSAC with guaranteed grants for students who qualify. To qualify, a student must:

- demonstrate financial need;
- be a state resident;
- be enrolled at a Washington higher education institution or be enrolled in an approved, registered apprenticeship program;
- file a financial aid application; and
- not already have a bachelor's degree or higher.

The WCG award amounts vary based on the institution the student attends and the student's family income. Financial need is based on the state's median family income (MFI) and the

student's family size. The WCG awards are prorated based on the student's family income level as follows:

Median Family Income	Grant Award Amount
0-55 percent of state MFI	Maximum Award
56-60 percent of state MFI	70 percent of maximum award
61-65 percent of state MFI	60 percent of maximum award
66-70 percent of state MFI	50 percent of maximum award
71-75 percent of state MFI	24.5 percent of maximum award
76-100 percent of state MFI	10 percent of maximum award

The maximum WCG award covers tuition and services and activities fees for 15 quarter credits or the equivalent at the state's public institutions. For example, the 2021-22 maximum award for students attending the University of Washington is \$11,339. For students attending private institutions, the maximum award amounts vary based on statutorily set amounts. For example, the maximum award for a student attending a private nonprofit institution is \$9,739. A student is eligible to receive the WCG for five years or up to 125 percent of the published length of the student's program.

Washington Fund for Innovation and Quality in Higher Education Program.

The Washington Fund for Innovation and Quality in Higher Education Program (WFIQ Program) was originally established as the Washington Fund for Excellence in Higher Education Program in 1991. The program was established to allow the WSAC to award incentive grants to state public or private nonprofit institutions of higher education to encourage programs designed to address specific system problems. Priority is given to proposals involving more than one sector of education, and the institutions of higher education are required to submit some financial support as part of the grant. The WFIQ Program has never been funded.

Summary of Substitute Bill:

Statewide Marketing Campaign.

Subject to appropriation, the WSAC must conduct a statewide marketing campaign to increase awareness of the WCG program. The WSAC must issue a request for proposal to hire a marketing firm to produce high-quality advertisements to promote the WCG program. Advertisements should be marketed towards potential postsecondary education students and their parents with the goal of increasing awareness of the WCG to further the state's educational attainment goals. Advertisements may include television commercials, billboards, advertisements on public transit, paid Internet search advertisements, and social media marketing.

Free Application for Federal Student Aid and Washington Application For State Financial Aid Outreach and Completion Initiative.

Subject to appropriation, the public institutions of higher education (institutions) must develop and administer a FAFSA and WASFA Outreach and Completion Initiative. The institutions must employ outreach specialists to work directly with high school students and their families for the purpose of increasing FAFSA and WASFA completion rates. It is the Legislature's intent that the outreach specialists be employed at a ratio of one outreach specialist to 600 high school seniors, with 60 percent of the outreach specialists employed by the community and technical colleges and 40 percent employed by the public four-year institutions. The outreach specialists must use FAFSA and WASFA data maintained by the WSAC to conduct targeted outreach and completion assistance. The outreach specialists must also provide information on how to access private scholarships. The outreach specialists must conduct outreach as appropriate, including virtual or in-person presentations with students and families, announcements on school intercoms and social media channels, outreach to recent high school graduates as peer messengers, and events at school college or career fairs. The institutions must report to the Legislature by December 1, 2023, on the FAFSA and WASFA Outreach and Completion Initiative. The report must include details on how the institutions used the funding and how the initiatives worked to increase FAFSA and WASFA completion rates. The FAFSA and WASFA completion data and specific details about the number of students assisted must also be included.

State Library Outreach Pilot Program.

Subject to appropriation, the State Library must administer a pilot program to distribute grants to local, public libraries to conduct community outreach to increase FAFSA and WASFA completion rates. The public libraries are required to partner with community-based organizations that are embedded in their communities, have a strong foundation of trust among the community, and are committed to working directly with individuals to assist with one-on-one FAFSA and WASFA completion and provide information on how to access private scholarships. The State Library must report to the Legislature by December 1, 2023, on the progress of the pilot project to boost FAFSA and WASFA completion rates with data on the specific number of students assisted. The pilot program expires July 1, 2024.

Washington College Grant Changes.

The WCG is modified to allow a student to either demonstrate financial need by meeting the income requirements or by the WSAC confirming the student's participation in one of the following state public assistance programs: Temporary Assistance for Needy Families; Aged, Blind, or Disabled Assistance Benefits; or Refugee Cash Assistance. The WSAC is required to enter into a data-sharing agreement with the Department of Social and Health Services to facilitate the sharing of individual-level data for the purpose of confirming eligibility through a public assistance program.

The WSAC must also issue certificates for students in grades 10, 11, and 12 whose families are receiving benefits through one of the public assistance programs. This certificate

validates the student's financial need eligibility for the WCG for one year after high school graduation upon enrollment in a higher education institution, provided the student meets the other WCG eligibility requirements. The WSAC must maintain records of which high school students received certificates as the student does not need to present the certificate to receive the WCG.

Public and private institutions of higher education participating in the WCG program must enter into data-sharing agreements with the WSAC to receive lists of individuals enrolled in the public assistance programs. The institutions must then use this information to conduct outreach directly to WCG eligible individuals.

Washington Career and College Pathways Innovation Challenge Program.

The WFIQ Account is renamed the Washington Career and College Pathways Innovation Challenge Program, and the account's permissible uses are modified to allow the WSAC to award grants under the Washington Career and College Pathways Innovation Challenge Program. The WFIQ Program is repealed.

Substitute Bill Compared to Original Bill:

The substitute bill made a number of changes. The requirement for the WSAC to send letters to individuals potentially eligible for the WCG was removed along with the community outreach grant program. The intended employment ratio for the outreach specialists was changed from one outreach specialist to 600 high school students to one outreach specialist to 600 high school seniors. The State Library Outreach program was made a pilot program with an expiration date of July 1, 2024. The reporting requirement for the pilot program was extended by one year and required to include data on the specific number of students assisted. In addition, both the outreach specialists and the pilot program are required to provide information on how to access private scholarships.

In the eligibility provisions of the WCG, it was added that the high school students in grades 10, 11, and 12 who receive certificates from WSAC meet the financial need requirements of the WCG program. The WSAC is required to maintain records of which high school students received certificates confirming financial need eligibility for the WCG and specifies that a student does not need to present the certificate in order to receive the WCG.

In addition, the WFIQ Account was added and the name was changed to the Washington Career and College Pathways Innovation Program Account. The uses of the WFIQ Account were modified to allow the WSAC to award grants under the Washington Career and College Pathways Innovation Challenge Program. Lastly, the statutes under the WFIQ Program are repealed.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available. New fiscal note requested on January 21, 2022.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Washington is always near the bottom of the 50 states for FAFSA completion rates, and the state is usually not near the bottom for anything except for major league baseball. A lot of time was spent talking to stakeholders about why FAFSA rates are so low and reaching out to individuals with experience in outreach for things like the United States Census. These strategies resemble a campaign strategy. Focus groups set up by the community and technical colleges and the WSAC revealed that only 50 percent of the people asked knew that the WCG was available and that it doesn't need to be repaid. Marketing for the WCG is extremely important because people do not know about it. A message was tested with those focus groups about increasing awareness regarding the WCG. First, the state will spend money on ads: digital ads and ads on television, Instagram, Tik Tok, and Facebook for the parents. The second strategy is a field operation based first in the high schools. The FAFSA completion data across different high school districts wavers up and down, except for one: the Seattle School District. The Seattle Promise has established a prudent methodology. The Seattle Promise has three components: it guarantees free tuition, provides equity scholarships, and most importantly for this discussion, provides student supports in the high schools. Seattle Promise uses outreach specialists embedded in the high schools to work with students at a ratio of one to 600. This proposal aims to do that statewide. The third part is the library-based strategy for people who are not in high school. Libraries have a unique position of being able to coordinate with other organizations and several are already doing FAFSA work. Individual trust in government is at an all-time low, but there are some government institutions that people do trust, like public libraries. Libraries need to coordinate with other organizations because there is certain assistance libraries cannot provide, such as around sensitive financial information. The fourth piece is pre-qualification for the WCG. If an individual gets some public assistance through a certain program, then that person would automatically qualify for the WCG. A similar program in Michigan worked incredibly well, and it actually leads to people filling out the FAFSA to get other grants. This approach helps deliver a message that says, "You are eligible for this aid, fill out this paperwork," versus "Fill out this paperwork to find out if you qualify for this aid."

This is a student-led proposal. Higher education is an equalizer, but filling out the FAFSA and paying for college is not an equal process. The WCG is beneficial because students focus on education rather than paying off student loans. Nationally, students have an average of \$39,350 in student loan debt. State financial aid can keep students in state. High school students who complete the FAFSA or WASFA are more likely to enroll in postsecondary education. The FAFSA is an intimidating, daunting form that is difficult to

complete. Research and randomized trials have proven that the form is a barrier. Many students do not think they will qualify for aid so they don't fill it out. Having an easy-to-understand application is crucial to getting people into higher education, and this bill provides support to help. Eliminating the barrier between can and cannot obtain higher education has to be a priority if the state ever wants to prepare the next generation for economic success.

(Opposed) None.

Persons Testifying: Carolyn Logue, Washington Library Association; Juliet Schindler, College Success Foundation; Amy Anderson, Association of Washington Business; Bill Lyne, United Faculty of Washington State; Joanna Pelayo; Raquel Nelson; Tegan Sims; Jacob Vigdor, University of Washington; Mara Denmon-Bailey; Choi Halladay, State Board for Community and Technical Colleges; Kurt Buttleman, Seattle College District; Jaelyn Sotelo; David Buri, Eastern Washington University; Becca Kenna-Schenk, Western Washington University; Terri Standish-Kuon, Independent Colleges of Washington; Carla Naccaratto, Washington Education Association-Association of Higher Education; Kamau Chege, Washington Community Alliance; Zackary Turner, Washington Student Association; Kate Harvey, Xochilt Lopez, Communities for Our Colleges; and Simone Boe, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on College & Workforce Development. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Staff: Kate Henry (786-7349).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On College & Workforce Development:

The second substitute bill makes the following changes:

- modifies the FAFSA and WASFA Outreach and Completion Initiative to a pilot program administered by the State Board for Community and Technical Colleges (SBCTC);

- requires the SBCTC to select community or technical colleges to participate in the FAFSA and WASFA Outreach and Completion Pilot Program that are located within educational service districts that are in the bottom two for FAFSA completion rates when combining their respective school districts' FAFSA completion rates over the past three completed academic years prior to the effective date of the bill;
- specifies that the colleges selected to participate in the FAFSA and WASFA Outreach and Completion Pilot Program must employ outreach specialists to work directly with high school located in the corresponding educational service district;
- limits the State Library Grant Pilot Program to only those public libraries located within educational service districts that are in the bottom two for FAFSA completion rates when combining their respective school districts' FAFSA completion rates over the past three completed academic years prior to the effective date of the bill;
- removes the expiration date on the State Library Grant Pilot Program and makes the report an annual report;
- removes the Temporary Assistance for Needy Families and the Refugee Cash Assistance programs from the list of public assistance programs that the WSAC may use to confirm income eligibility for the WCG and adds the Essential Needs and Housing Support and Pregnant Women Assistance programs to the list;
- amends RCW 74.04.060 regarding the protection of public assistance program applicant and recipient records to permit the Department of Social and Health Services (DSHS) to release individual-level data of state funded public assistance programs to the WSAC for the purpose of confirming WCG income eligibility;
- requires the WSAC to collaborate with the DSHS to facilitate individual-level outreach to individuals receiving benefits through public assistance programs to inform those individuals of their eligibility for the WCG;
- establishes the Washington Career and College Pathways Innovation Challenge Program to allow the WSAC to award competitive grants to local and regional partnerships to increase educational attainment and to report to the Legislature each September 1 on the grants awarded; and
- adds a null and void clause, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) The state's FAFSA rate is horrifying as Washington ranks near the bottom every year. The idea is to increase rates by using strategies similar to running a campaign. The state's approach to FAFSA has been to leave it up to fate and that has not been

working. Washington students leave over \$50 million dollars in unclaimed federal aid on the table by not filling out the FAFSA. This year, only 29 percent of students have filled out the FAFSA so far, which is 10 percent below last year. First generation students often do not know the FAFSA or the WCG exist. Enrollment is also in decline, especially over the last two years. Washington businesses are finding it difficult to hire a skilled and trained workforce, which is necessary for the economy to grow. The state needs an aggressive, comprehensive, and extensive outreach program to get students back in college.

The FAFSA allows students to achieve upward mobility and surpass the education level of their parents. It is a wonderful opportunity to get grants to afford school. A high school counselor talked about the FAFSA for 10 minutes, and the message was that this is a complicated form that parents and the student have to fill out for an unknown amount of aid. Every high school should have access to a qualified professional to assist and educate them about how to fill out the FAFSA. This will empower marginalized students and immigrants by informing them about how much financial aid they can get. This gives hope that postsecondary education is possible and achievable.

The high school program is modeled around a successful program in Seattle, and other modes of outreach to target a broad array of citizens, including non-high school populations. When students receive grants, they can prioritize learning rather than paying off student loans. Approximately 43 million students are in debt an average of \$39,351 each. Forty percent of black graduates have student loan debt while 20.2 percent of white graduates have debt. It is important that benefits reflect the state's demographics.

(Opposed) None.

Persons Testifying: Representative Drew Hansen, prime sponsor; Taylor Provence; Zackary Turner, Washington Student Association; Joseph Gabriel Burke and Evelyn Roehn, Associated Students of Central Washington University; Choi Halladay, State Board for Community and Technical Colleges; Tegan Sims; Raquel Nelson; Mara Denmon-Bailey; Evans Kaame, Communities for Our Colleges Coalition and Washington Student Association; Shaheer Abbasi; and Amy Anderson, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.