

SENATE BILL REPORT

SB 5402

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 6, 2025

Title: An act relating to modifying financial aid eligibility.

Brief Description: Modifying financial aid eligibility.

Sponsors: Senators Hansen, Chapman, Conway, Dhingra, Hasegawa, Liias, Lovelett, Lovick, Nobles, Riccelli, Shewmake, Slatter, Valdez and Wilson, C..

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/30/25, 2/06/25 [DPS-WM].

Brief Summary of First Substitute Bill

- Increases eligibility for the maximum Washington College Grant (WCG) award up to 70 percent of median family income.
- Modifies WCG awards for students between 71 and 100 percent of median family income.
- Entitles WCG students who are receiving the maximum WCG award, but who are not College Bound Scholarship recipients, to a Bridge Grant, for expenses beyond tuition and fees.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5402 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nobles, Chair; Hansen, Vice Chair; Warnick, Ranking Member; Boehnke and Slatter.

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.

Staff: Kellee Gunn (786-7429)

Background: Washington College Grant. The State Need Grant was renamed in 2019 to the Washington College Grant (WCG). The WCG is the state's largest financial aid program and provides awards to low-income students to pursue postsecondary education. The WCG is an entitlement program with guaranteed awards for those students who qualify. The amount of the award varies based on the institution and the student's family income. An eligible student may receive a WCG for six years or up to 150 percent of the published length of the student's program. Part-time students receive prorated awards. Since 2022, those with a median family income (MFI) of up to 65 percent have been eligible to receive the maximum college grant through the operating budget.

Bridge Grant. The 2022 supplemental operating budget and the 2023-25 biennial budget state provided funding for a Bridge Grant (Grant) of \$500 for WCG recipients receiving the maximum award. A student is eligible for the Grant if the student receives the maximum WCG award and does not receive the College Bound Scholarship. The Grant is an annual grant awarded in addition to the WCG to provide supplementary financial support to low-income students to cover higher education expenses beyond tuition and fees, such as books, lab fees, supplies, technology, transportation, housing, and childcare.

Summary of Bill (First Substitute): Washington College Grant. The following income eligibility thresholds and award amounts apply to the WCG:

Median Family Income	Award Amount
0-70 percent of state MFI	maximum award
71-80 percent of state MFI	50 percent of maximum award
81-90 percent of state MFI	25 percent of maximum award
91-100 percent of state MFI	10 percent of maximum award

Bridge Grants. Grants are \$500 annual funds provided in addition to the WCG to provide supplementary financial support to low-income students to cover higher education expenses beyond tuition and fees.

WCG recipients who are receiving a maximum WCG award are also entitled to receive a Grant, except those who are also College Bound Scholarship recipients.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute):

- Updates the definition of Bridge Grant to mean annual grant, rather than stipend.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The WCG is the most equity-focused grant program in the country. This work is not yet finished. Students say the number one concern in pursuing higher education is affordability. Washington's colleges are facing enrollment declines. While colleges are beginning to recover, they are not where they were prior to the pandemic. This last year 50 percent of EWU's undergrads received WCG, compared to 26 percent who received the SNG a decade ago.

Increasing the MFI for WCG, will allow more people to qualify. This will close funding gaps that students face and allow more students to participate in higher education. This will ease financial burdens on students as they will not need to take out as much in loans. Financial barriers should not prevent students from attending college. The return of investment for financial aid is significant. This will safeguard the future of education and workforce.

As a first-generation student, the Washington College Grant has been crucial in helping me be the first person in my family to earn a degree. Through my experience, when students can afford basic supplies, they can focus on finishing school. This will help more students make their dreams and their family's dreams reality.

I will be graduating this spring from high school and will be going to college. The WCG is the only way I will be able to go to college.

My second year, on my journey to become the first one in my family to go to college, I became homeless. I was able to get the financial support through my college. Many thanks to the WCG. This is a lifeline. This is a difference between dropping out and getting a degree. The WCG changed my life.

I am a sophomore at CWU. I came to this country as a refugee from Iraq. We cannot achieve our dreams and serve our community if we do not have the ability to work. Without WCG, I would not be able to achieve my American dream.

The WCG has a benefit cliff. If a parent's income goes up, all of a sudden a student may lose a large amount of aid. I would recommend the cliffs be less between the different MFIs.

Persons Testifying: PRO: Senator Drew Hansen, Prime Sponsor; Bailey Medilo, The Washington Bus; Jacob Vigdor, University of Washington Faculty/COF; Sam Ligon,

Eastern Washington University Faculty/COF; Isela Bonilla, Washington Student Association; Jessica Perez, State Board for Community and Technical Colleges; Bill Lyne, United Faculty of Washington State; Bernadette Jungblut, Faculty Legislative Representative for Central Washington University; Cheryl (Cher) Aguilar Henriquez; Khanh Pham, Washington State Board of Community and Technical Colleges; Diego Gonzalez; Evelyn Aguiar; Jaimee Mosey, Olympic College; Eon Hu, Olympic College; Aniya Clark, Olympic College; Taylee Owensby, Olympic college; Sean Behl, Associated Students of the University of Washington and the Washington Student Association; Alec Acosta-Vega, CWU-Student; Mahmood Alkhazraji, cwu student LD13.

Persons Signed In To Testify But Not Testifying: No one.