

HOUSE BILL REPORT

HB 2820

As Reported by House Committee On: Higher Education

Title: An act relating to establishing the Washington promise program, which provides for universal and affordable access to community and technical colleges.

Brief Description: Establishing the Washington promise program, which provides for universal and affordable access to community and technical colleges for all Washingtonians.

Sponsors: Representatives Pollet, Zeiger, Sells, Tarleton, Ortiz-Self, Ormsby, S. Hunt, Frame, Bergquist, Reykdal, Robinson, Fitzgibbon, McBride, Kilduff, Morris, Stanford, Walkinshaw, Farrell, Hudgins, Hickel, Goodman and Santos.

Brief History:

Committee Activity:

Higher Education: 2/3/16, 2/5/16 [DPS].

Brief Summary of Substitute Bill

- Creates the Washington Promise Program (Promise) to provide free community or technical college (CTC) tuition and fees to eligible students enrolled in an eligible program.
- Establishes that students eligible for the promise include those who are Washington residents, have not previously earned an associate degree; are admitted to an eligible degree or certificate program at a CTC; complete the Free Application for Federal Student Aid or the Washington Application for State Financial Aid each year of eligibility; and maintain a 2.0 grade point average after the student's first 45 credits.
- Creates a three-step phase-in for the program based on when a person received a high school diploma, or equivalent, and family income.
- Establishes that students become ineligible for the promise once they earn an associate degree or credential, earn 120 credits, or four calendar years pass since the student first began receiving benefits.
- Provides a cost of attendance stipend of \$1,500 for students who have a family income that does not exceed 70 percent of the state median family income.

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

- Requires a report to the Legislature by the State Board for Community and Technical Colleges (State Board) and a program evaluation by the Washington State Institute for Public Policy.
- Requires the State Board to develop a plan to offer all Promise students a student success course before or during their first enrollment period and to implement the plan by the 2018-19 academic year.
- Requires the Caseload Forecast Council to forecast the number of eligible students expected to attend a CTC.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hansen, Chair; Pollet, Vice Chair; Bergquist, Frame, Reykdal, Sells and Tarleton.

Minority Report: Do not pass. Signed by 5 members: Representatives Zeiger, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Hargrove, Stambaugh and Van Werven.

Minority Report: Without recommendation. Signed by 1 member: Representative Holy.

Staff: Megan Mulvihill (786-7304).

Background:

The Tennessee Promise.

Proposals offering free tuition are often referred to as Promise Programs. Tennessee was the first state to pass such a program with the Tennessee Promise. The program offers free tuition and mandatory fees for Tennessee high school graduates who enroll full time in a qualifying institution of higher education for the fall term following graduation, or prior to 19 years of age if the student received a General Education Development (GED) certificate or its equivalent. To be eligible for the program, the student must maintain a 2.0 grade point average (GPA), fill out the Free Application for Federal Student Aid (FAFSA), complete eight hours of community service prior to the start of each term, and attend required orientation and meetings with mentors. The students become ineligible once they receive a high school diploma, an associate's degree, or have been enrolled in the program for 2.5 years. In the program's first year, over 58,000 students applied.

The Oregon Promise.

The Oregon Promise passed in 2015, which provides free community and technical college tuition to recent Oregon high school graduates and those who earned a GED certificate or its equivalent within six months of leaving high school. To be eligible, the student must have maintained a 2.5 GPA in high school and cannot have a postsecondary degree or completed 90 credit hours of postsecondary coursework. The students also needs to fill out a FAFSA and maintain a 2.5 GPA during each term the student is enrolled in the program. In addition, each student must pay \$50 of tuition each term. The Oregon Promise is a last-dollar

program, which means that any other grant aid the student receives, such as the federal PELL grant, is applied first and the state covers any remaining tuition balance. However, the minimum grant each eligible student receives is \$1,000. Oregon expects 4,000 to 6,000 students to benefit from the program in the first year.

Summary of Substitute Bill:

The Office of Student Financial Assistance (Office) must administer the Washington Promise Program (Promise) for resident students seeking an associate's degree or certificate from a community or technical college. To be eligible for the promise, the student must:

- be a resident;
- not previously earned an associate degree;
- be admitted to an eligible degree or certificate program at a community or technical college; and
- complete either the FAFSA or the Washington Application for State Financial Aid each academic year in which the student seeks eligibility.

An eligible degree or certificate program is an associate degree, academic program with credits that can fully transfer via an articulation agreement toward a baccalaureate degree or postbaccalaureate degree at an institution of higher education, or a professional and technical program that leads to a recognized postsecondary credential.

For those eligible students, the program is phased in as follows:

- For the 2017-18 academic year, eligible students must have graduated from high school within the past six calendar months and have a family income that does not exceed 70 percent of the state median family income (MFI).
- For the 2018-19 academic year, eligible students must have obtained a high school diploma or its equivalent within the past 16 calendar months.
- For the 2020-21 academic year, eligible students must have obtained a high school diploma or its equivalent.

To remain eligible for the promise, a student needs to maintain a cumulative GPA of 2.0 after he or she earns 45 credits. A student remains eligible for the Promise until he or she either earn an associate degree or credential, or earns 120 credits, or four calendar years pass since the student first began to receive benefits under the promise.

Students who qualify for the Promise must receive an grant for an amount up to the cost of tuition and fees, and services and activities fees, less all other gift aid the student receives. For students who have a family income that does not exceed 70 percent of the state MFI, the student must receive a stipend of up to \$1,500 for books and other higher education expenses. If a student enrolls at less than full-time status, the stipend must be pro rated based on the number of credits the student is enrolled in. The Promise must not result in a reduction of gift aid.

The State Board for Community and Technical Colleges (State Board) must report to the appropriate policy and fiscal committees of the Legislature by December 1, 2016, and each December 1 thereafter on the impacts of the Promise. The report must include:

- student enrollment in eligible degree or certificate programs;
- student completion rates of credits, certificates, and degrees;
- the cost of implementation, including the cost per student;
- additional resources used to meet student needs, such as counseling, precollege courses, child care, or transportation; and
- the number of students receiving wraparound services, the number of schools providing wraparound services, and the resources needed to provide wraparound services.

The State Board must develop a plan to provide all promise students with a quarter-long student success course, during or before their first enrollment period, that teaches essential skills for college success. The State Board must provide the plan to the relevant committees of the Legislature by December 1, 2017, and begin implementation of the plan for the 2018-19 academic year.

The Washington State Institute for Public Policy (WSIPP) must conduct a study on the effectiveness of the Promise. The analysis must include: changes in enrollments across the higher education system; changes in student completion and time-to-degree rates; any change in need or delivery of student services; and the fiscal impact of the program on students, community or technical colleges, and the state. The report is due to the Legislature by December 1, 2020.

The Caseload Forecast Council is required to estimate the anticipated caseload of the promise and report the forecast.

A null and void clause is included.

Substitute Bill Compared to Original Bill:

The eligibility requirement was changed so that only those who do not already have an associate degree qualify, rather than those who do not already have at least a bachelor's degree. In addition, the eligibility for the program changes based on a phase-in of the program. For the 2017-18 academic year, eligible students must have graduated from high school within the past six calendar months and have a family income that does not exceed 70 percent of the state MFI. For the 2018-19 academic year, eligible students must have obtained a high school diploma or equivalent within the past 16 calendar months. Lastly, the program is expanded in the 2020-21 academic year, to anyone who has obtained a high school diploma or its equivalent.

The grant award language was modified to clarify that all eligible students receive a grant award to cover tuition and fees and services and activities fees, minus any gift aid received, and students with a family income below 70 percent of the state MFI also receive the \$1,500 cost of attendance stipend.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2016. A null and void clause was added.

Staff Summary of Public Testimony:

(In support) This is a bold vision for encouraging access and affordability. Removing the financial barrier is effective, and this is a clear and immediate pathway for students. A clear message provides hope, and when students do not have to focus on finances, they can focus on academics. This is a historic move forward. It has been 60 years since a move beyond twelfth grade requirements. This creates a conversation about what level of education is needed for good citizenship, the economy, and the good will of the students in Washington. In Washington, 67 percent of jobs in 2018 will require a credential or bachelor's degree. This is disturbing because Washington has one of the lowest college going rates. Students would not have to choose between living expenses and tuition, especially with how easy it is to go to work versus college. This proposal can increase retention and help students trapped in intergenerational poverty.

Free community college is a researched and data-proven way to increase high school graduation and college enrollment. There are three states that have begun offering a promise program in multiple cities. The Tennessee Promise found that 75 percent of the students who took advantage were first-generation students. The tuition freeze did not increase college enrollment, but free tuition can. South Seattle College offers the Thirteenth Year Promise Scholarship to students from three local high schools. The program has been very effective for getting first-generation kids to go to college, and more of the Thirteenth Year Promise students return the second year and complete compared to others.

The college success course is research driven, and there are multiple, effective examples. It is important to offer students with counseling and student learning skills in a cohort setting. The financial stipend for low-income students is also appreciated.

The state should be applauded for looking at innovative ways to increase higher education access, but first funding should be available for K-12 and other state financial aid programs, like the State Need Grant (SNG). At a minimum, free community and technical college tuition should be provided for unfunded SNG students.

(Opposed)

(Other) Washington needs more certificate and associate degrees to meet workforce needs, and there are a number of aspects of the proposal which are appreciated. The WSIPP study is appreciated, especially since there is no long-term data available on the promise programs in Tennessee and Oregon. There is no evidence that these programs will endure. How will this program affect the four years? It is important to note that enrollment at Tennessee's four-year institutions declined during the first year of their promise program. There is also no consistency in tuition policy, as just last year the Legislature reduced tuition and

implemented a new tuition policy. The priority should be on College Bound Scholarship and SNG students. The state also needs to focus on the entire cradle to career pipeline.

Persons Testifying: (In support) Representative Pollet, prime sponsor; Marty Brown, State Board Community and Technical Colleges; Heidi Bennett, Washington State Parent Teacher Association; Warren Brown and Faline Jett, North Seattle College; Stuart Halsan, Centralia College; Ed Parks and Monica Elenes, South Seattle College; and Rachelle Sharpe, Washington Student Achievement Council.

(Other) Paul Francis, Counsel of Presidents; and Juliette Schindler, College Success Foundation.

Persons Signed In To Testify But Not Testifying: None.