

HOUSE BILL REPORT

HB 1840

As Reported by House Committee On:
Higher Education

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

Brief Description: Establishing the Washington promise program.

Sponsors: Representatives Pollet, Frame, Springer, Orwall, Fitzgibbon, Ryu, Bergquist, Stanford, Tarleton, Goodman, Kilduff, Farrell, Fey, Haler, Slatter and Santos.

Brief History:

Committee Activity:

Higher Education: 2/8/17, 2/15/17 [DPS].

Brief Summary of Substitute Bill

- Establishes the Washington Promise Program (Promise) to provide free community and technical college tuition and fees to eligible students.
- Creates a four-step phase-in for the Promise based on when a student obtained a high school diploma, or equivalent, and their family income level.
- Provides a \$500 cost of attendance stipend for students who have a family income that does not exceed 70 percent of the state median family income.
- Requires the State Board for Community and Technical Colleges (State Board) to develop a plan to offer all Promise students a student success course and to implement the plan by the 2019-20 academic year.
- Requires the Caseload Forecast Council to forecast the number of eligible students for the Promise.
- Requires a study of the Promise by the Student Achievement Council, in collaboration with the State Board.

HOUSE COMMITTEE ON HIGHER EDUCATION

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.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Hansen, Chair; Pollet, Vice Chair; Orwall, Sells and Tarleton.

Minority Report: Do not pass. Signed by 3 members: Representatives Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Stambaugh.

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

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 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 student becomes ineligible once they receive a diploma, an associate's degree, or have been enrolled in the program for 2.5 years. Since implementation of the program, first-time freshman enrollment at technical colleges increased by 32 percent and 30 percent at community colleges. For 2016-17, the program cost \$25.3 million, with an average award of \$1,090 per student. The Tennessee Promise is funded by the state's lottery.

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 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 post secondary degree or have completed 90 credit hours of post secondary coursework. The student must also 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 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. In the first year, there were just under 6,000 students receiving an award.

Summary of Substitute Bill:

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

- be a resident;
- not have an associate's degree;
- be admitted to an eligible degree program 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's degree, academic programs with credits that can fully transfer via an articulation agreement toward a baccalaureate degree or postbaccalaureate degree, or a professional and technical program that leads to a recognized post secondary credential.

The Promise is implemented in phases as follows:

- For the 2018-19 and 2019-20 academic years, students may receive an award for a free thirteenth year, or three academic quarters, if they: (1) have graduated high school within the past six calendar months before enrolling in a CTC; and (2) have a family income that does not exceed 70 percent of the state median family income (MFI), adjusted for family size.
- For the 2020-21 academic year, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent within the past six calendar months before enrolling in a CTC; and (2) have a family income that does not exceed 70 percent of the state MFI, adjusted for family size.
- For the 2021-22 and 2022-23 academic years, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent within the past 16 calendar months before enrolling in a CTC; and (2) have a family income that does not exceed the state MFI, adjusted for family size.
- Beginning with the 2023-24 academic year, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent; and (2) have a family income that does not exceed that state MFI, adjusted for family size.

To remain eligible for the Promise, a student needs to maintain a cumulative GPA of 2.0 after he or she earns 45 credits.

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

The State Board for Community and Technical Colleges (State Board) must report to the Legislature by December 1, 2019, 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 for 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 Legislature by December 1, 2018, and begin implementation of the plan for the 2019-20 academic year.

The Student Achievement Council, in collaboration with the State Board, 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 the demand of student services; and the fiscal impact of the Promise on students. The report is due to the Legislature by December 1, 2023.

If the Legislature does not appropriate enough funding to support the statewide implementation of the first phase of the Promise in full, then the State Board must use the appropriation provided to give matching grants to the CTC districts to implement the free thirteenth year. The CTC districts must partner with local governments and private entities to secure matching funding for the free thirteenth year, and the State Board must determine criteria for the grants, prioritizing grants for at risk-students and programs with funding partners.

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

Substitute Bill Compared to Original Bill:

The stipend provided to students whose family incomes do not exceed 70 percent of state MFI was reduced from \$1,500 to \$500 per year. The entity responsible for conducting the study on the Promise was changed from the Washington State Institute for Public Policy to the Student Achievement Council, in collaboration with the State Board. In addition, there were some changes made to the requirements of the study, such as only requiring a fiscal impact study on students. Lastly, it was clarified that if the Legislature does not appropriate enough funding to implement the first phase of the Promise in full, then the State Board must use the appropriation received to provide matching grants to implement the free thirteenth year.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2017.

Staff Summary of Public Testimony:

(In support) There are 740,000 jobs that need to be filled. A 2012 report showed that most jobs that recovered after the recession required some college, as do most jobs now. The Promise would increase post secondary credentials and even increase high school graduation rates, which aligns with the state's educational attainment goals. A simple message can change behavior, as the state has seen with the College Bound Scholarship (CBS). Students often miss out on the CBS though because they did not sign up in the seventh grade. This would fulfill that promise of financial aid to go to college. The Promise interlinks graduation from high school and access to college. This is a huge step forward to making college more affordable. Initially the Promise provides one year of free college and later expands it to two years. This would bring hope to many students who thought they did not have any opportunities.

Research and current programs show that there is a tipping point. One year of college means an individual is more likely to complete a certificate or degree and earn more money over their lifetime. The thirteenth year programs in Seattle are a great example of this. These programs saw a triple increase in enrollments from the high schools that qualified, and the students are completing at double the rate of others.

Washington state can do better, and students should not have to choose between survival and college. Many of these students are working poor who may make a little too much to qualify for aid, but not enough to pay for college. The Promise could help keep students from dropping out, and it would reduce the burden of student loan debt. A program like this is an investment in people and is not considered a handout. College provides social mobility, and gives people the tools they need to become better citizens. This should be available to the population as a whole. An educated, debt-free population is a strong population that produces a strong economy.

However, the state would not just open the door to college, but also ensure students have the tools necessary to succeed. Every Promise recipient would be enrolled in a student success program to increase student completion and retention.

The state can integrate funding sources, leverage funding sources, and amplify funding sources, which is the unique role of the state. In Oregon, they amplified the role of the FAFSA, and Oregon had the largest increase in the country of students that applied for the FAFSA. A fully funded State Need Grant program would reduce the cost to this program as a last dollar program.

It is appreciated that the bill provides a path for undocumented students. It is also recognized that the textbook stipend could be lowered to make the Promise more affordable.

(Opposed) None.

(Other) The community and technical colleges represent a large proportion of students at the four-year institutions. The state already supports low-income students with the State Need Grant and CBS, and it would be preferred if the state would provide stable, predictable funding for these programs. The Legislature should also consider whether the message of free community college confuses the work of the CBS or persuades students to enter community and technical colleges over the four-year institutions. While the bill provides tuition support, students also depend on many other factors, like advising and mentoring.

Persons Testifying: (In support) Representative Pollet, prime sponsor; Marc Webster, Washington Student Achievement Council; Marty Brown, State Board for Community and Technical Colleges; Angelina Nichols, Maya Sackett, Ruben De Leon, Warren Brown, and Monica Romero, North Seattle College; Gary Oertli, Krisna Mandujano, and Monica Elenes, South Seattle College; and Anna Nepomuceno, Associated Students of the University of Washington–Tacoma.

(Other) Cody Eccles, Council of Presidents.

Persons Signed In To Testify But Not Testifying: None.