

HOUSE BILL REPORT

SB 5197

As Reported by House Committee On:
Housing, Community Development & Veterans
Appropriations

Title: An act relating to the Washington national guard postsecondary education grant program.

Brief Description: Concerning the Washington national guard postsecondary education grant program.

Sponsors: Senators Hobbs, Zeiger, Wagoner, Short, Bailey, Hunt, Fortunato and Keiser; by request of Military Department.

Brief History:

Committee Activity:

Housing, Community Development & Veterans: 3/22/19, 3/26/19 [DP], 2/21/20, 2/25/20 [DP];
Appropriations: 2/29/20, 3/2/20 [DP].

Brief Summary of Bill

- Renames the Washington State National Guard Conditional Scholarship Program the "Washington National Guard Postsecondary Grant Program" (Grant Program).
- Transfers the Grant Program administrative functions from the Office of the Adjutant General to the Office of Student Financial Assistance (Office).
- Establishes additional eligibility requirements for Grant Program participants.
- Requires the Office to establish rules addressing the terms of repayment of grants from the Grant Program.

HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

Majority Report: Do pass. Signed by 8 members: Representatives Ryu, Chair; Morgan, Vice Chair; Jenkin, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Frame, Johnson, J., Leavitt and Ramel.

Staff: Cassie Jones (786-7303).

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.

Background:

National Guard Conditional Scholarship Program.

The Washington State National Guard Conditional Scholarship Program (Program), administered by the Office of the Adjutant General of the Washington State Military Department (Military Department), provides conditional scholarships to eligible students who are enlisted members, or officers of the rank of captain or below in the Washington National Guard (Guard). The duties of the Adjutant General's Office in administering the Program include, but are not limited to, the following:

- selecting eligible students to receive conditional scholarships;
- awarding conditional scholarships, the annual amount of which may vary, but may not exceed the annual cost of undergraduate tuition fees and services activities at the University of Washington plus an allowance for books and supplies;
- adopting rules and guidelines;
- adopting selection criteria which may include, but are not limited to: satisfactory progress, minimum grade point average, enrollment in courses leading to a baccalaureate degree, associate degree, or certificate, and satisfactory participation in the Guard;
- notifying participants of their additional service obligation or required repayment of the conditional scholarship; and
- collecting repayments from participants who do not meet the eligibility criteria or service obligations.

Conditional scholarships are given to participants in the form of a loan that is forgiven in whole or in part if the recipient completes the requisite service as a member of the Guard. Participants in the Program incur an obligation to repay the conditional scholarship, with interest, unless they serve in the Guard for one additional year for each year of conditional scholarship received. Participants in the Program are required to attend an approved institution of higher education that is located in Washington.

If a participant in the Program elects to repay the conditional scholarship, the repayment period must be four years and the interest rate must be 8 percent per year. Payments accrue quarterly, commencing nine months from the date that the participant leaves the Guard or withdraws from the institution of higher education, whichever comes first.

Office of Student Financial Assistance.

The Office of Student Financial Assistance (Office), within the Washington Student Achievement Council (WSAC), administers state and federal financial aid and other education service programs, including the State Need Grant and College Bound Scholarship. The WSAC is the agency responsible for strategic planning, oversight, and advocacy regarding higher education in Washington.

Summary of Bill:

The Washington State National Guard Conditional Scholarship Program is renamed "Washington National Guard Postsecondary Grant Program" (Grant Program) and

administration of the Grant Program is transferred from the Office of the Adjutant General to the Office.

Under the Grant Program, an eligible student must meet the following additional requirements:

- has not yet achieved a baccalaureate or higher degree from any postsecondary institution;
- is an active drilling member in good standing in the Guard;
- has completed and submitted an application for student aid approved by the Office;
- is a resident student; and
- agrees to fulfill his or her service obligation.

The Office is required to select eligible students to receive grants under the Grant Program with assistance from the Military Department. The following additional criteria are created regarding the selection of eligible students:

- An eligible student may receive a grant to help pay for postsecondary education program costs as approved by the Office. Awards must be valued at the difference between the student's tuition and the required fees, less the value of any federal and state-funded assistance the student receives, and \$500 for books and materials.
- The Military Department must ensure that data needed to identify eligible recipients are promptly transmitted to the Office.
- Grant Program eligibility may not extend beyond five years or 125 percent of the published length of the program in which the student is enrolled.

The Office is required to adopt rules addressing the terms for repayment of grants, including applicable interest rates, fees, and deferments for Grant Program participants who do not complete their Guard service obligations. Existing requirements for the terms of repayment of conditional scholarships are eliminated.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The Guard is struggling with recruitment and retention. If this continues, the Pentagon may remove units from the Guard and this would be bad for Washington, since it would lessen our state's ability to fight fires and floods. This bill is already funded and has been voted upon before. This will help many soldiers complete their education and further their careers.

The Guard's personnel numbers are the lowest they have been in years and there are currently 700 vacancies. This hurts the Guard's ability to provide lifesaving services to communities

facing a disaster. The Guard is competing against private employers and Oregon's National Guard, entities that provide tuition assistance. Thirty-nine other states already offer tuition assistance. This bill will help recruiting by making the Guard a reasonable option for more people. It will also increase diversity in the Guard's ranks. It will also help increase retention and promote a skilled workforce. This bill will allow recruiters to get people started on their education right away upon joining the Guard.

Many guardsmen experience difficulty balancing the competing priorities of civilian work, guard duties, personal commitments, and higher education. The conditional scholarship program does not work for everyone due to the reimbursement factor. Tuition assistance programs are more effective for recruiting and retention because they help to make higher education more affordable and attainable.

(Opposed) None.

Persons Testifying: Senator Hobbs, prime sponsor; Kristin Derda, Washington National Guard; Robert Sweeney, National Guard Association of Washington; Naziroh Brockman, Washington Air National Guard; Steve DuPont, Central Washington University; and Matthew Sutherland, Washington State University Graduate and Professional Student Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

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

Staff: Kate Henry (786-7349).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Housing, Community Development & Veterans:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The National Guard is facing a challenge to recruit and retain individuals for the Washington National Guard. There are currently over 700 vacancies in the Army National Guard. Thirty-nine other states currently offer tuition assistance, including Washington's border states. The passage of this bill would greatly assist the Washington National Guard in order to compete with other guard units. Continued support of the National Guard as a pathway to higher education, especially with the passage of House Bill 1201, is appreciated. The budget does not include full funding; the request from the Washington Military Department is for a total of \$1.5 million.

(Opposed) None.

Persons Testifying: Nancy Bickford, Washington Military Department; and Robert Sweeney, National Guard Association of Washington.

Persons Signed In To Testify But Not Testifying: None.