

# HOUSE BILL REPORT

## HB 2309

---

---

**As Reported by House Committee On:**  
Postsecondary Education & Workforce

**Title:** An act relating to establishing the Washington 13 free guarantee, which provides free access to community and technical colleges.

**Brief Description:** Establishing the Washington 13 free guarantee.

**Sponsors:** Representatives Bergquist, Ybarra, Reed, Waters, Pollet, McEntire, Paul, Slatter, Entenman, Santos, Ramel, Riccelli, Timmons and Callan.

**Brief History:**

**Committee Activity:**

Postsecondary Education & Workforce: 1/23/24, 1/30/24 [DPS].

**Brief Summary of Substitute Bill**

- Creates the Washington 13 Free Guarantee to provide up to 45 credits of tuition-free community or technical college to eligible students regardless of income.

---

### HOUSE COMMITTEE ON POSTSECONDARY EDUCATION & WORKFORCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Slatter, Chair; Entenman, Vice Chair; Reed, Vice Chair; Ybarra, Ranking Minority Member; Waters, Assistant Ranking Minority Member; Leavitt, McEntire, Nance, Paul, Pollet and Timmons.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Chandler and Jacobsen.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Klicker and Schmidt.

---

*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:** Saranda Ross (786-7068).

## **Background:**

### Guaranteed Education Tuition.

The Guaranteed Education Tuition Program (GET), also known as the Washington Advanced College Tuition Payment Program, is Washington's 529 prepaid college tuition plan, which was established in 1998. As a prepaid tuition program, GET has a participant payout structure tied to in-state tuition rather than market-based investment returns. The GET account values are measured in units. An individual can purchase a GET unit at a set price with a state-backed guarantee that the unit will be worth the same amount of tuition in the future, regardless of the actual price of tuition. Historically, 100 GET units have equaled one year of resident undergraduate tuition and state-mandated fees at the state's highest-priced public university. A GET account can be used at nearly any public or private college in the country. A GET account holder can buy between one and 800 units per beneficiary, and the account benefits from tax-free growth and withdrawals.

The GET program is administered by the Committee on Advanced Tuition Payment and College Savings and Washington Student Achievement Council (WSAC) staff. The committee is comprised of the State Treasurer, the Director of the Office of Financial Management, the Executive Director of the WSAC, and two citizen members. The GET fund is managed by the Washington State Investment Board. The committee is responsible for setting the GET unit price annually. Each year, the State Actuary provides an actuarial analysis to assist the committee in adopting the annual GET unit price. For the 2023-24 enrollment period, the committee adopted a unit price of \$119.

The payout value of a GET unit represents one one-hundredth of the actual resident, undergraduate tuition and state-mandated fees at Washington's most expensive public university. The 2023-24 GET unit payout is \$120.16 based on an annual tuition cost of \$12,016. As of June 30, 2023, the present value of future obligations to the GET program was \$1.2 billion and the present value of the fund was \$1.7 billion. The program was 148 percent funded as of June 30, 2023.

### Office of Student Financial Assistance.

The Office of Student Financial Assistance (Office) operates within the WSAC. The Office administers state and federal financial aid and other education service programs.

### Financial Aid Applications.

The Free Application for Federal Student Aid (FAFSA) is a federal financial aid application used to determine a student's eligibility for federal financial aid. The Washington Application for State Financial Aid (WASFA) is used by students who do not fill out a FAFSA, which includes undocumented students or those who do not qualify due to immigration status. The WASFA is used to qualify such students for state financial aid.

### High School and Beyond Plan.

Each high school student must complete a High School and Beyond Plan (HSBP). The purpose of the HSBP is to guide the student's high school experience and inform course taking that is aligned with the student's goals for education or training and career after high school. School districts are encouraged to involve parents and guardians in the process of developing and updating the HSBP, and the HSBP must be provided to the students' parents or guardians in their native language if that language is one of the two most frequently spoken non-English languages of students in the district.

### Caseload Forecast Council.

The Caseload Forecast Council (Council) is charged with forecasting the entitlement caseloads, and other caseloads, for the State of Washington. The Council meets several times a year to adopt official forecasts that are the basis of the Governor's proposed budget and used by the Legislature in the development of the omnibus biennial appropriations act.

---

### **Summary of Substitute Bill:**

The Washington 13 Free Guarantee (Guarantee) is established to provide up to 45 credits of tuition-free community or technical college, to be earned within two academic years, to eligible students regardless of income. The Office administers the Guarantee and awards grants, which is the difference between the student's tuition and services and activities fees, less the value of any state-funded grant, scholarship, gift aid, or waiver assistance.

To be eligible, students must meet the following requirements:

- have graduated from a public high school in the state or earned a high school equivalency certificate;
- within the same or immediately preceding academic year from graduating high school or earning a high school equivalency certificate, enroll in an eligible degree or certificate program at least part time at a community or technical college that serves the high school district from which the student graduated or district of the grantor of the high school equivalency certificate;
- not have previously earned an associate's degree;
- complete the FAFSA or the WASFA for the academic year in which they seek eligibility for the Guarantee;
- maintain satisfactory academic progress; and
- be a resident student.

Eligible certificate or degree programs include: an associate degree program, academic programs with credits that can fully transfer via an articulation agreement toward a baccalaureate degree or postbaccalaureate degree at an institution of higher education, professional and technical programs that lead to a recognized postsecondary credential, or apprenticeship programs established by law and conducted in association with any community or technical college.

The amount of \$300 million must be allocated from the GET program fund account, but only if the actuarial funded status remains at or above 120 percent. Funding must be used solely for providing recipients with family incomes at or between 65 to 140 percent of the state median family income (MFI) with Guarantee awards and \$500 cost of attendance stipends for books and other related higher education expenses divided evenly over one academic year's worth of quarters or semesters, regardless of full-time or part-time enrollment status.

Beginning in the 2025-26 academic year, each community or technical college must designate a staff member to provide student support and coordinate wraparound services for recipients to reduce or help to reduce barriers that threaten completion of eligible degree or certificate programs.

Counselors at public school districts must meet one-on-one with twelfth grade students with family incomes at or below 70 percent of the state MFI to explain their grant options under the Guarantee and the Washington College Grant (WCG). To determine students' family incomes, school districts may use the students' FAFSA, qualification to receive free or reduced-price lunch, eligibility for the College Bound Scholarship (College Bound), or other criteria established in the institution's policy.

Notices to students required under the HSBP must include information on the Guarantee, College Bound, the WCG, and other scholarship opportunities beginning in the ninth grade and each year thereafter.

The WSAC and the State Board for Community and Technical Colleges (Board) must conduct a study on the sustainability of the Guarantee and report its findings to the Legislature by October 1, 2027. The study must include:

- any increase in enrollments at community or technical colleges;
- any decreases in enrollments elsewhere at institutions of higher education;
- changes in recipient persistence, completion, and time-to-degree rates in eligible degree or certificate programs; and
- an analysis on the demand for student services, such as advising and student success courses, recommendations to improve student services and outcomes, and the financial impact of the guarantee on recipients.

A contingency clause provides that the act only takes effect after the Internal Revenue Service provides notification that implementation of the act will not result in disqualification of Washington's qualified tuition plan under Section 529 of the Internal Revenue Code.

The Council must forecast the number of students who are eligible for the Guarantee and are expected to attend a community or technical college in the state.

### **Substitute Bill Compared to Original Bill:**

The substitute bill eliminates the GET unit purchase provision and GET unit wraparound services and replaces it with a \$300 million allocation from the GET program fund account for use in awards and cost of attendance stipends for recipients with family incomes between 65 to 140 percent of the MFI. This allocation is only allowed if the actuarial funded status of the GET program fund account remains at or above 120 percent. The substitute bill delays implementation of the Guarantee until the 2025-26 academic year and aligns residency and satisfactory academic progress requirements with the WCG requirements. Instead of wraparound services as set forth in the underlying bill, the substitute bill requires each community or technical college to designate a staff member to provide student support and coordinate wraparound services for all recipients.

The substitute bill also adds a contingency clause providing that the act only takes effect after the internal revenue service provides notification that implementation of the act will not result in disqualification of Washington's qualified tuition plan under Section 529 of the Internal Revenue Code.

---

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date of Substitute Bill:** The bill contains a contingent effect date. Please see the bill.

### **Staff Summary of Public Testimony:**

(In support) This bill promotes accessibility to community or technical college irrespective of students' backgrounds. This is especially helpful for empowering nontraditional students and cultivating a skilled workforce. Employers are expected to create 373,000 new jobs in Washington by 2026—70 percent of which will require some type of postsecondary credential, degree, certificate, or apprenticeship. It is clear that many students do not know they qualify for the Washington College Grant. While high school graduation rates have been rising, projected postsecondary enrollment from the class of 2022 is down 10 percent from the class of 2019. Ensuring students have a foot in the door is a way to address that gap. The Renton Promise offers students who graduate from a Renton high school free community or technical college. If not for the Renton Promise, many students would not have enrolled in community or technical college at all. There are already financial supports for students with incomes below 65 percent of the state median family income, so this bill fills the gap for students between 65-150 percent of the state MFI. Many students live in poverty out of high school, work two jobs, and have to make difficult decisions in order to attend community or technical college. This bill would significantly reduce student suffering during their community or technical college career.

Seattle Promise has doubled initial outcome projections—serving 1,600 students and seeing a 450 percent increase of high school senior students applying to Seattle colleges. Of those students who applied, 95 percent complete the FAFSA or WASFA, leading to Seattle having the highest FAFSA application rate in the state. Seattle Promise students' two-year completion rates also outperform the national average.

(Opposed) None.

(Other) This bill does not explain to prospective or recently admitted students how community or technical college credentials will transfer to four-year institutions of higher education.

**Persons Testifying:** (In support) Representative Steve Bergquist, prime sponsor; Benjamin Gonzalez, Angelita Cervantes, Hugo Guel, Nicholas Dumouchel, and Jessica Rebolledo, Communities for Our Colleges; Sean Behl, Associated Students of Bellevue College and the Communities for our Colleges Coalition; Sienna Jarrard, Associated Students of Bellevue College; Paul Francis, Mollie Kuwahara, and Josie Saccio-Devine, Washington State Board for Community and Technical Colleges; Rosie Rimando-Chareunsap, Seattle Community Colleges; and Brisa Torres.

(Other) Ruben Flores, Council Of Presidents; and Christina "Luna" Nguyen.

**Persons Signed In To Testify But Not Testifying:** Jeannette Mcchesney.