

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5904 SB	<b>Title:</b> Financial aid terms	<b>Agency:</b> 340-Student Achievement Council
-----------------------------	-----------------------------------	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 01/05/2024
Agency Preparation: Gabriele Matull Worst	Phone: 3607537841	Date: 01/17/2024
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 01/17/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/17/2024

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

SB 5904 extends and aligns the maximum time frame allowed to receive Washington College Grant (WCG), Washington College Bound Scholarship (CBS), and Passport to Careers (Passport to College Promise Program and Passport to Apprenticeship Opportunity Program – PTC) from five (5) years or 125 percent to six (6) years or 150 percent of a baccalaureate degree, or 18 full-time quarters/12 full-time semester or the equivalent clock hours of full-time eligibility of the published length of the program which the student is enrolled or the credit or clock hour equivalent. Extending the maximum period would align these programs with the federal financial aid maximum time frame.

This bill also:

- \*Aligns maximum time frame usage across WCG, CBS, and PTC.
- \*Removes the 5-year eligibility window for CBS.
- \*Removes the maximum age restriction for receiving PTC.

The Washington Student Achievement Council (WSAC) administers the WCG, CBS, and PTC programs. The WCG and CBS are caseload forecasted programs.

The overall fiscal impact is indeterminate. Expenditures are dependent on enrollment trends, student persistence, completion rates and sector splits. The Governor's 2024 supplemental budget proposal includes a \$1M appropriation for this policy change. That would allow for initial funding for students who need 1-3 more terms of funding during FY25, after which time the caseload forecast process would account for any adjustments needed for WCG and CBS.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Cash receipts are indeterminate for any financial aid programs administered by the Washington Student Achievement Council (WSAC). Cash receipts would only apply to those individuals who utilize federal and or state financial aid grants. Because the enrollment and utilization rates of those opting to use financial aid grants are unknown, we are unable to anticipate who may owe a repayment of state grants as a result of not meeting satisfactory academic progress and program policy standards.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The overall expenditures are indeterminate, as they are dependent on:

- Enrollment trends
- Persistence and completion rates
- Sector splits

This proposal is an expansion of the existing Washington College Grant (WCG), College Bound Scholarship (CBS), and Passport to Careers (PTC) programs, which will allow some number of students to continue to receive state financial aid that they would otherwise become ineligible to receive.

WSAC does not have completion data, so while we can identify students who are at risk of exhausting their eligibility, we

do not know how many are on track to complete within 125% of a postsecondary degree or credential. Similarly, we are unable to conclude how many of these students would utilize the additional funding available to them if this proposal were adopted.

The Governor's 2024 supplemental budget proposal includes a \$1M appropriation for this policy change. That would allow for initial funding for students who need 1-3 more terms of funding during FY25, after which time the caseload forecast process would account for any adjustments needed for WCG and CBS.

The information provided below is what is currently known about the population of students who are within one year (three full-time academic quarters) of exhausting eligibility for the WCG and PTC. Note the additional limitations, unknowns, and assumptions for CBS below. Also provided are average WCG and PTC awards by sector, based on 2021-22 and 2022-23 final interim data.

#### WASHINGTON COLLEGE GRANT (WCG)

##### WCG - Sector 2021-22 AY

2-Year Private - 29  
2-Year Public/CTC - 1,252  
4-Year Private - 945  
4-Year Public Regional - 1,577  
4-Year Public Research - 2,543

Total = 6,346

##### WCG - Sector 2022-23 AY

2-Year Private - 21  
2-Year Public/CTC - 1,352  
4-Year Private - 1,090  
4-Year Public Regional - 1,602  
4-Year Public Research - 2,767

Total = 6,832

##### Average WCG 2021-22 AY Award, by Sector

2-Year Private - \$1,999  
2-Year Public/CTC - \$2,519  
4-Year Private - \$5,698  
4-Year Public Regional - \$4,815  
4-Year Public Research - \$7,704

##### Average WCG 2022-23 AY Award, by Sector

2-Year Private - \$2,044  
2-Year Public/CTC - \$2,708  
4-Year Private - \$5,808  
4-Year Public Regional - \$5,143  
4-Year Public Research - \$8,274

If 20% of these students needed three additional full-time academic quarters of program eligibility to finish, the cost would be approximately \$8.2 million but when additional funding is needed by a student enrollment could cross over academic years and vary by individual circumstances.

## COLLEGE BOUND SCHOLARSHIP (CBS)

The CBS program currently only allows for 12 quarters (100%) of eligibility. It is assumed that the majority of students that are close to using 12 quarters of eligibility will be graduating, but WSAC does not have degree progression data and therefore, cannot make a reasonable estimate of how many students would need up to 18 quarters (150%) to complete. However, WSAC assumes that the overall cost of this proposal would not significantly increase, because any student who runs out of CBS eligibility is served for three more quarters in WCG and is accounted for in the figures under WCG.

## PASSPORT TO CAREERS (PTC)

PTC - Sector 2021-22 AY

2 Year Private - 0

2 Year Public/CTC - 5

4 Year Private - 11

4 Year Public Regional - 9

4 Year Public Research - 7

Total = 32

PTC - Sector 2022-23 AY

2 Year Private - 0

2 Year Public/CTC - 4

4 Year Private - 11

4 Year Public Regional - 31

4 Year Public Research - 47

Total = 93

Average PTC 2021-22 AY Award, by Sector

2 Year Private - \$ 3,701

2 Year Public/CTC - \$3,397

4 Year Private - \$4,316

4 Year Public Regional - \$4,444

4 Year Public Research - \$4,477

Average PTC 2022-23 AY Award, by Sector

2 Year Private - \$3,390

2 Year Public/CTC - \$3,622

4 Year Private - \$4,161

4 Year Public Regional - \$4,456

4 Year Public Research - \$4,510

If 20% of these students needed three additional full-time academic quarters of program eligibility to finish, the cost would be approximately \$80,000.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. B - Expenditures by Object Or Purpose**

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

The Washington Student Achievement Council would need to revise administrative rules for WCG, CBS, and PTC to conform with changes in statute.