

Multiple Agency Fiscal Note Summary

Bill Number: 2309 HB	Title: Washington 13 free guarantee
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Caseload Forecast Council	Fiscal note not available											
Student Achievement Council	2.5	976,000	976,000	976,000	2.9	1,162,000	1,162,000	1,162,000	2.9	1,162,000	1,162,000	1,162,000
Student Achievement Council	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Community and Technical College System	Fiscal note not available											
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
Total \$	2.5	976,000	976,000	976,000	2.9	1,162,000	1,162,000	1,162,000	2.9	1,162,000	1,162,000	1,162,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Caseload Forecast Council	Fiscal note not available								
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	Fiscal note not available								
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

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Individual State Agency Fiscal Note

Bill Number: 2309 HB	Title: Washington 13 free guarantee	Agency: 340-Student Achievement Council
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	4.9	2.5	2.9	2.9
Account					
General Fund-State 001-1	0	976,000	976,000	1,162,000	1,162,000
Total \$	0	976,000	976,000	1,162,000	1,162,000

In addition to the estimates above, there are additional indeterminate costs 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: Saranda Ross	Phone: 360-786-7068	Date: 01/16/2024
Agency Preparation: Carla Idohl-Corwin	Phone: 360-485-1302	Date: 01/19/2024
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 01/19/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/23/2024

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.

This bill would establish Washington 13 Free Guarantee, which provides free access to community and technical colleges (CTC).

Section 1: Outlines the various definitions to be used. However, it should be noted that the definition for the “eligible degree or certificate program” in this legislation defines this as: 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 an apprenticeship program established in Chapter 49.04 RCW and conducted in association with any community or technical college. This definition varies with the definition for Washington College Grant (WCG), which this program appears to be intended to work with. The WCG statute (RCW 28B.92) establishes that the eligible program is determined by the Washington Student Achievement Council (WSAC) and established in rule. WAC 250-21-010(18) establishes an eligible program as a program encompassed within the institution’s accreditation and be an eligible program for purposes of the federal Title IV student financial aid programs, with any apprenticeships qualifying as eligible programs also being a registered apprenticeship program approved under Chapter 49.04 RCW. This results in two differences between the programs, WCG does not require an articulation agreement and Washington 13 Free Guarantee does not require federal Title IV financial aid approval.

Section 2: Establishes Washington 13 Free Guarantee as a guaranteed grant for all students for up to 45 credits of free tuition at a community or technical college, to be earned within two academic years, for students who enroll within a year of graduation from a Washington high school (or equivalent), regardless of income. Recipients must not have previously earned an associate degree, must be enrolled at least part time in a WA public community or technical college in an eligible degree or certificate program, must file a Free Application for Federal Student Aid (FAFSA) or Washington Application for State Financial Aid (WASFA), and be a Washington state resident.

Section 3: The award calculation for those awarded in Section 2 to be the value of the difference between the recipient’s tuition fees and services and activities fees, less the value of any state-funded, grant, scholarship, gift aid or waiver, and requires that the recipient maintains satisfactory academic progress as defined by the community or technical college.

Section 4: Requires the Washington Student Achievement Council to purchase, no later than June 30, 2024, a total of 2,500,000 tuition units at the price of \$1 per unit under the Washington advanced college tuition payment program (GET) to be held in trust and used by the office solely for the following:

* Grant awards for students in the 65-150% Median Family Income (MFI), with the award calculation indicated and specifically indicating WCG/College Bound Scholarship (CBS) to be deducted in the award calculation in addition to those specified in Section 3.

* Award the value of six GET units to each recipient in the 65-150% MFI for a stipend for books, and other higher education related expenses divided evenly over one academic years’ worth of enrollment.

* Award the value of eight GET units to colleges for providing wraparound services to those families in the 150% or below income band.

Section 5: States that this will be a Caseload Forecasted Council program for those students eligible for the Washington 13 Free Guarantee, as identified in Section 2 above.

Section 6: Allows WSAC and the Washington State Board for Community and Technical Colleges (SBCTC) to adopt and revise necessary rules to implement this chapter.

Section 7: WSAC, in collaboration with the SBCTC, must report findings, by October 1, 2026, of a study to be conducted by on the sustainability of the guarantee to include at a minimum:

- * Any increase in enrollments at a CTC
- * 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
- * Analysis on the demand for student services such as advising and student success courses, to include recommendations to improve student services and outcomes, and the financial impact of the guarantee on recipients.

Section 8: Requires school districts to ensure that counselors meet one-on-one with students in the 12th grade whose income status is at or below 70% of the state MFI for the purposes of explaining their grant options under the Washington College Grant and the Washington 13 Free Guarantee grant created under section 2 above.

Section 10: Requires the Caseload Forecast Council to forecast the number of students who are eligible for the Washington 13 Free Guarantee and are expected to attend a community or technical college.

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.

HB2309 expenditures for student grants are indeterminate. The Washington 13 Free Guarantee awards would be a Caseload Forecast Council forecasted program. Expenditures for the student grants will depend on enrollment patterns, variation in the distribution of students across the defined median family income (MFI) categories, the number of students attending, and other financial aid awarded.

It is assumed that students with a family income between 0-65% of MFI would not receive any Washington 13 Free Guarantee award, since the value of their Washington College Grant would cover the promise of tuition and fees. It is assumed that students with a family income between 65-150% would be covered through GET unit funding to the extent funding is available beginning in 2026-27. Students above 150% MFI would be funded through the Washington 13 Free Guarantee appropriation that is caseload forecasted.

Based on data provided by the SBCTC, there were 14,434 first time students who enrolled for the 2022-23 academic year that were within one year of completing high school. It is indeterminate how many of these students were in eligible programs and what other gift aid they received.

For the 2022-23 academic year, the maximum WCG award for the CTCs was \$4,466 and the average award was \$3,620 for students who indicated they were first year students. (Note: This is not restricted to recent high school graduates).

The Washington Student Achievement Council (WSAC) estimates that the cost of the GET units, if purchased at the current market price, to be approximately \$300 million. The bill states that the units are to be purchased at a cost of \$1 per unit. GET units are presently priced at \$120.16 per unit. Note that GET units are unable to be “spent” until two years from

the date of purchase per RCW 28B.95.030 (3)(a). If the units are purchased by June 2024, the earliest they could be distributed would be June 2026.

The value of the stipend, based on current GET unit values, would be \$120.16 x 6 units = \$720.96 per eligible recipient. The value of the wraparound payments to colleges, based on the same GET unit value, would be \$120.16 x 8 units = \$961.28 per eligible recipient.

PROGRAM ADMINISTRATION

Administering this program would require 4.9 FTE in FY25 costing \$970,000 for initial implementation and reduce down to 2.9 FTEs (FY26 and ongoing) costing \$581,000 annually. The FTEs will be split between several functions at WSAC as follows:

1.5 FTE Associate Director in the Student Financial Assistance unit (FY25) to oversee program design including infrastructure, IT system development, and training of financial aid offices; 1.0 FTE Associate Director (FY26 and beyond) to complete the implementation of the stipend and wraparound units that would be available in the 2026-27 award year, in addition to ongoing training of financial aid offices and support for implementation.

0.5 FTE Assistant Director in the Student Financial Assistance unit (FY25 and beyond) to assist in the development and design and then assume management of daily operations, providing technical assistance to schools and partners.

0.2 FTE Director (FY25 and beyond) to liaise with SBCTC and Washington State Office of Superintendent of Public Instruction (OSPI) to guide implementation of this program.

2.0 FTE Software Developer (FY25) to design and implement the IT solution in the WSAC online portal; 0.5 FTE Software Developer (FY26 and beyond) to manage ongoing IT solution updates to include the distribution of the stipend and wraparound units that become available in 2026-2027.

0.2 FTE Budget manager (FY25 and beyond) Policy Associate to assist with GET unit purchase, distribution and management.

0.5 FTE Associate Director in the Research unit (FY25 and beyond) to conduct the collaboration with the State Board for Community and Technical Colleges and conduct the study as outlined in Section 7 of the bill.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	976,000	976,000	1,162,000	1,162,000
Total \$			0	976,000	976,000	1,162,000	1,162,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.9	2.5	2.9	2.9
A-Salaries and Wages		530,000	530,000	632,000	632,000
B-Employee Benefits		169,000	169,000	202,000	202,000
C-Professional Service Contracts					
E-Goods and Other Services		272,000	272,000	322,000	322,000
G-Travel		5,000	5,000	6,000	6,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	976,000	976,000	1,162,000	1,162,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Director	95,000		0.5	0.3	0.5	0.5
Associate Director	110,000		2.0	1.0	1.5	1.5
Budget Manager	110,000		0.2	0.1	0.2	0.2
Director	141,000		0.2	0.1	0.2	0.2
IT Developer	106,000		2.0	1.0	0.5	0.5
Total FTEs			4.9	2.5	2.9	2.9

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid and Grant Programs (030)		976,000	976,000	1,162,000	1,162,000
Total \$		976,000	976,000	1,162,000	1,162,000

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 adopt administrative rules.