

**March 12, 2024**

**TO: Financial Aid Administrators**

**FROM: Becky Thompson, Director of Student Financial Assistance**

**SUBJECT: 2024 Legislative Session Overview and 2024-25 Initial State Aid Guidance**

The 2024 Legislative Session concluded on March 7, and the budget is waiting for the Governor’s signature. This memo provides a high level overview of state financial aid related passed legislation, and initial implementation guidance where appropriate.

In addition, with the new 2024-25 FAFSA and changes to federal student aid, included are changes to state financial aid connected to federal aid policy. Some of these items have already been communicated; however, we are consolidating all into one document.

NOTE: Pay close attention to the information about the Passport to Careers program. It is very likely that maximum award amounts will be reduced for at least some students.

In addition to this document, WSAC will be providing updated 2024-25 program manuals and will host webinar trainings in the spring.

If you have questions, please reach out to [WCG@wsac.wa.gov](mailto:WCG@wsac.wa.gov).

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## Appropriations

State aid appropriations, pending the Governor’s signature, are as follows:

Program	2023-24 (in millions)	2024-25 (in millions)
Washington College Grant	\$456.2	\$476.8
College Bound Scholarship	\$14.1	\$13
State Work Study	\$7.8	\$7.8
Passport to College	\$6	\$7
National Guard Grant	\$1.125	\$1.550
WAVE	\$1.138	\$1.638
State Student Loan	\$90	\$80

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### **Washington College Grant (WCG), WA Bridge Grant, and College Bound Scholarship (CBS)**

The budget reflects adjustments to the total program funding, based on the caseload forecast. There were no changes to the MFI eligibility ranges. WCG and CBS award amounts for public colleges have been adjusted based on tuition rates, and CBS award amounts have been adjusted for private colleges, as provided in statute.

There are no changes to the WA Bridge Grant program. It remains a separate program, as described in budget language, but eligibility is tied to WCG eligibility. CBS students remain ineligible.

We have provided the 2024-25 award amounts and MFI charts which are also posted at <https://wsac.wa.gov/FAA-resources>. Please note that the award amounts are not final until the Governor signs the budget, although we do not anticipate any changes.

As a reminder, the following have been provided previously and are available at <https://wsac.wa.gov/FAA-resources>:

- Final 2024-25 Median Family Income charts
- Preliminary 2024-25 WCG/CBS award charts (will be finalized after Governor signs the budget)
- 2024-25 Guidance regarding family size
- Better FAFSA/WASFA FAQs which includes information on income alignment with the FAFSA, Enrollment Intensity, family size and State Work Study

As previously communicated, based on engagement with the state financial aid workgroup, prorated awards will align with Federal Pell and use enrollment intensity. See attachment for more details.

### **WCG/CBS/PTC Passed Legislation/Implementation**

#### **SB 5904 - Maximum Time Frame for Washington College Grant (WCG), College Bound (CBS), and Passport to College (PTC)**

[SB 5904](#), passed in the 2024 Legislative Session, extends and aligns the maximum time frame allowed to receive Washington College Grant (WCG), College Bound Scholarship (CBS), and Passport to Careers (Passport to College Promise Program and Passport to Apprenticeship Opportunity Program – PTC) from 5 years or 125 percent, to 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 for the published length of the program in which the student is enrolled or the credit or clock hour equivalent.

Extending the maximum period aligns the maximum time frame usage across WCG, CBS, and PTC programs and with the Federal Pell Grant. The 5-year eligibility window for CBS is eliminated; however, students are still required to enroll within one year after high school graduation.

See below for more information on PTC and note that, although the 26 year-old age restriction for PTC is eliminated, students must still enroll prior to the age of 22.

WSAC will be updating quarters of eligibility calculations in the WSAC Portal. This is also connected to work WSAC is engaged in with the financial aid workgroup on adjustments to the state satisfactory academic progress (SAP) standards. It is anticipated that most requirements will align with federal standards for the 2024-25 academic year. Guidance will be provided separately once additional details are worked through.

### 2SHB 2214 - Washington College Grant – Connect (WCG-C)

[2SHB 2214](#) is an expansion of HB 1835, which was passed during the 2022 Legislative Session. It expands the demonstration of financial need for Washington College Grant eligibility to include students who participate in Washington’s Basic Food Program (SNAP) or the Food Assistance Program (FAP) in the 10<sup>th</sup>, 11<sup>th</sup>, or 12<sup>th</sup> grade— beginning the 2025-26 academic year.

WSAC will initially work with the Department of Social and Health Services (DSHS) to determine any data share limitations. WSAC will provide updates and engage the financial aid workgroup on implementation considerations. The earliest this would be reflected in student awards is the 2026-27 AY (for students that were high school seniors in 2025-26). If you are a college with access to SNAP recipients and are interested in early adoption, please contact our office.

As of today’s date, the following programs are included in the Washington College – Connect program

Per statute:

- Aged, Blind, or Disabled assistance benefits (ABD)
- Essential Needs and Housing support program (HEN)
- Pregnant Women Assistance program (PWA)
- Washington’s Basic Food Program (SNAP) or the Food Assistance Program (FAP) for 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> graders beginning 2025-26

WSAC approved:

- Economic Security for All (EcSA) program

The WCG-C Eligibility Checker is being updated as programs are added. Institutions need to check for new student eligibility as the programs are added, and intermittently throughout the academic year.

### Passport to Careers (PTC)

#### Funding

The PTC program has seen the number of eligible students grow year over year. To keep up with that growth, WSAC submitted a budget request of \$2M in additional PTC funding for the 2024-25 Award Year. Unfortunately, the final budget only includes \$1M in additional funding, creating a significant shortfall.

As you know, PTC has many funding components: student awards, funding to campuses to support PTC eligible students, apprenticeship funding, and CSF contract work. WSAC will be consulting with the Passport Leadership Team and the financial aid workgroup to evaluate different funding scenarios; however, it is likely that any scenario will include a cut to at least some student’s awards. We understand this is very time sensitive and a very challenging situation for this population of students.

#### PTC Maximum Time Frame

As referenced above, starting in 2024-25, Passport maximum timeframe will align with WCG and CBS. Students can use Passport up to 18 full-time quarters, or the equivalent. There will no longer be a restriction at age twenty-six for PTC. Students must still enroll by age twenty-two.

## State Work Study (SWS)

Funding for the SWS program remains flat for 2024-25.

### SHB 2025 - Modifying placement and salary matching requirements for the state work study program.

[SHB 2025](#) allows WSAC to reimburse student SWS wages up to 100 percent for positions that are focused on increasing postsecondary enrollment for high school students at public and non-profit employers. WSAC will be reviewing program funding and determining feasibility and funding needed to implement for 2024-25. It is possible this will initially begin with some pilot employers.

## National Guard Grant (NGG)

NGG received \$425,000 in additional funding. Legislative intent is for that funding to be used to increase student maximum awards. What also passed, but was not funded, is [HB 1943](#) that allows for spouses and dependents of National Guard members to be recipients of the NGG. WSAC will be working with the National Guard to determine how this needs to be considered knowing there is not funding to implement and reevaluating awarding priorities. HB 1943 also aligned maximum time frame with WCG, CBS, and Passport. Students will be able to use NGG up to 18 full-time quarters, or the equivalent.

## Additional Financial Aid Programs

### WAVE

WAVE received an additional \$500,000 in additional funding for 2024-25. WSAC will work with the Workforce Board, which makes initial awards, to determine how the funding will be used. It will likely mean increased maximum awards for 2024-25 AY.

### HB 1946 - Washington Health Corps – Behavioral Health Conditional Scholarships

[HB 1946](#) provides WSAC some administrative funding to implement a behavioral health conditional scholarship program. This would be a program that could provide a conditional award to students who are pursuing a behavioral health credential—assuming the student agrees to work in a behavioral health shortage area after receiving their credential. WSAC needs to work with the Washington Health Corps Planning Committee to determine if this program will be implemented using funding that currently is awarded as loan repayment to credential behavioral health professionals.

### ESHB 2019 - Native American Apprentice Assistance Program

[ESHB 2019](#) establishes the Native American apprentice assistance program for members of federally recognized Indian tribes whose traditional lands and territories included parts of Washington beginning in 2025. This program is separate from the Washington College Grant for Apprenticeship program, but is a need-based program administered by WSAC. There will be a separate program manual for this new program.

### SSB 5953 - Federal and State Aid for Incarcerated Students

[SSB 5953](#) allows the Department of Corrections (DOC) to use a financial aid first model to fund postsecondary programs for students who are incarcerated. WSAC is working directly with DOC on this. It requires the programs to be approved and follow the U.S. Department of Education requirements under Prison Education Programs for both federal and state aid.

## State Student Loan

As a reminder, a state student loan program was initially established by the 2022 Legislature, with an implementation timeframe built in. During the 2023 Legislative Session, other changes were made, including restricting it to graduate students in high demand programs, and changing the maximum interest rate to 2.5 percent. There also was an adjustment to the phase in—first awards to begin in the 2025-26 academic year. No changes to the program requirements were made during the 2024 Legislative Session; however, funding has been reduced to \$80M.

## WASFA and FAFSA Simplification

### Calculating Median Family Income

We have received many questions regarding how income will be counted/calculated in determining median family income.

When calculating family income for a “dependent” student, count the parents’ Adjusted Gross Income (AGI) and non-taxable income. Do not include the student’s income.

When calculating family income for an “independent” student, count the student’s AGI and non-taxable income, and that of the spouse (if the student is married).

For both dependent and independent students, if the AGI is not present (i.e., parent/student is not a tax filer), use the sum of all taxable plus non-taxable income.

Under the FAFSA Simplification Act, effective with the 2024-25 award year, only the following forms of untaxed income that are included on the federal tax return will be included on the FAFSA:

- Untaxed portions of Individual Retirement Arrangement (IRA, or Individual Retirement Account) distributions (withdrawals);
- Untaxed portions of pension and annuity distributions (withdrawals);
- IRA deductions and payments to self-employed SEP, SIMPLE, and qualified plans;
- Tax-exempt interest; and
- Foreign Earned Income Exclusion

For 2024-25, in alignment with federal aid, untaxed income no longer includes:

- Untaxed payments to tax-deferred pension and retirement saving plans represented by codes D, E, F, G, H, and S in Box 12 of IRS Form W-2 (which are not on the tax return);
- Housing, food, and other living allowances paid to members of the military, clergy, and others;
- Veterans’ benefits;
- Workers’ compensation;
- Other untaxed income not reported elsewhere on the FAFSA, like Black Lung Benefits, Refugee assistance, Railroad Retirement Benefits, Workforce Innovation and Opportunity Act (WIOA) benefits; or
- Cash support or any money paid on the student’s behalf, except funds provided by the student’s parents to the dependent student.

The Financial Aid Administrator may (but is not required to) subtract the following allowable exclusions:

- Taxable earnings from need-based employment programs such as Federal Work Study and need-based employment portions of fellowships and assistantships. (NOTE – State Work Study is no longer an exclusion. Institutions are allowed to perform professional judgment on a case-by-case basis to take into consideration a student's specific circumstances.)
- Taxable student grant and scholarship aid reported to the IRS in the AGI. This includes AmeriCorps benefits as well as grant and scholarship portions of fellowships and assistantships.
- Education tax credits under the American Opportunity and Lifetime Learning tax credits.

### Number in College/Family Size

The number in college will not be factored into MFI, beginning with the 2024-25 academic year. Institutions are allowed to perform professional judgment on a case-by-case basis to take into consideration a student's specific circumstances. See "2024-25 Family Size Guidance" at <https://wsac.wa.gov/FAA-resources> for detailed information.

### WASFA 2024-25

- Data for 2024-25 WASFA applications can be viewed in the WSAC portal under application details for a given student.
- The 2024-25 WASFA applicant data is available to be downloaded in CSV or ISIR format.
- Corrections for both 2023-24 and 2024-25 are still unavailable to be completed in the portal, however, applications that students have edited will continue to be received.
  - Please note that the only workaround for income-based corrections currently is for students to edit their applications.
  - For professional judgment decisions, you may disburse funds to the student. Once corrections are available again, you will be required to edit the student's application in the portal to reflect the PJ.

### Enrollment Intensity

State aid will align with federal aid related to enrollment intensity for calculating awards and quarters of eligibility used calculations.

Enrollment bands will still be used for calculating Satisfactory Academic Progress

Please see attached charts for detailed information.