

DATE: May 21, 2025

TO: Financial Aid Administrators

FROM: Dr. Shannon Venezia, Director of Student Financial Assistance

SUBJECT: 2025 Legislative Session Overview and 2025-26 Guidance

The 2025 Legislative Session concluded on April 27, and the Governor signed the Conference Budget on May 20, 2025, in addition to other legislation that makes changes to the state financial aid programs. We are providing 2025-26 award amounts and a Median Family Income (MFI) chart for the 60% MFI which was changed in statute.

This memo provides a high-level overview of legislation and budget items related to state student financial aid programs administered by the Washington Student Achievement Council (WSAC).

WSAC will be following up with updated 2025-26 program manuals with operational details and will provide in-person and virtual training workshops in June. If you have questions, please reach out to WCG@wsac.wa.gov.

Appropriations

The budget includes adjustments to 2024-25 and 2025-26 appropriations for Washington College Grant (WCG) and College Bound Scholarship (CBS) based on current enrollment projections that estimate more eligible students than originally forecasted.

State aid appropriations are as follows:

Program	2024-25 (in millions)	2025-26 (in millions)
Washington College Grant	\$545	\$570
College Bound Scholarship	\$17	\$22.2
State Work Study	\$8.03	\$8.03
Passport to College	\$7.9	\$6.9
National Guard Grant	\$1.5	\$.75

Passed Legislation/Implementation

Financial Aid Programs:

Washington College Grant ([5785-S.PL](#))

- The maximum award MFI range expanded to 0-60% MFI in statute. All other MFI categories remain the same for 2025-26.
- All awards for 2-year and 4-year for profit institutions eliminated starting in 2026-27.
- The WCG-Apprentice awards reduced to 50% of the Community and Technical College awards starting in 2026-27.
- The Western Governor's University – Washington maximum awards are modified to \$4,150 starting in 2026-27.
- Private 4-year not-for-profit institution's awards are reduced to 50% of the average of the public research institution rate starting in 2026-27.

College Bound Scholarship ([5785-S.PL](#))

- Beginning in 2025-26, awards must be used within six years of receipt and students still must enroll within one year of high school graduation.
- The Western Governor's University – Washington maximum award is \$4,650 beginning in 2027-28.
- Private 4-year not-for-profit institution's awards will be reduced to 50% of the average of public research institution rate starting in 2027-28.
- Private 2-year not-for-profit institution's awards will be the average of awards granted at the Community and Technical Colleges beginning in 2027-28.

College Bound Scholarship ([SB5543](#))

- Eligibility expanded for CBS to students who have received a high school equivalency certificate as defined in RCW 28B.50.536.

Conference Budget ([5167-S.PL](#))

The operating budget bill provided new appropriations for the following:

- Increased appropriations for College Bound and Washington College Grant based on caseload forecasts.
- Added Northwest Indian College to Supporting Students Experiencing Homelessness (HB1540).

However, the following programs were cut or eliminated:

- Bridge Grants eliminated beginning in 2025-26 (\$55.254 million)
- WA Student Loan Program eliminated beginning in 2025-26 (\$88.967 million)
- Regional Challenge Grant eliminated beginning in 2025-26 (\$16 million)
- Nurse Educator loan repayment funding suspended for 2025-27 (\$6 million)
- WA Health Corps one time reduction for 2025-27 (\$2.6 million)
- WAVE Scholarship funding suspended for 2026-27 (\$2.416 million)
- Career Launch grants (CCW) eliminated (\$2 million)
- National Guard Grant funding reduction (\$800,000)
- Undocumented Student Loan program eliminated (\$792,000)

Additional Guidance

Income Offsets

Effective for the 2025-26 award year, colleges are required to use the income offsets when calculating the MFI. This provides consistent treatment for students regardless of campus attended. You will need 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 or assistantships.
- Taxable student grant and scholarship aid reported to the IRS in the Adjusted Gross Income. 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.

If you see conflicting information in the student's application, you will need to resolve the conflicting information before awarding.

Prior Legislation Updates

2SHB2214, which passed in the 2024 legislative session, permits beneficiaries of public assistance programs to automatically qualify as income-eligible for the purpose of receiving the Washington college grant.

[2SHB2214](#) expanded income eligibility for the Washington College Grant (WCG) to students in the 10th, 11th, or 12th grades whose families are recipients of Washington Basic Food (SNAP) or Washington Food Assistance programs beginning the 2025-26 academic year (AY). It is anticipated that these students will begin entering post-secondary programs beginning in the 2026-27 AY. WSAC is currently working with other state agencies to streamline this approach for identifying the students. However, there have been federal agencies that prohibit release of this information, so our agency is looking at alternative options to obtain the needed data to not only conduct outreach to students but also be able to populate our eligibility checker for aid offices to be able to award these students. We will provide more training and updates to you all as we continue this critical work.