



Washington Graduate Student Loan Program

Updates and Program Eligibility Discussion

October 31, 2024





Agenda

Welcome

- Introductions
- Meeting Purpose and Goals

Program Overview and Status Update

- Key statutory provisions
- Work completed to-date
- Timeline and next steps

Discussion: Identifying Eligible Graduate Programs

Additional Considerations

Close



Key Design Elements

Key loan design elements per statute

- Loan amounts (cannot exceed \$20,000/year per borrower)
- Annual interest rate (cannot exceed 2.5%)
- Grace periods (unspecified)
- Repayment terms (no more than 25 years in most cases)
- Income-based repayment terms (unspecified)
- Loan forgiveness terms (unspecified)



Other Key Statutory Provisions

Available Funding

- To-date, \$80 million total has been appropriated to the student loan account, with a minimum program life cycle of seven years
 - Statute limits program expenditures to \$40 million total for the first four years (average of \$10 million per year)

Eligible Graduate Program Determination

- (3) *"Eligible graduate program" means an advanced academic degree in a specialized field of study that has a workforce shortage or is considered high demand including, but not limited to, professions in health care, behavioral and mental health, early education, K-12, higher education, law enforcement, public safety, and others, as determined by the office.*



Timeline

Work completed to-date

- Consultants hired to advise on the development of program guidelines, procurement of loan origination and loan servicing, and other design and implementation supports (Spring 2024)
- Draft program guidelines developed (Summer 2024)
- RFPs drafted for loan origination and loan servicing (Fall 2024)
- Initial stakeholder meeting to discuss criteria for determining eligible programs (today!)



Timeline

Next Steps (and tentative timeframes)

- Continued stakeholder engagement on eligible graduate programs (on-going through early 2025)
- Issue RFPs for loan origination and loan servicing (November 2024)
- Originator and servicer selections made/contracts signed (early 2025)
- Schools/programs selected & funds allocated (late winter/early spring 2025)
- Origination platform functional (late spring/early summer 2025)
- First disbursements for fall term (late summer/early fall 2025)
- Servicing platform functional (late summer/early fall 2025)



Two key goals in determining eligible graduate programs

- Meet the statutory goals of the program as stated in RCW 28B.93.005
 - Eligible program = advanced academic degree in a specialized field of study that has a workforce shortage or is considered high demand
 - Named professions = health care, behavioral and mental health, early education, K-12, higher education, law enforcement, public safety and others, as determined by WSAC
- Analyze the contribution that loan repayments can make to the long-term sustainability of the program beyond its currently funded life cycle



Initial considerations

- Available funding cannot cover all potentially eligible programs
- Determining the right scale or number of programs will be based on:
 - optimizing loan impact by offering a meaningfully large loan amount
 - supporting sound analysis of student benefits and financial sustainability
 - staying within administrative capabilities
- Given capacity limitations, institutions must decide which programs can apply
- A limit on the number of applications per institution will need to reflect the wide variation in graduate enrollment across institutions
- The current focus is the rollout of the first year



Closing

Thank you for your time today!

- We welcome your continued dialogue and participation
- We will continue to keep you updated as more formal opportunities for input arise
- In the meantime, please feel free to contact the following individuals with questions and input:
 - Marla Skelley: marlas@wsac.wa.gov
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