



STATE OF WASHINGTON
WASHINGTON STUDENT ACHIEVEMENT COUNCIL

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June 17, 2013

TO: David Schumacher, Director
Office of Financial Management

FROM: Gene Sharratt, Executive Director *Gene Sharratt*

SUBJECT: CONTINGENCY PLANNING FOR AGENCY OPERATIONS ON JULY 1

In response to your June 12, 2013 memorandum to agency directors, the Washington Student Achievement Council has identified the programs and activities described below that may continue to operate on a limited basis beginning on July 1, 2013 in absence of an appropriations act for the 2013-15 biennium.

Services that do not require an appropriation (Category 2)

Limited operations to support approval and distribution of some state and federal student financial assistance (SFA) and the state's advanced college tuition payment program (also known as Guaranteed Education Tuition or GET) may be able to continue without appropriations.

Student Financial Assistance Payments. Disbursements from various non-appropriated funds listed below and which would not exceed 2012-13 academic year expenditure authority for any specific fund:

<u>Program Name</u>	<u>Fund - Name</u>	<u>Statutory Reference</u>
State Need Grant	O8N – State Financial Aid Account	28B.76.525; 28B.92
College Bound	O8N – State Financial Aid Account	28B.76.525; 28B.118
State Work Study	O8N – State Financial Aid Account	28B.76.525; 28B.12
Washington Scholars	O8N – State Financial Aid Account	28B.76.525; 28A.600.100
WAVE (Vocational Excellence)	O8N – State Financial Aid Account	28B.76.525; 28C.04.520
GET Ready Math and Science	12N – GET Ready for Math and Science Scholarship Account	28B.105.110
Aerospace Loan Program	17R – Aerospace Training Student Loan Account	28B.122.050
Alternate Routes/Future Teachers	496 – Future Teachers Conditional Scholarship Account	28B.102.080
Health Professionals	747 – Health Professionals Loan Repayment and Scholarship Program Account	28B.115.130

Student Financial Assistance Payments (Cont.)

<u>Program Name</u>	<u>Fund - Name</u>	<u>Statutory Reference</u>
GEAR UP	785 – State Educational Trust Fund Account	28B.92.140
American Indian Scholarships	842 – American Indian Scholarship Endowment Account	28B.108.060

Please note that for each of the programs described above, only disbursement of payments is authorized without appropriation. Expenditures for administration of these programs in most other respects may not be permissible. Activity would be limited to payments for academic year 2012-13. Staff would not be available to answer questions from students, higher education institutions, and employers, nor begin work on academic year 2013-14 program administration even as summer sessions continue on campuses and students make plans for the upcoming new school year.

Four (4.0) FTE employees whose salaries are paid by appropriated funds would be necessary to maintain minimal operations for approval and disbursement of funds under these student financial assistance programs.

Guaranteed Education Tuition (GET). GET is Washington's Section 529 Prepaid College Savings Plan. With over 152,000 accounts opened since the program began, GET is a high-volume financial services operation.

<u>Program Name</u>	<u>Fund - Name</u>	<u>Statutory Reference</u>
Guaranteed Education Tuition (GET)	788 – Advanced College Tuition Payment Program Account	28B.95.060

July 1, 2013 is the last day for account owners to purchase GET units at the current price. Hours of operation are extended and the number of customers visiting the office usually exceeds 200 on the last day of the enrollment year. GET staff will process nearly \$5 million in purchases made in the last week of June. Disbursement of funds to individual account owners or to colleges and universities on behalf of student beneficiaries should continue without interruption, but services could be impacted due to operations of other agencies including the Office of the State Treasurer, State Investment Board, Department of Enterprise Services, and Office of Financial Management.

Twenty six (26.0) FTE employees are employed to manage the GET program and maintain the services described above.

Services to continue based on federal law (Category 3)

Washington Student Achievement Council is the designated agency to administer any federal act pertaining to higher education which is not administered by another state agency. RCW 28B.77.065.

State Approving Agency (SAA). Under contract with U.S. Department of Veterans Affairs, the state is required to protect the public investment in the education and training of veterans and other individuals eligible for benefits (usually veterans' dependents) under the various G.I. Bill programs.

The Washington Student Achievement Council evaluates and approves programs at degree-granting colleges and universities, flight schools, apprenticeship sites, and on-the-job training (OJT) sites for the use of veterans' education and training benefits.

Three and one-tenth (3.1) FTE employees whose salaries are paid by appropriated funds are allocated to services required under the VA contract.

Other federal grant-funded programs include Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and professional development grants under Title II of the No Child Left Behind Act of 2001. While temporary suspension or delay of payments for grant-funded activity will be disruptive to sub-grant recipients and contractors, and may violate terms of the federal grant, all federal funds come to the agency via appropriation.

Support staff essential to continuing services

As in most agencies, central administrative and business services support the various operating units of the Washington Student Achievement Council. The table below represents our estimate of the staffing required to maintain adequate internal controls and functionality to support the limited activity that may continue without appropriation. A portion of these employees' salaries are paid by appropriated funds.

Business Service	Employees	Purpose
Accounting	4	Approve and release batch payments, cash receipts, document transfers, payroll and leave data entry and approval.
Human Resources	1	HR actions incident to payroll, adjusted work schedules and personnel actions.
Information Services	2	Desktop, network infrastructure and application support.
Total	7	

Summary

Your memo to agency directors accurately stated “many important programs and services will cease absent timely legislative appropriations.” Even if the limited operations described are all approved to continue on or after July 1, many students who depend on timely receipt of financial aid payments or disbursement of loan repayments could be impacted by delays. Secondary effects such as unpaid rent or other delinquent bills don't rise to the level of an immediate threat to public safety, but will create hardship and risk that students will drop out of their programs of study. At a time when Washington needs more of its citizens to achieve greater levels of educational attainment, students will face additional challenges if we begin the new fiscal year without an enacted budget.

Please contact me (genes@wsac.wa.gov; 360.753.7810) or Don Bennett, Deputy Director (donb@wsac.wa.gov; 360.753.7831) with questions or requests for additional information.