


November 20, 2024

TO: Pat Sullivan, Director, Office of Financial Management  
FROM: Isaac Kwakye, Deputy Executive Director   
SUBJECT: Operating Budget Reductions

As directed by your memorandum to agencies dated November 8, 2024, the Washington Student Achievement Council (WSAC) has identified budget savings options totaling nearly \$4 million for the 2025 supplemental budget and 2025-27 budgets.

In 2022, the legislature created the Washington Student Loan Program, administered by WSAC, to award student loans beginning with the 2025-26 academic year to graduate students enrolled in a specialized field of study that has a workforce shortage or is considered high demand. To date, the legislature has appropriated \$90 million for the program into the Washington Student Loan Account. WSAC proposes to revert \$3 million of the initial funding via transfer from the Washington Student Loan Account balance. Student loan program expenditures would be reduced by \$3 million in future years once the program has effectively been launched.

In addition, we propose a transfer of \$944,908 from the Student Financial Aid Account balance. This portion of the account balance had originally been appropriated for programs that no longer exist such as the Educational Opportunity Grant. RCW 28B.76.525 states that funds in the account may be used “only for the purposes for which they were appropriated”. We are thus prohibited from using these funds for other programs that use the account such as the Washington College Grant program, State Work-study program, Washington Scholars program, or the Washington Award for Vocational Excellence program.

We will work with our OFM budget analyst to provide additional information as needed during this process. We understand the difficult challenge ahead for your team and stand ready to assist in any way possible.

cc: Nona Snell, OFM Budget Director  
Shea Hamilton, OFM Senior Budget Advisor  
Ramona Nabors, OFM Budget Advisor