

HOUSE BILL REPORT

HB 1140

As Reported By House Committee On:

Higher Education
Appropriations

Title: An act relating to higher education.

Brief Description: Changing higher education financial aid provisions.

Sponsors: Representatives Carlson, Kenney, Radcliff, Lantz, Dunn, Esser, Edmonds, Cooper, Campbell and K. Schmidt.

Brief History:

Committee Activity:

Higher Education: 2/2/99, 2/26/99 [DPS];

Appropriations: 3/4/99, 3/6/99 [DP2S(w/o sub HE)].

Brief Summary of Second Substitute Bill

- Endorses the Higher Education Coordinating Board's recommended changes to the state need grant financial aid program: requiring students to contribute to the cost of their education; requiring students to document their need for dependent care allowance; and giving the institutions the authority to continue grants for students whose income increases slightly.
- Limits a student's eligibility to receive a state need grant to the equivalent of five years or up to 125 percent of the student's program length. Five years must elapse between associate degrees earned with need grant assistance.
- Requires the Higher Education Coordinating Board to ensure that aid follows the student to the student's choice of institution.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Carlson, Republican Co-Chair; Kenney, Democratic Co-Chair; Lantz, Democratic Vice Chair; Radcliff, Republican Vice Chair; Dunn; Edmonds; Esser and Gombosky.

Staff: Sherie Story (786-7120).

Background:

The 1969 Legislature created the state need grant program to help financially needy or disadvantaged Washington residents attend college. It is the state's oldest and largest student aid program. The 1998-99 funding level is \$72.4 million which will provide grants to about 50,000 students. The Higher Education Coordinating Board administers the program.

In March 1998, the chairs of the House and Senate Higher Education committees asked the Higher Education Coordinating Board, in consultation with the higher education community, to study the state need grant program and to develop recommendations prior to the 1999 session. In October 1998, the Higher Education Coordinating Board adopted a set of recommendations and forwarded them to the Legislature.

Summary of Substitute Bill:

The Higher Education Coordinating Board's recommendations regarding the state need grant program are endorsed by the Legislature. These include:

- Reaffirming that the program is to assist low-income, needy and disadvantaged Washington students;
- Establishing a goal that grant amounts be based on public institutions' tuition rates;
- Requiring students to contribute to the cost of their education from sources other than grants;
- Requiring students to document their need for a dependent care allowance; and
- Allowing institutions to continue grants for students whose income increased slightly.

A student's eligibility to receive a state need grant is limited to the equivalent of five years or up to 125 percent of the student's program length. Five years must elapse

between associate degrees earned with need grant assistance, unless they are earned concurrently.

The board is required to ensure that state financial aid follows the student to the student's choice of institution.

Statutory references to a "student financial aid" program are changed to cite specifically the "state need grant" program.

Substitute Bill Compared to Original Bill:

Allows a state need grant recipient to start a new associate degree program if five years have elapsed since earning an associate degree as a state need grant recipient.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Original bill) The state need grant program is one of the basic ways the state helps low income students attend higher education institutions. The Higher Education Coordinating Board's recommendations that are in this bill make significant improvements to the program.

This bill recognizes the results of significant collaboration within the higher education community. The community and technical colleges support the recommendations of the Higher Education Coordinating Board that are included in the bill, including the change to tuition-based grants, the recognition of the importance of the dependent care allowance and the affirmation that the purpose of the program is to serve low income, needy students.

The review of financial aid that led to HB 1140 was extensive and collaborative. The Council of Presidents supports movement to a tuition-based grant model and especially appreciates the support from the community and technical colleges for this change.

The independent colleges serve a very diverse student population with many low income students only able to attend because of aid. The \$13 million in aid contributed by the state to students enrolled in independent colleges leverages 27 percent of the baccalaureate degrees awarded in the state. The collaboratively reached recommendations in this bill benefit students and the state of Washington.

The Washington Student Lobby knows that financial aid lags behind tuition increases and welcomes the Higher Education Coordinating Board's recommended \$40 million increase in financial aid. It is refreshing that the board has reasserted that the primary purpose of the state need grant is to assist needy, low income and disadvantaged Washington residents. The Washington Student Lobby supports the requirement that students contribute a portion of their cost of education through their own initiative. It also supports the granting of authority to aid administrators to determine whether a student may remain eligible should their family's income rise a small amount above the cut-off level.

The recommendations from the Higher Education Coordinating Board that are reflected in this bill are a result of the higher education community working together so well. The Higher Education Coordinating Board supports this bill.

(Concerns) The movement away from recognizing the cost of living could be a problem for students who live far away from the college having the program they need. The self-help requirement is a concern of teachers because some students are falling asleep in classes as a result of working long hours.

Testimony Against: None.

Testified: (Support) Representative Carlson, prime sponsor; Rhonda Coats, State Board for Community and Technical Colleges; Terry Teale, Council of Presidents; Tom Parker, Washington Association of Independent Colleges and Universities; Jesse Salomon, Washington Student Lobby; and Marc Gaspard, Higher Education Coordinating Board.

(Concerns) Ginnie DeForest, American Association of University Women; and Terry Fitzpatrick, Washington Education Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 31 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

Staff: Mary Alice Grobins (786-7118).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Higher Education: The goal that state need grants will be based upon 100 percent of resident tuition is eliminated from the bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Substitute bill) The bill supports recent Higher Education Coordinating Board (HECB) recommendations for the state need grant program. Under the existing program, if a need grant recipient's income goes up by only \$1, that may push the recipient over the income cutoff for eligibility, and this bill allows flexibility to continue the grant. The HECB recently completed an study of financial aid, and one of the conclusions reached was that the current need grant program works well. The goal of the state need grant program is to provide grants equal to 100 percent of tuition. This has a significant price tag, but it is expressed as a goal. The program also includes a self-help component, and it was endorsed by all of the public and private higher education sectors.

Testimony Against: None.

Testified: Representative Carlson, prime sponsor; Representative Kenney, sponsor; and Bruce Botka and Linda Lamar, Higher Education Coordinating Board.