

SENATE BILL REPORT

SB 5902

As Reported By Senate Committee On:
Higher Education, February 26, 1999

Title: An act relating to higher education.

Brief Description: Changing higher education financial aid provisions.

Sponsors: Senators Kohl-Welles, Sheahan and Shin.

Brief History:

Committee Activity: Higher Education: 2/22/99, 2/26/99 [DPS].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5902 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Bauer, Finkbeiner, Jacobsen, McAuliffe, Sheahan and B. Sheldon.

Staff: Jean Six (786-7423)

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 (HECB) administers the program.

In March 1998, the chairs of the House and Senate Higher Education committees asked the HECB, 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 HECB 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. A student is not allowed to earn two associate degrees as a State Need Grant recipient 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: A state need grant recipient may begin a new associate degree program when at least five years have elapsed since earning an associate degree as a need grant recipient.

Appropriation: None.

Fiscal Note: Requested on February 15, 1999.

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

Testimony For: Thank you for endorsing our many years of work on the State Need Grant program (SNG). Students need some flexibility with regard to a slight change in income. They also will be required to document need for dependent care. The process for developing these recommendations was very collaborative. The SNG program is serving over 50,000 students per year who would otherwise not be able to attend college. The tuition link will be very helpful. The current budget of \$72 million is significant; we would like more, though we do recognize competing priorities. Our goals will be realized based on the level of new appropriations.

Concern was expressed about the language limiting SNG recipients to two associate degrees. We need to allow a student access to more retraining over time.

The SNG provides an opportunity for reaching the American dream. With increases in tuition, it is important to provide financial aid. We would like more students to be helped though we do not want anyone currently eligible to lose financial aid. SNG recipients borrow significant amounts of money.

Testimony Against: None.

Testified: PRO: Bruce Botka, HECB; Linda LaMar, HECB; Terry Teale, COP; Rhonda Coats, SBCTC; Carol Albers, WFPCSC; Jesse Salomon, WWU, WSL.