

HOUSE BILL REPORT

SHB 1345

As Passed House:

March 9, 2005

Title: An act relating to eligibility for state financial aid for part-time students.

Brief Description: Allowing state financial aid for part-time students.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Hasegawa, Kenney, Takko, Sells, Jarrett, Roberts, Ericks, Haler, Williams, Moeller, Appleton, Morrell, McCoy, Dunn, Kagi, McDermott, Santos and Chase).

Brief History:

Committee Activity:

Higher Education: 2/4/05, 2/11/05 [DP];

Appropriations: 3/5/05 [DPS].

Floor Activity:

Passed House: 3/9/05, 96-0.

Brief Summary of Substitute Bill

- Expands eligibility for the State Need Grant program to students enrolled for at least four credit hours per quarter at a Washington institution of higher education.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 12 members: Representatives Kenney, Chair; Sells, Vice Chair; Cox, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Buri, Fromhold, Hasegawa, Jarrett, Ormsby, Priest, Roberts and Sommers.

Minority Report: Without recommendation. Signed by 1 member: Representative Dunn.

Staff: Barbara McLain (786-7383).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; McDonald, Assistant Ranking Minority Member; Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Alexander, Ranking Minority Member; and Armstrong.

Staff: Brian Enslow (786-7143).

Background:

For nearly every state and federal financial aid program, students must be enrolled at least half-time to be eligible for aid. Federal guidelines permit higher education institutions to define what "half-time" means. In Washington, it means students are enrolled for at least six credits per quarter or semester.

This standard is contained in federal guidelines for subsidized loans and in rules adopted by the Higher Education Coordinating Board for the State Need Grant, Educational Opportunity Grant, Promise Scholarship, and Work Study financial aid programs. Only the federal Pell Grant provides aid for students attending less than half-time. However, there is a special calculation for these students that further reduces the amount of the award.

During the 2003-04 academic year, nearly 48,000 resident undergraduate students in community and technical colleges and an additional 3,200 students at public four-year institutions were enrolled on less than a half-time basis.

The State Need Grant is the largest state-funded financial aid program. For the 2004-05 academic year, \$125 million supports about 55,500 students attending public and independent higher education institutions. In addition to at least half-time attendance, students must have a family income of no more than 55 percent of the state median family income (\$36,500 for a family of four in 2004) and be enrolled in a degree or certificate program.

Summary of Substitute Bill:

Eligibility for the State Need Grant program is extended to students who are enrolled in a Washington institution of higher education for at least four credit hours per quarter, or the semester or clock-hour equivalent, rather than being limited to students enrolled at least half-time.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: (Higher Education) The vast majority of part-time students are at community and technical colleges. The mission of these colleges is to create pathways of mobility for working individuals. There is a huge difference between working full-time and taking two classes, versus working full-time and taking one class. The four-credit standard for aid eligibility encourages people to pursue additional education. Washington lags other states in the proportion of full-time workers enrolled in higher education. There is also a significant portion of the workforce who have a high school diploma but no college education. These

individuals would greatly benefit from additional training, but they must work full-time to provide for their families. The prospect of paying tuition with no outside assistance is daunting. As the state's economy changes, the characteristics of those who seek access to higher education also change. This would remove a major barrier to higher education for many working adults and provide assistance for them to realize their goals.

(Concerns) Expanding eligibility for the State Need Grant should not come in place of full funding for the current program. Currently there are eligible students who go unserved.

Testimony For: (Appropriations) None.

Testimony Against: (Higher Education) Higher education is very important, and part-time study represents an excellent opportunity for self-advancement, but the taxpayers must be remembered. If someone is working full-time, that individual should be able to afford part-time attendance at a community college. People who work full-time are better in touch with the real world than full-time students.

Testimony Against: (Appropriations) None.

Persons Testifying: (Higher Education) (In support) Representative Hasegawa, prime sponsor; Becki Collins, Higher Education Coordinating Board; Madeleine Thompson, Workforce Training and Education Coordinating Board; and Greg Scheiderer, Independent Colleges of Washington.

(In support with concerns) Nani Jackins Park and David Prince, State Board for Community and Technical Colleges.

(Opposed) Michael Nelson.

Persons Testifying: (Appropriations) None.

Persons Signed In To Testify But Not Testifying: (Higher Education) None.

Persons Signed In To Testify But Not Testifying: (Appropriations) None.