

# SENATE BILL REPORT

## SHB 1100

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As Reported By Senate Committee On:  
Early Learning, K-12 & Higher Education, March 24, 2005

**Title:** An act relating to creating a state financial aid account to ensure that all statewide financial aid is made available.

**Brief Description:** Creating a state financial aid account.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Kenney, Priest, Morrell, Fromhold, Jarrett, Sommers, Ormsby, Appleton, Tom, Anderson, Roberts, P. Sullivan, Lantz, Dickerson, Schual-Berke and Santos).

**Brief History:** Passed House: 3/03/05, 97-0.

**Committee Activity:** Early Learning, K-12 & Higher Education: 3/21/05, 3/24/05 [DP].

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### SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

**Majority Report:** Do pass.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair; Weinstein, Vice Chair; Schmidt, Ranking Minority Member; Carrell, Delvin, Eide, Kohl-Welles, Mulliken, Pflug, Rasmussen, Rockefeller, Schoesler and Shin.

**Staff:** Brian Jeffries (786-7422)

**Background:** State funds for a number of financial aid programs are appropriated in the operating budget to the Higher Education Coordinating Board (HECB). These programs include the: State Need Grant; State Work Study; Washington Scholars; Washington Award for Vocational Excellence; and Educational Opportunity Grant.

In distributing the funds to public institutions of higher education and students attending private institutions, the HECB makes certain assumptions about how many eligible students will be attending each institution. If these assumptions are not precisely accurate or money is not moved among institutions in a timely manner, it is possible for financial aid funds to remain unspent at the end of a fiscal year. Under state law, unspent funds cannot be used in the following fiscal year.

**Summary of Bill:** The state financial aid account is created in trust of the State Treasurer with the primary purpose of ensuring appropriations for financial aid are made available to eligible students. The HECB may expend funds in the account during and after the fiscal period in which the funds were deposited in the account. A legislative appropriation is not needed to expend monies deposited in the account, which may be used only for the various aid programs. Disbursements from the account are exempt from state laws regarding allotment or lapsing of funds at the end of a fiscal year.

The HECB is directed to deposit state funds for the following financial aid programs in the account: State Need Grant; State Work Study; Washington Scholars; Washington Award for Vocational Excellence; and Educational Opportunity Grant.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Financial aid is necessary for many students in order to attend higher education. This bill would allow for all funds appropriated by the Legislature for state financial aid to meet the needs of students. Funds would not need to be re-appropriated for use and will get to the students in need.

**Testimony Against:** None.

**Who Testified:** PRO: Representative Phyllis Kenney, prime sponsor; Becki Collins, HECB; Bob Yohnka, Washington State Association for Student Employment Administrators.