Higher Education Committee

HB 1222

Brief Description: Regarding State Need Grant award calculations.

Sponsors: Representatives Kenney, Haler, Sells, Walsh, Hasegawa, McDonald, Morrell, Hunter, Dunshee, McDermott, Conway, Darneille, Haigh, Pettigrew, Grant, Schual-Berke, Upthegrove, Wallace, Roberts, Ormsby and Wood.

Brief Summary of Bill

- Provides a grant award scale for the State Need Grant based on family income.

- Expands eligibility for the State Need Grant to students with up to 85 percent of the state median family income.

Hearing Date: 1/24/07

Staff: Jennifer Thornton (786-7111).

Background:

In Washington, from the 1994-95 school year through the 2004-05 school year, tuition and fees increased 76 percent at the public research universities, 72 percent at the public comprehensive institutions, 60 percent at the private four-year institutions and 79 percent at the public community and technical colleges.

In 2004-05, a total of $1.43 billion in need-based aid was provided from federal, state and institutional sources to about 137,000 Washington students. This aid took the form of grants, self-help aid such as work study, and loans. The federal government provided the majority of the aid, with 83 percent in the form of loans.

About $185 million in state assistance was appropriated for 2005-06. More than 85 percent of all state aid took the form of grants and scholarships; the remaining 15 percent was comprised of work study and conditional loans that can be completely forgiven in exchange for specific service.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington State Need Grant is the largest state need-based aid program, assisting approximately 65,000 students in 2005-06. This program is targeted to those students in Washington with the greatest financial need. Students with up to 50 percent of the median family income ($36,000 for a family of four) receive a "maximum" State Need Grant award, and students with incomes between 50 and 65 percent of the median family income ($46,500 for a family of four) receive 75 percent of the maximum award. The maximum award is based on the type of institution a student attends, and covers approximately 90 to 95 percent of the cost of public tuition and fees.

Summary of Bill:

A formula no longer used to determine a student's State Need Grant award is replaced with the formula currently used to determine a student's "maximum" or "base" award amount. This amount is determined by the tuition and fees in the educational sector a student attends.

The maximum family income for qualification of a State Need Grant award is expanded from 65 percent to 85 percent of the median family income (MFI). Two additional steps are added into the present award structure, expanding eligibility to families with higher income levels. As income goes up, these steps build progressively smaller grants into the award structure.

The following schedule is codified for the State Need Grant for full-time students, based on family income:

Income Level as a Percentage of State's MFI	Award amount, as a percentage of the base/ maximum award for sector
0% to 50% MFI	100%
50% to 65% MFI	75%
65% to 75% MFI	50%
75% to 85% MFI	25%

Awards for students attending private four-year institutions are set at the same level as awards for students attending public research universities. The State Need Grant for students attending private vocational institutions is set at the same amount as that for students attending public community and technical colleges.

State Need Grant awards for students attending less than full-time are pro-rated based on the credit load.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.