

# HOUSE BILL REPORT

## HB 1222

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**As Reported by House Committee On:**  
Higher Education

**Title:** An act relating to awarding the State Need Grant.

**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 History:**

**Committee Activity:**

Higher Education: 1/24/07, 2/5/07 [DP].

### 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.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 7 members: Representatives Wallace, Chair; Sells, Vice Chair; Buri, Assistant Ranking Minority Member; Hasegawa, Jarrett, McIntire and Sommers.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Anderson, Ranking Minority Member.

**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

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*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.*

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.

The 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 state median family income (MFI) (\$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 MFI (\$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.

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**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 MFI for qualification of a State Need Grant award is expanded from 65 percent to 85 percent of the 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.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This is a good bill and makes a valuable investment. It establishes an attainable goal, and proposes a logical new structure that preserves the benefits of the current award structure.

Students are experiencing a debt crisis and this will help them keep up with rapidly rising tuition. This bill particularly helps families that earn too much to presently qualify for financial aid but don't earn enough to cover the cost.

The committee should take an even more aggressive step and increase eligibility to families with up to 100 percent of the MFI. It would also be useful to see the State Need Grant increased to cover tuition and fees for full and part-time students.

The language in the bill should be reviewed to ensure that it retains different funding levels for the research universities, comprehensive institutions, and community and technical colleges. This will also impact the private schools.

(Opposed) None.

**Persons Testifying:**

(In support) Representative Kenney, prime sponsor; John Klacik, Higher Education Coordinating Board; Bryce McKibben, Associated Students of the University of Washington; Greg Scheiderer, Independent Colleges of Washington; and Nani Jackins Park, State Board for Community and Technical Colleges.

**Persons Signed In To Testify But Not Testifying:** None.