
Higher Education Committee

HB 1650

Brief Description: Changing state need grant eligibility provisions.

Sponsors: Representatives Hasegawa, Kenney, Santos, McCoy, Moscoso, Sells, Carlyle, Reykdal, Seaquist, Jacks, Probst, Maxwell and Ormsby.

Brief Summary of Bill

- Allows part-time students who are accepted for enrollment for at least three credits to be eligible for the State Need Grant, by removing the pilot status of the program and the expiration date.
- Restores child support payments in computations of financial need for part-time students applying for the State Need Grant.

Hearing Date: 2/3/11

Staff: Madeleine Thompson (786-7304).

Background:

According to the Higher Education Coordinating Board's (HECB) 2010 report on financial aid, nearly 45 percent of Washington families of four earn less than \$50,000 per year compared to the state's median family income of \$75,000 per year. More than 35 percent of the state's K-12 students qualify for free or reduced-price lunches. Since 1989, the state's median family income has doubled while the cost of tuition has more than tripled.

State Need Grant.

The State Need Grant is designed to pay a portion of educational costs for needy and disadvantaged students. In 2009-2010 state funding for financial aid totaled \$250 million and the State Need Grant comprised the largest portion at \$215 million. In 2009-2010 the number of eligible students rose 18 percent to nearly 74,000 students. The number of un-served students rose from 5,498 to nearly 22,000 students.

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.

State Need Grant Eligibility for Part-time Students.

In 1990 the Legislature extended State Need Grant eligibility to students enrolled at least half-time (six quarter credits or more). In 2005 the Legislature passed Substitute House Bill 1345 which directed the HECB to develop a two-year pilot project to assess the need for and feasibility of allowing students enrolled for at least four quarter credits to be eligible for a State Need Grant. Under the pilot, students attending a participating school who enrolled for four or five credits were eligible to receive a grant as long as they met the other eligibility criteria for a State Need Grant, including family income limitations and residency requirements. The Legislature appropriated \$500,000 for the 2005-2007 biennium for the pilot project.

The HECB report on the pilot project found that the primary reasons students enroll on a less-than-half-time basis include work and family obligations, costs of attending school, and childcare needs. The HECB further reported that 72 percent of the students participating in the pilot were financially independent from their parents, almost half had children of their own, a quarter were single parents, and 34 percent were the first in their family to attend an institution of higher education. Most participating students enrolled for just one term at a less-than-half-time rate and then enrolled half-time or greater for the remainder of the year.

In 2007 the Legislature extended the pilot program and raised funding to an annual limit of \$500,000. The HECB reports that between 2008-2009 1,970 part-time students received the State Need Grant. However, 1,593 eligible students remained un-served due to lack of funding. The cost of funding these additional students would have been \$404,622.

Most students enroll at a less-than-half-time rate temporarily. In Fall 2008-2009, 85 percent of State Need Grant students attended full-time.

The pilot program allowing part-time students to be eligible for the State Need Grant expires June 30, 2011.

Summary of Bill:

Students who are enrolled or accepted for enrollment for at least three quarter credits, or the equivalent semester hours, in a qualifying higher education program are eligible for the State Need Grant. The pilot status of the program allowing part-time students to be eligible for the State Need Grant and the expiration date are removed. Child support payments are no longer excluded from computations of financial need for part-time students applying for the State Need Grant.

Appropriation: None.

Fiscal Note: Requested on 2/1/2011.

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