
Higher Education Committee

SSB 6121

Brief Description: Requiring the office of student financial assistance to provide a financial aid counseling curriculum for institutions of higher education.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Frockt, Tom, Kastama, Shin and Kline).

Brief Summary of Substitute Bill

- Requires the Office of Student Financial Assistance to provide a financial aid counseling curriculum to certain institutions of higher education.

Hearing Date: 2/15/12

Staff: Jill Reinmuth (786-7134).

Background:

The Higher Education Coordinating Board (Board) currently administers state and state-administered federal financial aid programs. The Office of Student Financial Assistance (Office) will administer these programs as of July 1, 2012.

In the performance of these duties, the Board and the Office must be cognizant that counseling is a paramount function of state student financial aid programs, and that in most cases, counseling may only be properly implemented at the institutional level. The state student financial aid programs are required to be concerned with the reasons for the state program's existence and not solely with the program's administration on an individual basis. Institutions of higher education provide students with information on qualifying for, applying for, and receiving financial aid, including scholarship, grant, loan, and work-study options.

The State Need Grant Program pays a portion of educational costs for needy and disadvantaged students. Students may use the grants at participating public and private colleges and universities, community and technical colleges, and private career schools.

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.

Summary of Bill:

The Office of Student Financial Assistance must provide a financial aid counseling curriculum to institutions of higher education with State Need Grant (SNG) recipients. The curriculum must be available via a web site, and also must be disseminated to the institutions by July 1, 2013.

The curriculum must include the following:

- an explanation of the SNG program rules;
- information on scholarships and work-study opportunities;
- an overview of student loan options, including repayment obligations;
- an overview of financial literacy;
- average salaries for a wide range of jobs;
- perspectives from students who received student loans and other financial aid;
- contact information for the federal student aid ombudsman's office and for local financial aid resources.

Institutions of higher education must take reasonable steps to ensure that SNG recipients receive information included in the financial aid counseling curriculum by directly referencing or linking to the web site on SNG recipients' conditions of award statements. These steps must be taken by the 2013-14 academic year.

Institutions of higher education may require nonstate need grant recipients to participate in all or part of the financial aid counseling.

Appropriation: None.

Fiscal Note: Available.

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