

# SENATE BILL REPORT

## SHB 1650

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As Reported by Senate Committee On:  
Higher Education & Workforce Development, February 22, 2012  
Ways & Means, February 27, 2012

**Title:** An act relating to state need grant eligibility.

**Brief Description:** Changing state need grant eligibility provisions.

**Sponsors:** House Committee on Education Appropriations & Oversight (originally sponsored by Representatives Hasegawa, Kenney, Santos, McCoy, Moscoso, Sells, Carlyle, Reykdal, Seaquist, Jacks, Probst, Maxwell and Ormsby).

**Brief History:** Passed House: 3/02/11, 77-20; 1/23/12, 78-17.

**Committee Activity:** Higher Education & Workforce Development: 3/16/11, 3/18/11 [DPA-WM]; 2/15/12, 2/22/12 [DPA-WM, DNP].

Ways & Means: 3/24/11, 3/29/11 [DPA, DNP, w/oRec]; 2/27/12 [DPA(HEWD), DNP].

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Tom, Chair; Shin, Vice Chair; Hill, Ranking Minority Member; Baumgartner, Becker, Kastama, Kilmer and Stevens.

**Minority Report:** Do not pass.

Signed by Senator Frockt.

**Staff:** Kim Cushing (786-7421)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Higher Education & Workforce Development.

Signed by Senators Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Harper, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Padden, Schoesler and Tom.

**Minority Report:** Do not pass.

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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.*

Signed by Senator Murray, Chair.

**Staff:** Maria Hovde (786-7710)

**Background:** The State Need Grant (SNG) program began in 1971 and is designed to pay a portion of educational costs for needy and disadvantaged students. In 2010-11, \$205 million was provided to the SNG program, which served more than 72,000 students. Over 25,000 SNG-eligible students were unserved. The income cutoff for SNG is 70 percent of the Median Family Income. Awards are prorated by income categories and further prorated for part-time students – 75 percent for students taking 9 to 11 credits, 50 percent for students taking 6 to 8 credits, and 25 percent for students taking 3 to 5 credits.

Under current law, an institution of higher education is eligible to participate in the SNG program if it is a public university, college, or community or technical college operated by the state of Washington, or any other accredited university, college, school, or institute in Washington. However, any institution, branch, extension, or facility that is affiliated with an out-of-state institution must be a separately accredited member institution or a branch of an accredited institution that is eligible for federal financial aid, has operated as a nonprofit college or university delivering on-site classroom instruction in Washington for a minimum of 20 consecutive years, and has an annual enrollment of at least 700 students.

In 1990 the Legislature extended SNG eligibility to students enrolled at least half-time (six quarter credits or more). In 2005 the Legislature directed the Higher Education Coordinating Board (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 SNG. 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 SNG. In 2007 the Legislature extended the part-time student pilot program to students enrolled for at least three quarter credits, or the semester equivalent. The pilot program expired on June 30, 2011.

Under the 2011-13 operating budget, eligibility for SNG includes students enrolled in three to five quarter credits. By December 1, 2013, HECB must report to the Legislature regarding the number of students enrolled in three to five credits and their academic progress, including degree completion.

**Summary of Bill (Recommended Amendments):** The pilot status of the program allowing less-than-half-time students to be eligible for the SNG program and the expiration date are removed. 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 SNG.

A nonprofit institution recognized by the state of Washington under current law may be eligible to participate in the SNG program.

**EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT (Recommended Amendments):** A provision is added to allow a

nonprofit institution recognized by the state of Washington under current law to be eligible to participate in the SNG program.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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

**Staff Summary of Public Testimony on Original Bill (Higher Education & Workforce Development):** PRO: The less-than-half time SNG program supports our investment in SNG students. This program allows students to stay in school and keep their momentum so they don't drop out. Federal loans are not available for less-than-half time, so the federal Pell Grant & SNG are students' only options. Throughout the pilot, 85 percent of student enrolled in CTCs tend to be older with families, and 90 percent enroll less than half-time for just a single term when life circumstances intervene. It is more streamlined to incorporate funds for less-than-half time with those for full-time.

**Persons Testifying (Higher Education & Workforce Development):** PRO: Representative Hasegawa, prime sponsor; Rachelle Sharpe, HECB; Scott Copeland, SBCTC.

**Staff Summary of Public Testimony (Ways & Means):** None.

**Persons Testifying (Ways & Means):** No one.