

# SENATE BILL REPORT

## SB 5462

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As of February 24, 2011

**Title:** An act relating to centralizing financial aid administration for community and technical colleges.

**Brief Description:** Requiring the college board to act as a clearinghouse for state and federal financial aid.

**Sponsors:** Senators Kilmer, Kastama, Shin, Tom, White, Rockefeller and Conway.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/04/11, 2/16/11 [DPS].

Ways & Means: 2/25/11.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5462 be substituted therefor, and the substitute bill do pass.

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

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

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### SENATE COMMITTEE ON WAYS & MEANS

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

**Background:** The State Board for Community and Technical Colleges (SBCTC) sets policy direction for the community and technical college system in collaboration with the colleges. The SBCTC is required to provide general supervision and control over the state system of community and technical colleges and allocates state resources to the colleges.

Among its specific responsibilities the SBCTC must (1) prepare a single system operating budget request and capital budget request for consideration by the Legislature; (2) disburse capital and operating funds appropriated by the Legislature to the college districts; (3) administer criteria for establishment of new colleges and for the modification of district

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boundary lines; (4) establish minimum standards for the operation of community and technical colleges with respect to personnel qualifications, budgeting, accounting, auditing, curriculum content, degree requirements, admission policies, and the eligibility of courses for state support; and (5) prepare a comprehensive master plan for community and technical college education.

In 2010 the Legislature directed the SBCTC to avoid unnecessary duplication in student services and administrative functions.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Recommended Substitute):** The SBCTC must create an efficient, streamlined, and simple financial aid process for colleges and students. The new process must include, but is not limited to, standardized application forms, eligibility criteria, deadlines, award verification, and published informational materials.

A detailed implementation plan of the new process must be approved by the SBCTC by September 2011 with full implementation of the process no later than January 2012.

**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 (Higher Education & Workforce Development):**  
PRO: To the system's credit, the community and technical colleges are doing a tremendous job with helping a record number of students at a lower cost per student. However, there are opportunities for efficiencies in financial aid arena and this bill seeks to expedite this process. The SBCTC appreciates being able to work on the language of the proposed substitute. The schedule is aggressive and SBCTC is on track so far and will meet the legislation with work that is being done. The SBCTC has a strong commitment to creating additional efficiencies for students, and one area with potential is financial aid. About 30 percent of students who apply for financial aid are selected for verification. Verification could be more efficient on regional or statewide basis. Students now have the opportunity to have income information downloaded directly from the IRS, which would simplify the process. A customized financial aid package is created for each student, which is a high-touch process because most students have very little understanding of what is available and have many questions. Thus students benefit from onsite staff that can help them. The Financial Aid Council has the ultimate goal of minimizing student barriers and promoting student success. There have been significant increases of financial aid applications in the past two years and financial aid officers have already begun conversations regarding implementation of the efficiency study. The processes listed in the bill have great potential to be streamlined and simplified. Strategies will be given to the college presidents by March 15.

**Persons Testifying (Higher Education & Workforce Development):** PRO: Senator Kilmer, prime sponsor; Jan Yoshiwara, SBCTC; Pamela Transue, Tacoma Community College; Lorraine Odom, Highline Community College.