

# SENATE BILL REPORT

## SB 5787

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As of November 29, 2011

**Title:** An act relating to state need grant student merit considerations.

**Brief Description:** Considering merit in the award of state need grants.

**Sponsors:** Senators Becker, Holmquist Newbry, Hill, Stevens, Swecker, Shin and Honeyford.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/18/11.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** The State Need Grant Program helps the state's lowest-income undergraduate students pursue degrees. To be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently \$54,500 for a family of four. Students may receive State Need Grants for up to five years (10 semesters/15 quarters) or 125 percent of the published length of their programs. Additionally, they can earn a second associate degree if five years have elapsed since the first. Students can use the grants at participating public and private colleges and universities, community and technical colleges, and private career schools in Washington State. State Need Grant awards for full-time students range from about \$2,690 to more than \$6,800 per year, depending on the student's educational costs.

**Summary of Bill:** State Need Grant awards vary in relation to the students academic achievement in college. An eligible student may receive a State Need Grant award of up to 100 percent of the student's unmet financial need if the student is enrolling in an institution of higher education for the first time. After the first year of attendance, a student may receive a base State Need Grant award of up to 25 percent of the student's unmet financial need if the student has below a C annual grade point average at an institution of higher education. A student may receive a State Need Grant academic merit award of:

- up to 50 percent of the student's unmet financial need if the student has a C annual grade point average at an institution of higher education;
- up to 75 percent of the student's unmet financial need if the student has a B annual grade point average at an institution of higher education; or

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- up to 115 percent of the student's unmet financial need if the student has an A annual grade point average at an institution of higher education.

**Appropriation:** None.

**Fiscal Note:** Requested on February 14, 2011.

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

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

**Staff Summary of Public Testimony:** PRO: We should be encouraging better outcomes and serious students. The intent is not to penalize, but to encourage academic achievement. The first year of college presents unique challenges, so the bill gives first year students a full award.

CON: This would have an adverse effect of non-traditional students and non-English speakers. The community and technical college system has open enrollment, so this would disproportionately effect community college students. The bill harms the students that need the most support. A universal scale for all colleges is not equitable. The best solution is to fully fund the need grant program. Students may cause grade inflation.

OTHER: Federal rules prohibit awarding an amount greater than financial need. This could have unintended consequences in relation to retention and graduation rates. We need to be cautious when considering changes to the mix of need and merit based aid. This would cause an increase in the workload of financial aid officers.

**Persons Testifying:** PRO: Senator Becker, prime sponsor.

CON: Scott Copeland, State Board for Community and Technical Colleges; Iris Maule-Gibson, Quinn Majeski, Alex Clardy, WSA, Kim Smith, student.

OTHER: Rachelle Sharpe, Higher Education Coordinating Board; Margaret Shepherd, University of Washington; Sherry Burkey, Western Washington University; Julie Garver, The Evergreen State College.