

# SENATE BILL REPORT

## SB 6322

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As of January 23, 2012

**Title:** An act relating to allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program.

**Brief Description:** Allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program.

**Sponsors:** Senators Hill, Tom, Becker, Kastama and Litzow.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/25/12.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

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

**Background:** The State Need Grant (SNG) program assists needy and disadvantaged students by offsetting a portion of their higher education costs. To be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently \$57,000 for a family of four.

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.

Western Governors University (WGU) is a private, nonprofit, online university. WGU offers undergraduate and graduate degree programs in business, teacher education, information technology, and health professions, including nursing. In 2011 the Legislature expressed its intent to partner with WGU to establish Western Governors University-Washington. Under state law, WGU-Washington is recognized as a Washington baccalaureate degree-granting institution that is self-supporting.

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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.*

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

**Appropriation:** None.

**Fiscal Note:** Requested on January 13, 2012.

**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: SNG money follows students. SNG is underserved, but to carve out one institution where the money doesn't follow the student doesn't make sense. WGU-WA presents Washingtonians with educational opportunities that accommodate their lives. Over 1400 of the 2000 students came from community and technical colleges. Washington is under-resourced at upper-division level. While tuition less than \$6,000 a year and debt load is low, some students are still struggling to make payments. This bill allows WGU to apply for eligibility, but it would be 2013 before eligibility would be determined.

CON: The context makes it difficult to accept this bill. There is not enough money already. New students at career colleges only get 50 percent of what students ahead of them get. What are the appropriate boundaries on students? Do we know students are Washingtonians?

OTHER: Currently, 67 campuses participate in SNG, including 16 private four-year campuses. We are pleased to have another option for transfer students. However, we were not able to serve 26,000 SNG-eligible students last year. While we want more completions in the state, this bill must be thought of in context with other budget decisions. Last year, \$25 million was cut from the institutions for the benefit of SNG dollars disbursed to all eligible institutions.

**Persons Testifying:** PRO: Senator Hill, primes sponsor; Jean Floten, WGU-WA.

CON: Steve Lindstrom, NW Career Colleges Federation.

OTHER: Rachelle Sharpe, Higher Education Coordinating Board; Ann Anderson, Council of Presidents; Scott Copeland, State Board for Community and Technical Colleges.