

SENATE BILL REPORT

SB 6322

As Reported by Senate Committee On:
Higher Education & Workforce Development, January 25, 2012
Ways & Means, February 7, 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 [DP-WM, w/oRec].

Ways & Means: 2/06/12, 2/07/12 [DP, DNP].

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

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

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

Minority Report: That it be referred without recommendation.

Signed by Senators Becker, Frockt and Stevens.

Staff: Kimberly Cushing (786-7421)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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

Minority Report: Do not pass.

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 Conway.

Staff: Maria Hovde (786-7710)

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.

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 (Higher Education & Workforce Development):
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 (Higher Education & Workforce Development): 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.

Staff Summary of Public Testimony (Ways & Means): PRO: WGU-Washington estimates that, under this bill, approximately 500 students would be eligible for the SNG. It is not fair to discriminate against a student because the student has chosen to attend an online university. The SNG is really about the students and making sure that these students have access to higher education that meets their needs.

CON: This bill would spread more thinly the current funding for the SNG and will impact Washington State residents and students who want to receive skills from our state-funded institutions. State law currently recognizes WGU-Washington as being self-supporting and not receiving state funding; however, if this bill passed they would be able to receive state funding. Currently, WGU is not accountable to the people of the state of Washington; they do not release its accreditation reports or their financial records. SNG currently has a flaw with regard to access, and that is with the number of students who are denied access to these funds when they apply because they are undocumented. Some estimates state that approximately 40-50 percent of the students in Eastern Washington are undocumented students at no fault of their own. We need to fix this existing flaw before we extend the use of these funds outside of the public realm. The SNG allows many students to pursue higher education. Last year, demand for the SNG outstripped the availability of funds, leaving approximately 26,000 unserved. Now is not the time to expand the number of eligible students; it spreads already inadequate funds even thinner.

Persons Testifying (Ways & Means): PRO: Vickie Christopherson, WGU-WA.

CON: Barnal Baca, AFT WA; Wendy Rader-Konofalski, WA Education Assn.; Joe Meyer, Associated Students of Western WA University.