

HOUSE BILL REPORT

HB 1322

As Reported by House Committee On:
Higher Education

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: Representatives Seaquist, Kretz, Sells, Springer, Walsh, Roberts, Kagi, Moscoso and Tarleton.

Brief History:

Committee Activity:

Higher Education: 1/30/13, 2/14/13 [DP].

Brief Summary of Bill

- Allows a nonprofit institution recognized by Washington to be eligible to participate in the State Need Grant program, effective August 1, 2013.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 17 members: Representatives Seaquist, Chair; Haler, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Fagan, Hansen, Hargrove, Johnson, Magendanz, Pedersen, Reykdal, Riccelli, Sawyer, Scott, Sells, Smith, Tarleton and Wylie.

Minority Report: Do not pass. Signed by 1 member: Representative Pollet, Vice Chair.

Staff: Luke Wickham (786-7146).

Background:

State Need Grant Eligibility.

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.

The State Need Grant (SNG) program assists low-income, 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 \$57,500 for a family of four.

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 Washington. Universities, colleges, schools, or institutes offering postsecondary instruction in Washington that are affiliated with an out-of-state institution must meet certain criteria to be eligible. They must be a separately accredited member institution or a branch of an accredited institution that is eligible for federal financial aid, have operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of 20 consecutive years within the state of Washington, and have an annual enrollment of at least 700 full-time students.

The Western Governors University.

In 2011 the Washington Legislature passed legislation permitting the Student Achievement Council to work with the Western Governors University (WGU). The WGU is a private, nonprofit, online university. It operates a state specific branch, WGU Washington. The WGU offers undergraduate and graduate degrees in business, teacher education, information technology, and health professions, including nursing. The WGU Washington degrees are granted under the accreditation of the WGU, which is accredited by the Northwest Commission on Colleges and Universities. The teacher's college programs are accredited by the National Council for Accreditation of Teacher Education and the nursing programs are accredited by the Commission on Collegiate Nursing Education.

State statute permits the Student Achievement Council to recognize and endorse online, competency-based education.

Summary of Bill:

A nonprofit institution recognized by Washington under current law is eligible to participate in the State Need Grant program.

The definitions of eligible institutions are modified for the Get Ready for Math and Science Scholarship Program and the Gaining Independence for Students with Dependents Scholarship Program so that they do not include nonprofit institutions recognized by Washington State.

The definition of eligible institution for the College Bound Scholarship program as used by the Caseload Forecast Council is modified to not include nonprofit institutions recognized by Washington.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect August 1, 2013.

Staff Summary of Public Testimony:

(In support) The Legislature joined in a partnership with the WGU to create the WGU Washington. This was to satisfy workforce needs. This happened at a time when it was difficult to fund education. After being in operation for 21 months, the WGU has enrolled over 4,000 students. The average age of students served by the WGU is 37. Students who come to the WGU include those from rural areas, persons of color, and women. The WGU provides a very effective way of achieving the dream of higher education. The Legislature should be applauded for its vision. In its first year, the WGU graduated 300 students; currently we have over 500 students who received their bachelor's degree. It is understood that the State Need Grant fund is undersubscribed. There are compelling reasons why the WGU Washington should not be frozen out of this fund. This grant program may make the difference for many students. Many different institutions are eligible for the State Need Grant. The WGU meets the intention of the State Need Grant program as it was established in 1993. The WGU students are Washington residents seeking higher education with higher need. In creating the WGU, the Legislature was mindful of giving students greater access to higher education. The WGU helps accomplish this by providing a low cost option. The WGU is making a significant contribution to the State of Washington. A student at the WGU realized that she needed to take dramatic measures to change her life and enrolled at the WGU; she graduated with a bachelor's degree in information technology. She got a job with Lockheed Martin, achieving a much better outcome for her family. Many students at the WGU transfer from other colleges.

(With concerns) It is difficult to disagree with many of the principles and values laid out. This is a sound policy. Requests have increased 3 percent from last year for financial aid. There are 31,000 eligible students that are not served by the State Need Grant. Many students at other universities rely on State Need Grants. It will be difficult to pay for this. Public universities rely on the State Need Grant. Money has been removed from the State Need Grant, and the public institutions have had to deal with that decrease in funding. The whole piece of funding should be thought of together.

(Opposed) None.

Persons Testifying: (In support) Jean Floten, Western Governors University; and Scott Copeland, State Board for Community and Technical Colleges.

(With concerns) Ann Anderson, Central Washington University.

Persons Signed In To Testify But Not Testifying: None.