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## Higher Education Committee

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### HB 1878

**Brief Description:** Restoring state need grant award amounts for students at private, nonprofit degree-granting institutions.

**Sponsors:** Representatives Haler, Seaquist, Zeiger, Buys, O'Ban and Pollet.

#### Brief Summary of Bill

- Affirms that the State Need Grant program is for low-income students to follow their choice of institution of higher education.
- Declares the legislative finding that private nonprofit colleges and universities provide access to higher education for thousands of low-income residents across the state at a comparatively low cost to the state.
- Declares the legislative intent to restore equity for students attending private nonprofit baccalaureate degree-granting institutions.
- Requires that State Need Grant awards for students at private nonprofit baccalaureate degree-granting institutions participating in the program must be set at the same level as the student would receive if attending one of the public research universities.

**Hearing Date:** 2/20/13

**Staff:** Madeleine Thompson (786-7304).

#### **Background:**

##### The State Need Grant.

The State Need Grant (SNG) program is designed to pay a portion of educational costs for needy and disadvantaged students. In 2011-12, \$267 million was provided to the SNG program, which served more than 75,000 students while over 31,000 SNG-eligible students were unserved.

Awards are prorated by income categories up to 70 percent of the Median Family Income (MFI), with most students served in the 0-50 percent MFI range.

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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.*

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. Antioch University is also eligible as it meets specific criteria under state law.

The 2011-13 operating budget directed a total reduction of \$16.7 million in funding for the State Need Grant program by:

- aligning increases in awards given to private institutions with their average annual tuition increase experience of 3.5 percent each year, as opposed to increasing private institution award amounts at the same rate as for public institutions; and
- reducing the awards given to for-profit institutions by 50 percent.

Students already receiving SNG awards were directed to be held harmless for the length of their program.

In 2011-12 about 3,900 students attending private four-year institutions of higher education in Washington received approximately \$26.8 million, or 10 percent of total SNG funds expended. In 2010-2011 about 3,600 students attending private four-year institutions received approximately \$24.6 million, or 12 percent of SNG funds expended.

#### **Summary of Bill:**

The legislative finding and affirmation is declared that the State Need Grant (SNG) program was based on the principle that the funding follows resident students to their choice of institution of higher education, recognizing that SNG appropriations constitute funding for students, not for institutions of higher education. The legislative finding is declared that private nonprofit colleges and universities provide access to higher education for thousands of low-income Washington residents from every corner of the state at a comparatively low cost to the state, and that by providing such access these institutions of higher education help the state efficiently work toward the goals of increasing college degree production and overall educational attainment levels for Washington residents. The legislative intent is stated to restore equity for students attending private nonprofit baccalaureate degree-granting institutions.

It is required that SNG awards for students at private nonprofit baccalaureate degree-granting institutions participating in the program be set at the same level as the student would receive if attending one of the public research universities.

**Appropriation:** None.

**Fiscal Note:** Requested on February 14, 2013.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.