

HOUSE BILL REPORT

SB 6358

As Reported by House Committee On:
Higher Education

Title: An act relating to disseminating financial aid policies to admitted and prospective students.

Brief Description: Requiring institutions of higher education to provide certain financial aid information to admitted and prospective students.

Sponsors: Senators Kohl-Welles, Bailey, Frockt, Becker, Chase and Tom.

Brief History:

Committee Activity:

Higher Education: 2/25/14 [DP].

Brief Summary of Bill

- Requires the community and technical colleges to provide financial aid application due dates and information on whether or not financial aid will be awarded on a rolling basis to their admitted students at the time of acceptance.
- Encourages higher education institutions to post financial aid application due dates and distribute policies on their websites.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 19 members: Representatives Seaquist, Chair; Pollet, Vice Chair; Haler, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Gregerson, Hansen, Hargrove, Johnson, Magendanz, Muri, Reykdal, Sawyer, Scott, Sells, Smith, Tarleton, Walkinshaw, Walsh and Wylie.

Staff: Megan Wargacki (786-7194).

Background:

The State Need Grant (SNG) program was established in 1969 to assist financially needy or disadvantaged resident students attending a higher education institution. Only students with family incomes at or below 70 percent of the state median family income, adjusted for family

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size, and who are enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits, are eligible for the SNG.

During the 2012-13 academic year, 73,985 Washington students received the SNG. At the same time, there were 32,443 students who were eligible but not served. According to the Washington Student Achievement Council (WSAC), unserved students tend to complete their financial aid application later than served students. Institutions of higher education typically pool applicants who have filed by a priority deadline and award funds based on institutional policies. Rather than ranking applicants by application date within a pool, institutions typically apply other priorities, such as financial need. Priority deadlines and funding policies differ among institutions. Unserved students tend to enroll later in the year, attend fewer terms, and borrow, on average, \$2,500 more per year than served students.

In addition to the SNG, there are a variety of private and federal financial aid opportunities for higher education students.

All higher education institutions publish their financial application process and policies on their websites, in their catalogues and admission materials, and in emails to prospective and active students. All institutions also discuss this information during financial aid orientations. Many institutions provide this information on postcards, letters, social media, and reader boards; at on- and off-campus events; and in-person interviews.

Summary of Bill:

Community and technical colleges must provide financial aid application due dates and information on whether or not financial aid will be awarded on a rolling basis to their admitted students at the time of acceptance.

Higher education institutions are encouraged to post financial aid application due dates and distribute policies on their websites.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill was introduced because, in many cases, an institution's process of reviewing student applications and awarding financial aid occurs on a rolling basis. Students who apply early and are eligible may receive a financial aid award right away. However, some students do not know the financial aid policies and it would be helpful if students were

provided this information. This bill is about disclosure and letting students know they need to get their applications in early. Some students might get their applications in by the posted deadline, but, by that time, all the aid may have been given out. Providing quality information consistently is critical to helping students successfully navigate the financial aid process. Financial aid counseling is required for each SNG recipient. The Ready, Set, Grad website is designed to deliver college preparation information about funding to students as early as the 6th grade. With 32,000 students eligible for the SNG, but unserved, a key question is how are students selected to be served or unserved. The award deadline and process are key ingredients to answer this question. Although there are several state policies, such as median family income and maximum award amount, institutions have the flexibility to select and award recipients. There are key differences between two- and four-year institutions. Four-year colleges pool all their applicants at one time and then set additional priorities, mostly to the lowest income students. Two-year colleges set a priority deadline and almost all students who meet that deadline receive a grant. Most four-year colleges prioritize by income, but the two-year colleges may receive a student in the winter or spring terms who will be eligible. The priority dates, application processes, and awarding policies differ in a variety of ways. Some campuses display this information in innovative ways, such as plasma screens, reader boards, banners, staff t-shirts, social media, in-person interviews, and financial aid orientations. This bill reinforces the importance of getting high quality information in the hands of students.

(Opposed) None.

Persons Testifying: Senator Kohl-Welles, prime sponsor; and Rachelle Sharpe, Washington Student Achievement Council.

Persons Signed In To Testify But Not Testifying: None.