

SENATE BILL REPORT

HB 1683

As Reported by Senate Committee On:
Higher Education, March 26, 2013

Title: An act relating to authorizing recognition of institutions of postsecondary study in order to retain federal financial aid eligibility.

Brief Description: Authorizing recognition of institutions of postsecondary study in order to retain federal financial aid eligibility.

Sponsors: Representatives Reykdal, Haler and Van De Wege.

Brief History: Passed House: 3/13/13, 90-8.

Committee Activity: Higher Education: 3/26/13 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Baumgartner, Frockt, McAuliffe and Tom.

Staff: Kimberly Cushing (786-7421)

Background: Under Title IV of the federal Higher Education Opportunity Act students may apply for federal financial aid, including Pell Grants and Stafford Loans. In 2011, the U.S. Department of Education issued new minimum requirements concerning state oversight and approvals for postsecondary institutions. In order to be eligible to participate in Title IV Federal Student Aid (FSA) programs, an institution must be legally authorized by a state to provide postsecondary education programs, and the state must have a process to review and act upon complaints about that institution. If an institution does not meet these regulatory requirements by July 1, 2013, it may lose its eligibility to participate in the Title IV FSA programs, which means that students at that institution would be unable to receive FSA.

The Department of Licensing (DOL) licenses any school that offers a curriculum of instruction in the practice of cosmetology, barbering, esthetics, manicuring, or instructor-trainee to students. Under state law, minimum curriculum requirements are established by the director of DOL.

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: The Legislature recognizes that Washington students' access to federal financial aid is a major avenue for overcoming financial barriers to higher education. The Legislature also recognizes that recent changes in federal regulations require amending statute statutes for certain postsecondary institutions to ensure that those schools remain eligible for federal financial aid programs.

Cosmetology schools must be recognized as institutions of postsecondary study if the school:

- admits students who earned a high school diploma, the equivalent of a high school diploma, or are beyond the age of compulsory education in Washington; and
- is licensed by DOL to offer one or more training programs beyond the secondary level.

Appropriation: None.

Fiscal Note: Available.

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: The federal government changed policies regarding the definition of post-secondary institutions under Title IV and a number of cosmetology schools would no longer be eligible if we do not fix the state statute. While it is important to have policy conversations about reforming State Need Grants, it is not right to deprive these students of federal financial aid because we did not make a technical fix. This protects students who took initial steps to invest in their career and will prevent any interruption in federal financial aid status for them. Gene Juarez has two campuses in Seattle that were first licensed and accredited in 1987 and are postsecondary institutions. This is not about adding eligibility; rather, it is just about re-aligning with new federal rules. We worked with the U.S. Department of Education to ensure that the language is acceptable.

Persons Testifying: PRO: Representative Reykdal, prime sponsor; Alex Hur, NW Career Colleges Federation; Jerry Ahern, Gene Juarez Academy.