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## Higher Education Committee

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### HB 2377

**Brief Description:** Eliminating certain postsecondary institutions' eligibility for state financial aid programs.

**Sponsors:** Representatives Hansen, Macri and Ormsby.

#### Brief Summary of Bill

- Excludes from the state's student financial aid programs, post secondary institutions owned or operated by for profit corporations or institutions acquired by a nonprofit corporation if the institution previously operated in the state under the ownership of a for profit corporation.

**Hearing Date:** 1/10/18

**Staff:** Trudes Tango (786-7384).

#### Background:

The Washington Student Achievement Council (WSAC) is responsible for administering most of the state's student financial aid programs. The State Need Grant (SNG) is the largest of the state's aid programs and provides a need-based grant award for income-eligible students to attend a post secondary institution. It is estimated that for 2017-18, there will be approximately 69,000 SNG recipients.

Institutions seeking to participate in the state financial aid programs must apply each year and meet minimum eligibility standards. As part of the application process, the institution must provide all requested information, such as:

- the name and address of owner(s), or if a corporation the name and addresses of stockholders holding more than 25 percent of the stock and percentage of stock held;
- the date on which the school officially began instruction if in the last five years;
- type and date of last accreditation;

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- enrollment information (unless reported to the State of Washington or in the integrated post secondary education data system);
- evidence of certification and participation in the Federal Pell Grant program; and
- any other information upon request to determine the institution's eligibility.

The institutions must also submit to the WSAC each year for approval information such as a copy of its refund or repayment policy, student budgets, gift equity packaging policy and other information as required to assure proper administration of the program and financial stability.

Currently, there are eight private for-profit post secondary institutions participating in the state's financial aid programs:

- DigiPen Institute of Technology;
- The Art Institute of Seattle;
- Divers Institute of Technology;
- Gene Juarez Academy;
- Glen Dow Academy;
- International Air & Hospitality Academy;
- Northwest College of Art and Design; and
- Paul Mitchell School.

**Summary of Bill:**

The definition of "institution," for the purposes of participating in the state's student financial aid programs, is amended to exclude any university, college, school, or institute owned or operated by a corporation for profit, or any university, college, school, or institute owned, operated, purchased, or acquired by a not-for-profit corporation if it previously operated in the state under the ownership of a for profit corporation. Therefore, the statutes governing the state's student financial aid programs do not apply to those institutions.

**Appropriation:** None.

**Fiscal Note:** Requested on January 5, 2018.

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