

SENATE BILL REPORT

SB 5476

As of February 15, 2017

Title: An act relating to expanding state need grant eligibility.

Brief Description: Expanding state need grant eligibility.

Sponsors: Senators Frockt, Palumbo, Conway, Nelson, Ranker, Darneille, Hasegawa, Billig, Hunt, Saldaña, Kuderer, Rolfes, Keiser, Lias, Pedersen, Carlyle and Mullet.

Brief History:

Committee Activity: Higher Education: 2/14/17.

Brief Summary of Bill

- Mandates that families that earn up to 85 percent of the state's median family income are eligible to receive state need grant funding.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Clint McCarthy (786-7319)

Background: 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 must come from a family whose income does not exceed 70 percent of the state's median family income (MFI), which currently is \$58,500 for a family of four in 2016. The 2016 Supplemental Budget provides the maximum level of aid dependent on family income:

MFI Range	Percent of Award
0 to 50 percent	100 percent
51 to 55 percent	70 percent
56 to 60 percent	65 percent
61 to 65 percent	60 percent
66 to 70 percent	50 percent

An institution of higher education is eligible to participate in the SNG program if it is a public university, nonprofit university, college, or community or technical college operated by the state of Washington. Universities, colleges, schools, or institutes offering post-

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secondary 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 maximum award amounts for the 2016-17 school year are:

Institution	Award
University of Washington	\$9,348
Washington State University	\$9,369
Central Washington University	\$6,293
Eastern Washington University	\$5,947
Community and Technical College Applied Bachelor's Degree Programs	\$5,947
The Evergreen State College	\$6,268
Public Community and Technical Colleges	\$3,541
Private Four-Year Universities and Colleges	\$8,517
WGU – Washington	\$5,619
Private or Proprietary Colleges	\$2,823
Dependent Care Allowance	\$906

In the 2015-16 school year, nearly 24,000 students with an MFI of 70 percent or less were eligible for the SNG, but unable to receive the SNG due to lack of funds.

Summary of Bill: Families that earn up to 85 percent of the state's MFI are eligible to receive the SNG.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill is about expanding who could qualify for SNG in the future. This bill does not have the appropriation or the level of award for the newly eligible SNG population. However, the idea is that if we really want to address student debt loads, we can either increase the pool of those eligible for financial aid or lower tuition. This bill expands that pool, and makes a policy commitment to serve more people over time. For most families in the range addressed by this bill, they are completely cut out from SNG and Pell Grants, and they, therefore, take out significant loans to pay for college. The data shows that a 25 percent decrease in SNG awards leads to a decrease in

student persistence; like the specificity of what it means to be a needy student. Eighty-five percent MFI helps with that. Middle income students have less access to aid and are more dependent on loans. The Student Achievement Council priority is to fund all students that are currently eligible. SNG students graduate at a rate of 5 percent less than the general population. SNG is a critical strategy to lead to educational attainment. This bill allows for more financial aid for middle income students. SNG provides opportunities to people who wouldn't be able to otherwise attend. Husky Promise goes towards doing what the SNG is supposed to do. It would help medium income students if the state fully funded the State Need Grant.

Persons Testifying: PRO: Senator David Frockt, Prime Sponsor; Rachelle Sharpe, Washington Student Achievement Council; JoAnn Taricani, University of Washington Faculty Senate; Juliette Schindler Kellyh, College Success Foundation; Elissa Goss, Washington Student Association.

Persons Signed In To Testify But Not Testifying: No one.