

SENATE BILL REPORT

SB 5554

As of February 21, 2023

Title: An act relating to Washington college grant award amounts.

Brief Description: Concerning Washington college grant award amounts.

Sponsors: Senators Nguyen, Conway, Hasegawa, Hunt, Nobles, Randall, Valdez and Wilson, C..

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/08/23, 2/15/23 [DP-WM, w/oRec].

Ways & Means: 2/21/23.

Brief Summary of Bill

- Requires, rather than allows, that the maximum Washington College Grant award amount for four-year private not-for-profit institutions of higher education increase each year by no more than the tuition growth factor, beginning in the 2023-24 academic year.
- Freezes the award level for an institution of higher education that is subject to a final court order for discriminatory employment practices in violation of the Washington Law on Discrimination.
- Allows further adjustments to the maximum Washington College Grant award if the institution has fulfilled the conditions or obligations associated with any court order or settlement resulting from the violation, or has taken significant and meaningful steps to correct the violation as determined by the Washington State Human Rights Commission.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Randall, Chair; Nobles, Vice Chair; Holy, Ranking Member; Liias.

Minority Report: That it be referred without recommendation.

Signed by Senator Hawkins.

Staff: Benjamin Omdal (786-7442)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Michele Alishahi (786-7433)

Background: Washington College Grant. The State Need Grant was modified in 2019 and renamed the Washington College Grant (WCG). The WCG is the state's largest financial aid program and provides awards to low-income students to pursue postsecondary education.

The WCG is an entitlement program with guaranteed awards for those students who qualify. The WCG award amount varies based on the institution the student attends and the student's family income. For students attending the state's public institutions, the maximum award is tuition and services and activities fees for 15 quarter credit hours or the equivalent, as determined by the Office of Student Financial Assistance within the Washington Student Achievement Council.

For students attending private, four-year, not-for-profit higher education institutions, in 2019-20 the maximum award was \$9,739. The maximum award for students at private, four-year, not for-profit institutions may increase by no more than the tuition growth factor annually. An eligible student may receive a WCG for five years or up to 125 percent of the published length of the student's program. Part-time students receive prorated awards.

The tuition growth factor means an increase of no more than the average annual percentage growth rate of the median hourly wage for Washington for the previous 14 years as the wage is determined by the Bureau of Labor Statistics.

Washington Law Against Discrimination. The Washington Law Against Discrimination (WLAD) prohibits discriminatory practices in employment; places of public resort, accommodation, or amusement; real estate transactions; and credit and insurance. The law protects persons from discrimination based on their race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veterans, or military status.

The law also protects persons from discrimination based on the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability. WLAD prohibits retaliation against persons who oppose a discriminatory

practice, and those who file health care and state employee whistleblower complaints.

Summary of Bill: Beginning in the 2023-24 academic year, the maximum WCG for students attending a private four-year not-for-profit institution must increase each year by the tuition growth factor.

Upon notification by the Office of the Attorney General that an institution of higher education is subject to a final court order for discriminatory employment practices in violation of WLAD, the maximum WCG award amount for students attending the institution shall be the award level the institution was receiving at the time of the order, unless the institution:

- has fulfilled the conditions or obligations associated with any court order or settlement resulting from the violation; or
- has taken significant and meaningful steps to correct the violation, as determined by the Washington State Human Rights Commission.

An institution of higher education involved in a court proceeding under WLAD may continue to receive the WCG inflationary adjustment until a final order adjudicates the matter.

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 (Higher Education & Workforce Development): PRO: This bill will provide more support for students who want to attend college. With inflation and rising costs, there is a greater need for student support. This grant provides crucial funding for students who are most in need to help them achieve their college education. This bill will bring equity, as grant recipients are primarily from underserved groups.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Joe Nguyen, Prime Sponsor; Julian Licea, Heritage University; Cheryl Aguilar Henriquez, Saint Martin's University; Terri Standish-Kuon, Ph.D., Independent Colleges of Washington; Steve Smith, Black Education Strategy Roundtable.

Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The cost of tuition is a

major factor in student's ability to go to school. The tuition growth factor is not necessarily accommodated over time with inflation and increasing costs. The benefits decrease over time. External sources of student aid like the Washington College Grant are important to not for profit universities in Washington. If tuition growth factors were funded in recent years, more people could have accessed post-secondary education.

Persons Testifying (Ways & Means): PRO: Senator Joe Nguyen, Prime Sponsor; Eduardo Peñalver, Seattle University; Terri Standish-Kuon, Ph.D., Independent Colleges of Washington.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.