
Higher Education Committee

HB 1843

Brief Description: Evaluating compliance and performance of institutions of higher education participating in financial aid programs.

Sponsors: Representatives Pollet, Seaquist, Tarleton, Ryu and Tharinger.

Brief Summary of Bill

- Requires the Office of the Financial Assistance (Office) within the Washington Student Achievement Council (Council) to monitor compliance of institutions of higher education with financial aid program rules and regulations and evaluate continued participation based on performance.

Hearing Date: 2/20/13

Staff: Madeleine Thompson (786-7304).

Background:

Among other duties, the Washington Student Achievement Council (Council) has regulatory and administrative duties related to the authorization of degree-granting institutions to operate in the state and the participation of institutions of higher education in state financial aid programs.

Authorization of Degree-Granting Institutions.

The Council's duty to authorize degree-granting institutions to operate in the state mainly applies to out-of-state institutions that wish to advertise their programs in Washington to recruit students, operate a physical teaching site in Washington, or include an internship, an externship, clinical training, or a practical component that must take place in Washington. The state's public colleges and universities, longstanding private institutions, and higher education institutions whose degree programs are wholly religious in nature do not fall under the council's authorization requirements.

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.

In the process of authorizing an institution to operate in the state, the Council reviews the institution's financial stability, business practices, academic programs, and faculty qualifications, among other information. The Council has rejected applications for authorization when an institution has failed to meet minimum standards for general education requirements, failed to meet minimum standards for staff and faculty qualifications, did not provide financial information as requested, or did not meet financial resource standards.

State Need Grant Laws and Rules.

Under state law, in order to be eligible to participate in the State Need Grant (SNG) an institution of higher education must be a public university, college, community or technical college operated by the state of Washington, or be a private institution whose home campus is located in the state of Washington and who is accredited by a Council approved accrediting association. Certain branch campuses, extensions, or facilities operating within the state of Washington and affiliated with an institution operating in another state may participate under certain circumstances. Antioch University falls in this category.

State administrative code requires that in order to be eligible to participate in the SNG, an institution must participate in federal Title IV student aid programs and comply with federal regulations. Additionally, institutions must demonstrate a continuing capability to administer financial aid programs and sign an "Agreement to Participate" that is endorsed by the Council. Each year all institutions are required to submit copies of their student budgets, refund policies, repayment policies, satisfactory progress policies, and if requested, their award packaging policies for Council approval.

Summary of Bill:

The Office of the Financial Assistance (Office) within the Washington Student Achievement Council (Council) is required to:

- monitor compliance of institutions of higher education with financial aid program rules and regulations and evaluate continued participation based on performance;
- provide training and assistance to institutions of higher education regarding financial aid program rules and regulations;
- require additional data and information from for-profit institutions of higher education to evaluate risk to state funds;
- impose conditions or terminate the participation of institutions of higher education in state financial aid programs if the institution puts state funds at risk or fails to comply with program rules and regulations, as determined by the Council; and
- develop rigorous standards for review for participation of new institutions of higher education in state financial aid programs.

Appropriation: None.

Fiscal Note: Requested on February 14, 2013.

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