

HOUSE BILL REPORT

SSB 5195

As Reported by House Committee On:

Higher Education
Appropriations

Title: An act relating to allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program.

Brief Description: Allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, Hill, Tom, Bailey and Fain).

Brief History:

Committee Activity:

Higher Education: 3/26/13 [DP];
Appropriations: 4/1/13, 4/5/13 [DP].

Brief Summary of Substitute Bill

- Allows a nonprofit institution recognized by Washington to be eligible to participate in the State Need Grant program, effective August 1, 2013.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 17 members: Representatives Seaquist, Chair; Pollet, Vice Chair; Haler, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Fagan, Hansen, Hargrove, Johnson, Magendanz, Pedersen, Riccelli, Sawyer, Scott, Smith, Tarleton, Walsh and Wylie.

Staff: Luke Wickham (786-7146).

Background:

State Need Grant Eligibility.

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.

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's family income cannot exceed 70 percent of the state's median family income, currently \$57,500 for a family of four.

An institution of higher education is eligible to participate in the SNG program if it is a public university, college, or community or technical college operated by Washington. Universities, colleges, schools, or institutions offering postsecondary 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 Western Governors University.

In 2011 the Washington Legislature passed legislation permitting the Student Achievement Council to work with the Western Governors University (WGU). The WGU is a private, nonprofit, online university. It operates a state specific branch, WGU Washington. The WGU offers undergraduate and graduate degrees in business, teacher education, information technology, and health professions, including nursing. The WGU Washington degrees are granted under the accreditation of the WGU, which is accredited by the Northwest Commission on Colleges and Universities. The teacher's college programs are accredited by the National Council for Accreditation of Teacher Education, and the nursing programs are accredited by the Commission on Collegiate Nursing Education.

State statute permits the Student Achievement Council to recognize and endorse online, competency-based education.

Summary of Bill:

A nonprofit institution recognized by Washington under current law is eligible to participate in the SNG program.

The definitions of eligible institutions are modified for the Get Ready for Math and Science Scholarship Program and the Gaining Independence for Students with Dependents Scholarship Program so that they do not include nonprofit institutions recognized by the State of Washington.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect August 1, 2013.

Staff Summary of Public Testimony:

(In support) There is a student at WGU Washington who is a single mother and a small business owner and who believes that this bill would help students have greater access to different higher education options. The WGU provides greater opportunities for students who need flexibility in their higher education program. It comes as a surprise to students that they cannot access the SNG when attending the WGU. The WGU helps students remain in school and reenter the work force. Current law blocks SNG eligibility for the WGU students. The WGU offers students the programs they need to provide career improvements.

There is another single mother, with triplets, one of whom has autism, who was attending community college, but who could not attend a brick and mortar classroom because of the behavioral issues of her children. Although the SNG was available to her while attending community college, it is not available to her at the WGU. This is a jobs bill, particularly for the geographically challenged areas. It is not possible to commute and maintain a job or family while attending most higher education institutions. The WGU Washington was created in partnership with the Legislature in 2011. At that time the WGU had about 850 students, and there are currently about 4,400 students. The WGU is about the size of The Evergreen State College. The WGU offers a high quality education at a price point that is affordable for working adults and others. The tuition for 12 months of continuous attendance at the WGU is less than \$6,000. The WGU student retention rates at the seventh and thirteenth months is over 91 percent in both the graduate and bachelor's programs. The WGU graduated 300 students in their first year and 500 the following year. The WGU students balance home and life challenges, and include returning adult students, and persons of color. The WGU has the same mission as the community colleges, extending an open door to anyone that is eligible for the program. Sixty-nine percent of the WGU students come from rural areas, are people of color, first generation students, and students that are balancing home life issues. The WGU has become a destination of choice for community college students. There is a lot of overlap between community colleges and the WGU. The average age of a WGU student is about 37, which is similar to the population at community colleges. About 92 percent of overall WGU students started college at one point and are returning students. The best indicator of students that would be eligible for the SNG is based on the number of students eligible for the Pell Grant, which is about 1,000 students. This bill is about equity and spreading aid to more students across the state. Many students that attend the WGU may not attend other two-or-four year institutions. The WGU tuition is affordable. Tuition has been flat for the last five years.

(Opposed) None.

Persons Testifying: Senator Rolfes, prime sponsor; Jean Floten, Western Governors University Washington; and Katoya Palmer, Lydia Mills, and Tricia Elsner.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 24 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Fagan, Green, Haigh, Haler, Harris, Hudgins, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Ross, Schmick, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 5 members: Representatives Dahlquist, Hunt, Parker, Pike and Taylor.

Staff: Catrina Lucero (786-7192).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on August 1, 2013.

Staff Summary of Public Testimony:

(In support) Western Governor's University (WGU) offers a good opportunity for working and mid-life individuals to access higher education. Getting an education is important for students trying to re-enter the workforce. The WGU is a reasonably priced option for these students. The State Need Grant (SNG) is meant to help the lowest income residents gain access to higher education. Many of those individuals choose to enroll at the WGU.

Financial aid is for the students, not the institutions. The SNG helps to offset borrowing. Nontraditional students should have the same access as the states' traditional students. A brick-and-mortar four-year college is not possible for place-bound individuals. Students who attended a community college and received the SNG before attending the WGU should not lose access to financial aid just because they have changed institutions.

If the WGU is state-recognized then it seems appropriate that it would also qualify for the same state aid as similarly recognized institutions. The WGU's innovative competency-based model has already proven successful in Washington. The WGU is often less expensive than other public institutions providing a cost-efficient alternative to students and the state.

(Opposed) None.

Persons Testifying: Senator Rolfes, prime sponsor; Rich Cummings, Columbia Basin College; Tricia Elsner; Cassandra Fields; Lydia Mills; Jay Castro; Katoya Palmer; Kellie Cochran; and Regina Yarbrough.

Persons Signed In To Testify But Not Testifying: None.