

HOUSE BILL REPORT

HB 2288

As Reported By House Committee On:
Higher Education

Title: An act relating to financial aid portability.

Brief Description: Creating portability of financial aid.

Sponsors: Representatives Jacobsen, Carlson and Mason.

Brief History:

Committee Activity:

Higher Education: 1/19/96, 1/25/96 [DPS].

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Basich; Benton; Blanton; Delvin; Goldsmith; Mastin; Scheurman and Sheahan.

Staff: Suzi Morrissey (786-7120).

Background: Under current law, students receiving state need grants must attend institutions of higher education located in the state of Washington. The Higher Education Coordinating Board has made some limited exceptions to this requirement for reciprocity students attending colleges in Oregon, Idaho, and British Columbia.

According to an article in *The Chronicle of Higher Education*, dated November 24, 1995, 11 states permit their students to take their state financial aid money with them when they attend college in another state. This practice is known as portability. The article goes on to report the following:

(1) That a number of influential educators and lawmakers believe that expanding portable aid might help states with high enrollment pressures to avoid some of the costs associated with building new campuses.

(2) That the Western Interstate Commission on Higher Education (WICHE) is studying ways in which its members might make their student aid portable in the West.

(3) That some states that are projecting enrollment declines are positioning themselves to accept portable-aid students. One such state is North Dakota.

(4) That some officials in some public colleges oppose portability.

Summary of Substitute Bill: The Higher Education Coordinating Board will create a pilot project that permits some students to use their state need grant awards when the students study in other states. The pilot project will include students from Clark County who attend a college or university in the Portland area.

The board will establish criteria for student and institutional participation in the pilot. By December 15, 2002, the board will report to the Governor and appropriate legislative committees on the results of the pilot project. The report will include a recommendation on the extent that financial aid portability should be permitted for Washington's college students.

The authority to administer a financial aid portability project expires on June 30, 2003.

Substitute Bill Compared to Original Bill: The pilot program will not include students attending a college that is a member of the American Indian Higher Education Consortium. It will include students from Clark County who wish to attend a college or university in the Portland area. In addition, the board's required reporting date and the length of the pilot project are each extended for two years.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Washington faces a significant and expensive challenge in the next 20 years as it attempts to meet the educational needs of the baby boom echo generation and the needs of workers seeking retraining. Permitting students to use their state financial aid awards to study in other states is a cost-effective strategy for meeting some of that demand. Some states are anticipating enrollment declines. They would welcome Washington's college students. Students in one or more border counties could help to pilot the concepts of portable financial aid.

Testimony Against: None.

Testified: Representative Ken Jacobsen, prime sponsor.