

HOUSE BILL REPORT

SHB 2288

As Passed House:

February 8, 1996

Title: An act relating to financial aid portability.

Brief Description: Creating portability of financial aid.

Sponsors: By House Committee on Higher Education (originally sponsored by Representatives Jacobsen, Carlson and Mason).

Brief History:

Committee Activity:

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

Appropriations: 2/3/96 [DPS(HE)].

Floor Activity:

Passed House: 2/8/96, 97-0.

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).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Higher Education be substituted therefor and the substitute do pass. Signed by 29 members: Representatives Huff, Chairman; Clements, Vice Chairman; Pelesky, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Dyer; Foreman; Grant; Hickel; Jacobsen; Kessler; Lambert; Linville; McMorris; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott and Wolfe.

Minority Report: Do not pass. Signed by 1 member: Representative Hargrove.

Staff: Jennifer Priddy (786-7118).

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 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.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Higher Education) 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.

(Appropriations) None.

Testimony Against: (Higher Education) None.

(Appropriations) None.

Testified: (Higher Education) Representative Ken Jacobsen, prime sponsor.

(Appropriations) None.