

HOUSE BILL REPORT

HB 2534

As Reported by House Committee On:

Higher Education
Appropriations

Title: An act relating to gaining independence for students by establishing an educational assistance grant program for students with dependents.

Brief Description: Gaining independence for students by creating the educational assistance grant program for financially needy students with dependents.

Sponsors: Representatives Kenney, Cox, Kagi, Chase, Tokuda, Jarrett, Conway, Morell, Ogden, Edwards, Kessler, Haigh, Veloria, McIntire, Schual-Berke, Wood, Santos, McDermott and Linville.

Brief History:

Committee Activity:

Higher Education: 1/30/02, 2/6/02 [DPS];

Appropriations: 2/11/02, 2/12/02 [DP2S(w/o sub HE)].

Brief Summary of Second Substitute Bill

- Establishes a new grant program for needy students with dependents eighteen years of age or younger.
- The grant program will be funded through donations from private sources.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Chase, Gombosky, Jarrett, Lantz and Skinner.

Minority Report: Without recommendation. Signed by 1 member: Representative Dunn.

Staff: Antonio Sanchez (786-7383).

Background:

Washington state financial aid is guided by seven major policy goals:

- 1) ACCESS - An access policy tries to insure that students with the least ability to pay for a post-secondary education receive financial aid.
- 2) CHOICE - A choice policy is one in which the state provides a sufficient amount of financial aid to allow students to choose to attend private four-year colleges and proprietary schools.
- 3) PERSISTENCE - A persistence policy is one in which the state provides financial aid to students to encourage them to finish school.
- 4) MERIT - A policy of merit directs the state to provide aid to students who have a record of past academic accomplishments.
- 5) AFFORDABILITY - A policy to address affordability assists middle-income students who may not be eligible for a state grant based on income, but who still have difficulties paying for college.
- 6) CAREER CHOICE - A policy to encourage students to select or change careers has been addressed by providing assistance to certain employee groups affected by labor shortages, for workforce training, and in the development of economic development goals.
- 7) SPECIAL DISADVANTAGES GROUPS - The state has assisted students with certain disadvantages, unique living situations, or certain demographic characteristics. Students with children or parents whom they must support are provided some financial aid assistance to offset their documented costs.

FINANCIAL AID ASSISTANCE FOR STUDENTS WITH DEPENDENTS

Under the State Need Grant program, students with dependents are given a dependent care allowance in addition to the base grant. For the years 2001-2002, the maximum allowance is \$618 per year for a full time student regardless of the number of qualifying dependents. The dependents must be living with the student and be someone other than the student's spouse. To receive the dependent care allowance, the student must provide documentation that the dependent care expenses are needed. Students who have dependent care costs covered by another state agency or entity are not eligible for dependent care through the State Need Grant.

In 2000-01 a total of 7,064 students received a total of \$3,112,250 in dependent care assistance.

Other student aid programs that provide dependent care assistance to students include: Working Connections; Worker Retraining Financial Aid; Training Completion Aid; Private Industry Councils; some individual higher education institutions; and some community based institutions. Other than the State Need Grant Dependent Care Allowance, none of the other programs that assist students with dependent care are universally available to needy students.

According to a national study, family child care costs average between \$100 and \$150 per week. The disparity in costs for child care between urban and rural areas and between infants and toddlers is minimal.

Summary of Substitute Bill:

A financial aid grant program for needy students with dependents is created within available funds. It is called the Gaining Independence for Students with Dependents program. To qualify for the program, students must meet all the requirements under the State Need Grant. The student must:

- Have a high school diploma or equivalent;
- Be an undergraduate student;
- Demonstrate financial need and apply for federal financial aid;
- Be a Washington resident attending a Washington institution;
- Make satisfactory academic progress;
- Receive the grant for no more than five years;
- Take at least six credits per quarter or semester; and
- Be pursuing a degree other than theology.

The dependents claimed by the student must be 18 years of age or younger. Students can attend any accredited public or private college or university in the state of Washington. Students who qualify may receive a minimum of \$1,000 per academic year so long as the grant does not exceed their financial need for their course of study. Qualifying for the grant will not effect eligibility for the Tuition Assistance for Needy Families (TANF) program. The Higher Education Coordinating Board is given the authority for administering the grant program and is required to develop rules, criteria, and guidelines for the grant program. The account established for this program would allow for the receipt of private funds into the program, so long as they were expended for the purposes of the program.

Substitute Bill Compared to Original Bill:

Language is added that requires the financial aid grant program only be created within available funds. Students who qualify for the grant will not have the grants effect their eligibility for the TANF program.

Appropriation: None.

Fiscal Note: Not Requested.

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

is passed.

Testimony For: This program will allow single parents the ability to focus on their education and family. It is an investment in our future. Students with dependents have a very difficult time making ends meet and this would be an essential and much needed source of assistance.

Testimony Against: None.

Testified: Representative Kenney, prime sponsor; Bruce Botka, Higher Education Coordinating Board; Hollie MacLaren and Erin Welch, single mothers; Mary Murphy, League of Women Voters; Judy Hollar, American Association of University Women of Washington; Brendan von Briesen, Commission on Hispanic Affairs; Gena Wikstrom, Federation of Private Career Schools and Colleges; Rhonda Coats, State Board for Community and Technical Colleges; Randy Loomans, Washington State Labor Council; Richard Weatherley, Professor at the University of Washington; Winnie Sperry, Statewide Poverty Action Network; and Aiko Schaefer, Executive Director, Statewide Poverty Action Network.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 24 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Mastin, McIntire, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

Minority Report: Without recommendation. Signed by 1 member: Representative Lisk.

Staff: Laurie Schaffler (786-7143).

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

The second substitute specifies that the funding of the program will be through donations of gifts, grants or endowments from private sources. Also, the second substitute specifies that participants must have dependents who are 18 years of age or younger who are in their care.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This program is an acknowledgment that students with dependents need additional help to attend school. It is an important step to setting up a policy framework. The program responds to the broader needs of students such as living expenses and day care expenses.

Testimony Against: None.

Testified: Bruce Botka, Higher Education Coordinating Board; and Tony Lee, Fremont Public Association.