

SENATE BILL REPORT

SHB 2288

As Reported By Senate Committee On:
Higher Education, February 22, 1996

Title: An act relating to financial aid portability.

Brief Description: Creating portability of financial aid.

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

Brief History:

Committee Activity: Higher Education: 2/20/96, 2/22/96 [DP-WM].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Bauer, Chair; Drew, Hale, McAuliffe, Prince, Rasmussen, Sheldon, Wood and Zarelli.

Staff: Jennifer Hanlon (786-7784)

Background: Washington law requires recipients of state need grants to attend institutions of higher education located in Washington. There are 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 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 that proponents claim portability has three primary advantages. First, portable financial aid could help fast-growing states avoid the costs of building new campuses. Second, states with excess capacity might be able to avoid shutting down campuses. Finally, students might feel less financial pressure to enroll in their home states.

Opponents of portability would prefer an increase in financial support for public higher education.

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

Additionally, some states that are projecting enrollment declines are positioning themselves to accept portable-aid students.

Summary of Bill: The Higher Education Coordinating Board creates a pilot project that permits some students to use their state need grant awards when the students study in other

states. The pilot project includes students from Clark County who attend a college or university in the Portland area.

The board establishes criteria for student and institutional participation in the pilot. By December 15, 2002, the board reports to the Governor and appropriate legislative committees on the results of the pilot project. The report includes 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: The access issue is approaching. Other states will have room for students and Washington will not. It is a win/win situation for both states. Oregon is looking for students and Washington needs spaces. This bill widens the array of options.

Testimony Against: None.

Testified: Rep. Ken Jacobsen, prime sponsor.