

COMMITTEE ON HIGHER EDUCATION
Representative Don Carlson, Chair

BILL ANALYSIS
3SHB 1851
Changing higher education financial aid.

BACKGROUND: Needy state residents attending accredited in-state public and independent institutions of higher education are eligible to receive assistance from several state-funded student aid programs. The two major state aid programs are the Need Grant Program and the Work Study Program. One of the smaller aid programs is the Educational Opportunity Grant Program. Institutional aid administrators provide students with an aid package. Whenever the resources are available, the package includes assistance from a combination of federal, state, and institutional aid programs. In order to minimize administrative effort and expense, regulations for state and federal programs are generally as compatible as laws permit.

State Need Grant Program. The Legislature has appropriated \$67.3 million to the Need Grant Program for the 1997-98 academic year, and \$74.0 million for the 1998-99 academic year. The money is distributed from the neediest student up until the money is totally depleted. About 51,000 students will receive grants through the program. Of those students, about two-thirds are enrolled in community or technical colleges. Eligible students receive an award that equals 15 percent of the students' educational and living costs. The average grant is about \$1,400. By law, full-time and part-time students may participate in the program for up to five years. By rule, the Higher Education Coordinating Board has limited participation in the Need Grant Program to undergraduate students. There is no restriction on the amount of time students may use their grants at any particular educational level. However, under federal student aid programs, students are restricted to one year of remedial work.

State Work Study Program. The Legislature has appropriated \$15.4 million to the Work Study Program for each year of the current biennium. The funding will provide part-time employment for about 9,000 needy low and middle-income students. Institutions try to help students find jobs in the students' chosen fields of study. Most employers must partially match the state funds. Public employers provide 20 percent in matching funds. Private employers provide a minimum of 35 percent in matching funds. For the current academic year, a total of about \$20 million is available for the program when matching monies from employers are added to state appropriations.

Educational Opportunity Grant (EOG) Program. The EOG program was created in 1989. The program is designed to help needy place bound students with an associate of arts degree complete their upper division work. Students may receive a maximum yearly grant of \$2,500 under the program. The students may attend a Washington public or independent institution of higher education with unused capacity. To qualify for the program, students must live in areas served by branch campuses. However, they cannot use this grant to attend a branch campus. The Legislature appropriated \$2.4 million to the program for the current biennium. The funding will assist about 400 students.

SUMMARY: Existing statutory language describing the state financial aid program is revised to distinguish between the State Need Grant and Work Study programs. The Higher Education Coordinating Board ensures that both programs are designed around the principle that state financial aid money follows the student to the student's choice of an eligible institution of higher education.

Generally, students may use their need grant awards for a maximum of 125 percent of the published length of their program. All eligibility periods are adjusted to the equivalent credit or clock hours.

The Educational Opportunity Grant is a permanent program to assist financially needy place bound upper division students to attend any public or independent baccalaureate institution in the state of Washington that is accredited by an accrediting association approved by the Higher Education Coordinating Board. The board may deposit some money for the program into the state education trust fund to provide funding for a second year grant for new program recipients.

The Higher Education Coordinating Board is directed to evaluate the reports prepared in response to the 1997 legislative directive to the House and Senate fiscal committees to study tuition and financial aid. By September 1, 1998, the board will make recommendations to the Governor and the Legislature regarding Washington State's financial aid policies and programs. The board will also provide information on how its policy recommendations impact current students and state costs. The board will also provide information on enrollment of financial aid recipients in pre-college and developmental courses.

Revisions to the Need Grant Program take effect in the 1999 Fall academic term.

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