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## Higher Education Committee

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### HB 1214

**Brief Description:** Increasing the number of state need grant recipients by awarding the community and technical college rate in certain financial aid programs for a student's first two years of postsecondary credit.

**Sponsors:** Representatives Hargrove, Pettigrew, Sells, Haler and Muri.

#### Brief Summary of Bill

- Changes the State Need Grant (SNG) award amount for students who have never received a SNG and have fewer than 90-quarter credit hours or 60-semester credit hours to an amount no greater than the community and technical college (CTC) rate.
- Changes the College Bound Scholarship (CBS) award amount for students who enroll in the CBS program on or after June 30, 2017, and who have fewer than 90-quarter credit hours or 60-semester credit hours, to an amount no greater than the CTC rate.
- Encourages students who are eligible for the CBS or SNG to complete their first two years of post secondary education at a CTC.

**Hearing Date:** 1/25/17

**Staff:** Megan Mulvihill (786-7304).

#### Background:

##### The State Need Grant.

The State Need Grant (SNG) is the state's largest financial aid program. To be eligible for the program, a student needs:

- to be a Washington state resident;
- have a household income of less than 70 percent of the state's median household income;
- attend an eligible institution of higher education and maintain satisfactory academic progress;
- enroll with a minimum of three credits as an undergraduate student;

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- be pursuing a first bachelor's degree, a certificate, or a first associate degree in any field excluding theology; and
- not owe repayment to another student aid program.

The SNG award amount varies based on the institution of higher education the student attends and the student's family income. A student with a family income 50 percent or less of the state's median family income (MFI) will receive the maximum award amount, whereas a student who has a family income of 70 percent of MFI is eligible to receive 50 percent of the maximum award amount. In addition to income, the SNG award amount varies based on the type of institution a student chooses to attend. For example, for the 2016-17 academic year, a SNG student receiving a full award who attends the University of Washington receives \$9,348. A SNG student who receives the full award amount and attends a public community or technical college receives \$3,541. A SNG student may receive an award for up to five years or 125 percent of their program's length.

In academic year 2015-16, around 69,000 students received a SNG award, and over 24,000 were eligible, but did not receive an award due to funding limits.

#### The College Bound Scholarship.

The College Board Scholarship (CBS) Program was established in 2007 to provide guaranteed four-year tuition to students from low-income families. The first CBS awards were granted to the graduating high school class of 2012. Eligible students for the CBS include those who:

- qualify for free or reduced-price lunches in the seventh grade; or
- are dependent from parents or guardians, or are receiving extended foster care services; and
- are in grades seven through 12; or
- are between the ages of 18 and 21 and have not graduated from high school.

Beginning in the seventh grade, eligible students are notified of their eligibility and the requirements for award of the scholarship. To be eligible to receive the CBS, a student must sign a pledge during the seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and no felony convictions. To receive the CBS, the student must fulfill those requirements and upon graduation, the student's family income will be assessed. If the student's family income does not exceed 65 percent of the state MFI, the student will receive a scholarship.

The CBS recipients that attend public two-year or four-year institutions of higher education receive an award to cover the cost of tuition and fees, minus any state-funded grant, scholarship, or waiver assistance, plus \$500 for books and materials. The student must maintain satisfactory academic progress and may not receive the scholarship for more than four full-time years.

#### **Summary of Bill:**

Beginning with fall 2017, the SNG students enrolled in an institution of higher education who have never received a SNG award and who have fewer than 90-quarter credit hours or 60-semester credit hours must receive a grant award amount no greater than that used for the community and technical college (CTC) sector.

Students enrolled in the CBS program on or after June 30, 2017, who have completed fewer than 90-quarter credit hours or 60-semester credit hours are eligible to receive an award amount no greater than the amount provided to students attending a CTC.

Students who are eligible to receive the SNG and the CBS are encouraged to complete their first two years of post secondary education at a CTC before using state aid to enroll in a four-year institution of higher education.

Updates references from the Higher Education Coordinating Board to the Office of Student Financial Assistance.

**Appropriation:** None.

**Fiscal Note:** Requested on 01/16/2017.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.