

SENATE BILL REPORT

SB 6209

As of January 22, 2026

Title: An act relating to financial aid awards for students attending private four-year institutions of higher education.

Brief Description: Concerning financial aid awards for students attending private four-year institutions of higher education.

Sponsors: Senators Wellman, Boehnke, Dozier and Nobles.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/26/26.

Brief Summary of Bill

- Requires the Washington Student Achievement Council to develop a gainful employment standard for private, for-profit, four-year institutions to participate in state financial aid programs.
- Allows private, for-profit, four-year institutions of higher education to participate in the Washington College Grant and College Bound Scholarship if a gainful employment standard is met.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Kellee Gunn (786-7429)

Background: Washington College Grant and College Bound Scholarship. *Washington College Grant.* The Washington College Grant (WCG) is the state's largest financial aid program and provides awards to low-income students to pursue postsecondary education. The WCG is an entitlement program with guaranteed awards for students who qualify. The WCG award amount varies based on the institution the student attends and the student's

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family income. An eligible student may receive a WCG for six years or up to 150 percent of the published length of the student's program. Part-time students receive prorated awards.

College Bound Scholarship. The College Bound Scholarship (CBS) program was established in 2007 to provide guaranteed four-year tuition to students from low-income families. To receive the CBS, a student must graduate from high school with at least a C grade point average, have no felony convictions, have a family income that does not exceed 65 percent of the state median family income, and enroll within one year of high school graduation. There is no high school grade point average requirement for students to receive the CBS at a community or technical college. The student must maintain satisfactory academic progress or may not receive the scholarship. A student may receive an award for up to six years, or 150 percent of the student's program length.

SSB 5785 and For-Profit Higher Education Institutions. In 2025, the Legislature passed SSB 5785 which modified WCG and CBS awards for students enrolled at certain institutions. Beginning with the 2026-27 academic year, private for-profit institutions are no longer eligible to participate in WCG. Beginning in the 2027-28 academic year, private for-profit institutions are no longer eligible to participate in CBS.

Preceding this, starting in 2019, the maximum WCG and CBS awards for private for-profit institutions was codified at \$8,517, which could increase annually by no more than the tuition growth factor. The tuition growth factor was defined as the average annual percentage growth rate of the median hourly wage for Washington for the previous 14 years as the wage is determined by the Federal Bureau of Labor Statistics.

Gainful Employment Rule. Since 2009, the United States Department of Education (USDOE) has been working off and on to develop a gainful employment (GE) rule. The initial intent of the GE rule was to ensure career training programs receiving federal student aid prepare students for their career. The GE rule has gone through several iterations. Under the 2024 GE Rule, there were two main tests:

- at least half of graduates must have annual loan payments that are no more than 8 percent of their earnings or 20 percent of their discretionary income; and
- at least half of a program's graduates must earn more than average workers in their state with only a high school diploma.

Negotiated rulemaking from 2025's H.R.1—also known as the One Big Beautiful Bill Act—is expected to further change the federal GE rule.

Summary of Bill: Gainful Employment Standard. The Washington Student Achievement Council must adopt rules establishing a gainful employment standard for private, four-year, for-profit institutions of higher education that wish to participate in the WCG and CBS. At minimum, to be eligible to participate in those financial aid programs, debt payments for graduates must be no more than 8 percent of annual earnings or 20 percent of discretionary earnings, which is defined as annual earnings minus 150 percent of the federal poverty

guideline for the individual. In developing this standard, WSAC must take into consideration programs completion, and work with the Education Research and Data Center on data development and measures.

Maximum Washington College Grant and College Based Scholarship Awards for Private, For-Profit, Four-Year Institutions. Beginning in the 2026-27 academic year, the maximum WCG award amounts for students attending private, for-profit, four-year institutions is 50 percent of the average of the awards for the same academic year granted to students at the public research institutions in Washington.

Beginning in the 2027-28 academic year, the maximum CBS award amounts for students attending private, for-profit, four-year institutions is 50 percent of the average of the awards for the same academic year granted to students at the public research universities.

Appropriation: None.

Fiscal Note: Requested on January 17, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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