

# SENATE BILL REPORT

## SB 6209

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As Reported by Senate Committee On:  
Higher Education & Workforce Development, January 29, 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. [**Revised for 1st Substitute:** Concerning financial aid awards for students attending private four-year and two-year institutions of higher education.]

**Sponsors:** Senators Wellman, Boehnke, Dozier and Nobles.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/26/26, 1/29/26  
[DPS-WM, w/oRec].

**Brief Summary of First Substitute Bill**

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

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**SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT**

**Majority Report:** That Substitute Senate Bill No. 6209 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nobles, Chair; Warnick, Ranking Member; Boehnke and Slatter.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Minority Report:** That it be referred without recommendation.

Signed by Senator Hansen, Vice Chair.

**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 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 (First Substitute): Gainful Employment Standard.** The Washington Student Achievement Council must adopt rules establishing a gainful employment standard for private, 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 2026-27 academic year, the maximum WCG award amounts for students attending two-year for-profit institutions is 50 percent of the maximum award for students attending public two-year institutions.

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.

Beginning in the 2027-28 academic year, the maximum CBS award amounts for students attending private, two-year for-profit institutions is 50 percent of the maximum award for students attending public two-year institutions.

**EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute):**

- Allows two-year for-profit institutions of higher education to participate in the Washington College Grant and College Bound Scholarship if a gainful employment standard is met.
- Establishes that the maximum award amounts for WCG and CBS eligible students attending two-year for-profit institutions is 50 percent of the maximum award for students attending public two-year institutions.

**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.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: More than 200 students at Digipen are at risk of losing student financial aid eligibility this next year. Many of Digipen's students are low income and from diverse backgrounds. Students shouldn't lose access to education and their ability to reach their career goals.

Washington has a huge stake in the game industry sector. This bill aligns stat policy with the mission of WEIA. In a difficult budget year, we should not step back from commitments to education. A gainful employment standard for for-profit institutions should be established in state law. Students deserve options, and economic mobility.

The skills I learned at the Northwest Film Institute was important to my career. Eligible students should have that option. These are Washington residents and taxpayers that will be losing their student financial aid, and this has a ripple effect.

If the students attended public institutions, it would cost the state more per student. It's simple math. Maintaining the WCG and CBS for for-profit institutions provides a valid option for students to get their degrees and start their careers. Without CBS I would not be able to attend Digipen. I kept my CBS promise, the state needs to keep their promise.

CON: The fund split has led to an invisible cut. This bill does not do anything to restore funding for our public institutions.

OTHER: There should be an amendment to reinstate eligibility for 2-year institutions.

Students shouldn't lose access because it's a 2 year program.

Students who attend for-profit 2-year institutions should be included. Career colleges, like beauty schools, serve diverse student populations and deserve state investments.

For profit 2-year schools offer a valid option for neurodivergent students. Please reinstate WCG for these schools.

**Persons Testifying:** PRO: Angela Kugler, DigiPen Institute of Technology; Chris Comair, DigiPen Institute of Technology; Molly Walsh, DigiPen Institute of Technology; Cameron Gray; Aren Permadi; Julian Loaiza; Shannon Hirst; Craig Freeman, northwest college of art & design; Bethany Ary; Ted Haase, Seattle Film Institute; Julie Perigard, Northwest College of Art & Design.

CON: Samuel Ligon, Eastern Washington University Faculty Legislative Rep..

OTHER: Frank Trieu; Corrinne Gerdts, Student; Chalette Hubbard; Alexandria Elkins; Brooke Davies, Cosmetologists of Washington United; David Shulman, Seattle Film Institute; Chris Blanchett, Seattle Film Institute; Devin Gombosky, Northwest Career College Federation.

**Persons Signed In To Testify But Not Testifying:** No one.