

Individual State Agency Fiscal Note

Bill Number: 1322 HB	Title: State need grant/nonprofits	Agency: 340-Student Achievement Council
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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Request # 1322-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

House Bill 1322 and the companion Senate Bill 5195 seeks to expand the definition of "Institution" or "institutions of higher education" within the State Need Grant statute, RCW 28B.92.030(4) to include "A nonprofit institution recognized by the state of Washington as provided in RCW 28B.77.240." RCW 28B.77.240 recognizes and endorses Western Governors University-Washington. Expanding State Need Grant institutional eligibility to include Western Governors University-Washington will expand the number of eligible need based students within the State Need Grant program once the campus applies and is approved for participation.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Expanding State Need Grant institutional eligibility to include Western Governors University-Washington (WGU) will expand the number of eligible need based students within the State Need Grant (SNG) and College Bound Scholarship (CBS) programs. WGU indicates 30% of its enrollments are eligible for Pell Grant, or over 1,000 students. It is assumed about 1,000 students could be eligible for State Need Grant.

Annual tuition at WGU is \$5,780 for the 2012-13 academic year. Public SNG awards for four year institutions are approximately 95% of actual tuition; therefore if WGU were participating in SNG for the 2012-13 academic year, the SNG award amount for 2012-13 would be approximately \$5,490. If the program were fully funded, the inclusion of WGU students would cost \$5.8 million (1,061 students x \$5,490).

Once approved to participate, newly eligible SNG recipients attending WGU would be added to the overall SNG eligible student pool, and WGU would eventually receive a portion of the appropriation to serve their students. Without additional funding to the program, the unserved population would be expanded. Although the bill proposes the Caseload Forecast Council would not include WGU in its enrollment forecasts, it is assumed an additional amendment to the CBS statute would be required that refers to the SNG statute without including the additional eligible institution section by referencing RCW 28B.92.030 (4) (a) and (b) (i) and (ii). This fiscal note assumes College Bound students could attend WGU. College Bound ties private four-year institutions to public research institutions but other regulations prevent a student from receiving an SNG or CBS award above actual tuition. As such, the maximum award in College Bound would likely be \$6,280 (tuition plus a \$500 book allowance). It is unknown the number of high school graduate College Bound students who would enroll in WGU. The majority of WGU students are returning adults.

Other future expenditure considerations:

1. Future increases to tuition and fees at WGU
2. Increases to future enrolled need based populations at WGU

There are no additional administrative costs associated with expanding SNG eligibility to students at WGU.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

The State Need Grant definition of "postsecondary institution" in WAC 250.20.021 (3) would need to be expanded to include this classification of institution.