

HOUSE BILL REPORT

ESSB 6436

As Reported by House Committee On:
Appropriations Subcommittee on Education

Title: An act relating to creating a work group to make recommendations for the continued viability of the college bound scholarship program.

Brief Description: Creating a work group to make recommendations for the continued viability of the college bound scholarship program.

Sponsors: Senate Committee on Higher Education (originally sponsored by Senators Frockt, Bailey, Kohl-Welles and Hargrove).

Brief History:

Committee Activity:

Appropriations Subcommittee on Education: 2/27/14 [DPA].

**Brief Summary of Engrossed Substitute Bill
(As Amended by Committee)**

- Finds that emerging data on the College Bound Scholarship (CBS) Program indicates that it is a success, but that the program faces long-term challenges.
- Creates a CBS program work group consisting of 11 members from the Legislature and various higher education stakeholders.
- Requires the work group to submit a report to the Governor and appropriate committees of the Legislature by December 31, 2014. The report shall include recommendations for making the program viable, including but not limited to funding.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Majority Report: Do pass as amended. Signed by 10 members: Representatives Haigh, Chair; Fagan, Ranking Minority Member; Carlyle, Dahlquist, Haler, Lytton, Pettigrew, Seaquist, Sullivan and Wilcox.

Staff: Catrina Lucero (786-7192).

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

Background:

The College Bound Scholarship (CBS) Program was created in 2007 by Engrossed Second Substitute Senate Bill 5098 to provide financial assistance to low-income students. The CBS is open to seventh and eighth graders who sign a pledge to graduate from high school with a 2.0 GPA or higher, have no felony convictions, and have a median family income (MFI) of 65 percent state MFI or below at the time of graduation. The CBS award amounts are calculated as the difference between public institution tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives, plus \$500 for books and materials. College Bound Scholarship students are encouraged to complete the Free Application for Federal Student Aid (FAFSA) by the priority date of February 1 to increase the likelihood they will receive the State Need Grant (SNG) or other financial aid.

Five cohorts of students have signed up for the CBS Program. Cohort size has increased from an initial 2006-07 cohort of 16,063 students to an estimated 2012-13 cohort of 29,111 students. This increase reflects both an increase in eligible students and an increase in the percent of eligible students that sign up for the CBS program. The first CBS Program cohort enrolled during the 2012-13 academic year. There are approximately 7,106 students and two cohorts currently enrolled and receiving a CBS.

The 2013-15 operating budget appropriated \$36,036,000 for scholarship payments. The budget also included language that required students eligible for the CBS to be prioritized for the SNG and be awarded the maximum award they were eligible for.

The program is administered by the Washington Student Achievement Council (WSAC).

Summary of Amended Bill:

The Legislature finds that emerging data on the CBS Program indicates that it is a success, but that the program faces long-term challenges. It is the intent of the Legislature to create a work group to make recommendations to ensure the CBS program is viable, productive, and effective.

A CBS Program work group is created with 10 members to be appointed by June 30, 2014, consisting of:

- two members from the House of Representatives, one from each major caucus;
- two members from the Senate, one from each major caucus;
- one member from the four-year institutions to be selected by the Council of Presidents;
- one member from the two-year institutions of higher education to be selected by the State Board for Community and Technical Colleges;
- one member from a private, nonprofit higher education institution to be selected by an association of independent nonprofit baccalaureate degree-granting institutions;
- one member from the WSAC;
- one member from a private nonprofit college scholarship organization;
- one representative of the middle school system; and

- one nonlegislative member to be appointed by the Governor.

The work group must submit a report to the Governor and appropriate committees of the Legislature by December 31, 2014. The report shall include recommendations for making the program viable including, but not limited to, funding.

The work group must meet at least once, but no more than five times. It is staffed jointly by Senate Committee Services and the Office of Program Research in the House of Representatives. The Office of Financial Management will present data as needed.

Amended Bill Compared to Engrossed Substitute Bill:

A representative from the middle school system is added to the work group.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The College Bound Scholarship (CBS) is a very important program. Initial cohort participants have been successful, with the support of College Success Foundation advisors, in graduating from high school and enrolling in two- and four-year institutions of higher education. College Bound Scholarship participants graduate high school and enroll in four-year institutions of higher education at a higher rate than their low-income peers who do not participate in the program. The increasing cohort size has future cost implications. It is more appropriate to call this program a contract rather than an entitlement. The work group will focus on examining the benefits of the program and the fiscal realities with an eye toward sustainability. We should think about CBS in the light of college and career readiness and education more broadly.

(In support with concerns) Students sign up for the CBS in seventh and eighth grade. The work group in the current bill consists predominantly of higher education representatives. The bill could be improved by adding a member representing middle school principals to the work group. They could provide perspective on how to engage more students.

(Opposed) None.

Persons Testifying: (In support) Senator Frockt, prime sponsor.

(In support with concerns) Jerry Bender, Association of Washington School Principals.

Persons Signed In To Testify But Not Testifying: None.