

HOUSE BILL REPORT

SB 6175

As Reported By House Committee On:
Higher Education

Title: An act relating to the state educational trust fund.

Brief Description: Creating the state educational trust fund.

Sponsors: Senators Bauer and Kohl; by request of Higher Education Coordinating Board.

Brief History:

Committee Activity:

Higher Education: 2/20/96 [DPA].

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 12 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Basich; Benton; Blanton; Delvin; Goldsmith; Mastin; Scheuerman and Sheahan.

Staff: Marilee Scarbrough (786-7196).

Background: The State Educational Grant Account receives repayments from students whose eligibility for state grants changes after the initial receipt of funds. The Higher Education Coordinating Board administers the account, but the board has no statutory authority to spend any of the funds.

The Math and Science Teachers Loan program is no longer operative, but the Higher Education Coordinating Board continues to receive loan repayments from prior students. The funds received by the board are deposited into an account for loan repayment.

Summary of Amended Bill: The State Educational Grant Account is converted to a trust fund. The purpose of the trust is to provide college student assistance to needy or disadvantaged youth. Through this fund the state will offer "Early Promise" scholarships. The students must be identified as at risk of dropping out of secondary education, participate in early awareness and outreach programs, and enter a

Washington institution of higher education within two years of graduating from high school.

The board shall deposit state grant repayments received after the biennium into the trust fund. The board may also deposit into the trust fund repayments received from the loan program for math and science teachers. Additionally, the board may deposit money from state, federal, and private sources. The board may expend up to 3 percent of the fund each year for awards and administration of the fund. All earnings on the fund are credited to the fund.

Amended Bill Compared to Original Bill: Clarifies that no more than 3 percent of the fund may be used for administrative costs.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The trust fund is very important to students. Many of these students would be eligible for the state need grant funds during their college years.

Testimony Against: None.

Testified: John Klacik, Higher Education Coordinating Board (pro).