

HOUSE BILL REPORT

SB 5286

As Reported By House Committee On:
Higher Education

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

Brief Description: Changing provisions relating to the state educational grant account.

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

Brief History:

Committee Activity:

Higher Education: 3/21/95, 3/23/95 [DPA].

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 10 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Basich; Benton; Blanton; Delvin; Goldsmith and Mastin.

Staff: Marilee Scarbrough (786-7196).

Background: The basic state-supported Washington student financial aid program, the State Need Grant program, was authorized in 1969. The program is need based and available to students attending any participating postsecondary institution. A student's eligibility is determined by the institutional financial aid office prior to the disbursement of financial aid each quarter or semester.

Currently, the Higher Education Coordinating Board deposits repayments into the State Educational Grant Account. Repayments are from students whose eligibility changes after the initial receipt of state student financial aid. Money received after the biennium is appropriated to other eligible needy or disadvantaged college students.

Summary of Amended Bill: The state educational grant account is changed to a trust fund. The purpose of the fund is to "ensure the promise of college student assistance" to needy or disadvantaged middle and high school at risk students. Eligible students must participate in board approved early awareness and outreach programs and enter college within two years of graduation. The board may also

deposit moneys that have been contributed from other sources. The board is given broad authority to expend the funds as necessary to fulfill the purpose of the act. All earnings on the fund will be returned to the fund.

Amended Bill Compared to Substitute Bill: The amendment adds an emergency clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: Changing the purpose of the trust fund will assist the state in participating in the National Early Intervention program. Washington is one of six states receiving federal funds, the state must match those federal funds. Repayments from student financial aid are made to the account, the board is directed to use these funds for other needy students. The board will pledge funds for needy middle and high school students. This bill will not require a general fund expenditure. The board believes the promise of student aid will increase student success.

Testimony Against: None.

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