

# SENATE BILL REPORT

## SB 6175

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As Passed Senate, February 2, 1996

**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: 1/9/96, 1/22/96 [DP].  
Passed Senate, 2/2/96, 46-0.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass.

Signed by Senators Bauer, Chair; Kohl, Vice Chair; Drew, McAuliffe, Rasmussen, Sheldon, West, Wood and Zarelli.

**Staff:** Jean Six (786-7423)

**Background:** After the expiration of the loan program for mathematics and science teachers, loan recipients continue to pay back the loans they have received. The Higher Education Coordinating Board (HECB) also receives funds from students who have returned need-based grants because their eligibility changes after the initial receipt of state student financial aid. The State Educational Grant Account (SEGA) administered by the HECB receives these repayments, but the board has no statutory authority to spend any of the funds.

**Summary of Bill:** The State Educational Trust Fund is established to allow the HECB to expend these funds to provide financial aid to eligible students. The trust fund provides the vehicle for the state to meet its scholarship obligations under the federal National Early Intervention Scholarship Program (NEISP). (Washington is one of nine states approved for participation in this new federal program.) Through this fund, the state offers "Early Promise" scholarships. Early Promise is the state's pledge to selected, at-risk youth that if they strive to be academically prepared and are admitted into college within two years of high school graduation, student aid is available to assist in financing the educational costs. The award is paid out in increments through the State Need Grant Program, once the student is admitted to an in-state college. In addition to the Early Promise scholarships, these funds are to be used to assist other students with grants or work study.

The trust fund serves as the repository for not only the repayments, but other state appropriations, and private and federal appropriations such as those received through the NEISP. The initial funds are committed over a four-year period to eighth grade students who begin using the awards in the fall of 1998.

**Appropriation:** None.

**Fiscal Note:** None requested.

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

**Testimony For:** The trust fund will allow the HECB to promise financial aid to eligible needy students without further appropriation.

**Testimony Against:** None.

**Testified:** Susan Patrick, HECB; John Klacik, HECB.