

SENATE BILL REPORT

SHB 2807

As Reported By Senate Committee On:
Higher Education, February 26, 2002
Ways & Means, March 4, 2002

Title: An act relating to higher education scholarships.

Brief Description: Creating the Washington promise scholarship.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Kenney, Cox, Fromhold and Rockefeller; by request of Governor Locke).

Brief History:

Committee Activity: Higher Education: 2/26/02 [DPA-WM].
Ways & Means: 2/28/02, 3/4/02 [DPA].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Carlson, Horn, Jacobsen, McAuliffe, Parlette and B. Sheldon.

Staff: Jean Six (786-7423)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Poulsen, Rasmussen, Rossi, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Karen Barrett (786-7711)

Background: The 1999-01 biennial budget created the Promise Scholarship for two years and provided the funding to award two-year scholarships to meritorious high-school seniors whose families earn no more than 135 percent of the median family income. Funding is provided in the 2001-03 budget as well.

In the 1999-2000 academic year, 2207 scholarships, valued at \$1225 annually, were awarded to students in the top 10 percent of their class. In the 2000-01 academic year, the award amount increased to \$1542 “ more than 90 percent of the cost of tuition at a Washington community college. Based on a top 15 percent class standing or 1200 on the SAT in their first attempt, 3473 new recipients used the Promise Scholarship to attend many of the public and private colleges and universities in the state of Washington.

The scholarship is included in the 2001-03 budget and is provided funding so that 3200 students from the class of 2001 are receiving up to \$1404, about 80 percent of the average annual resident tuition at a state community college. Funding is provided through June 2003.

The program is administered by the Higher Education Coordinating Board (HECB) with assistance from the Office of the Superintendent of Public Instruction. Current budget language requires the HECB to evaluate the effectiveness and impact of the program and report to the Legislature in December 2002.

Summary of Ways & Means Amended Bill: The Promise Scholarship is created in statute to provide scholarships to meritorious and needy students who graduate in the top 10 percent of their graduating class or who receive a score of 1200 or better on the SAT on their first attempt or 27 on the ACT on their first attempt. The scholarship is limited to seniors whose families earn no more than 100 percent of the median family income. By October 15 of each year, the HECB determines the award amount based on the availability of funds. All money for the scholarship is deposited into an account in the custody of the State Treasurer.

The scholarships are not intended to supplant any other grant, scholarship, or tax program related to postsecondary education. Each qualifying student receives two consecutive annual awards not to exceed the full-time annual tuition rate for resident students at the state's community colleges. The awards may be used for undergraduate course work at accredited institutions of higher education in Washington and may not be awarded to any student pursuing a degree in theology. An exception is granted for students attending Oregon institutions that are part of the border county opportunity project when the undergraduate program is not available at accredited Washington institutions. The scholarship may be used for college-related expenses including tuition, room and board, books and materials.

Beginning with the 2002-03 academic year, the HECB must first ensure that eligibility for State Need Grant recipients is at least 55 percent of the state median family income. Promise Scholarship recipients must be legal residents of the United States residing in the state of Washington.

Ways & Means Amended Bill Compared to Higher Education Amended Bill: Beginning with the class of 2002, Promise Scholarship awards are limited to academically qualified students from families with income no greater than the state median, adjusted for family size.

Higher Education Amended Bill Compared to Substitute Bill: Beginning with the class of 2002, the eligible students will be in the top 10 percent of their graduating class. They may qualify by a score of 1200 on the SAT but might qualify instead by a score of 27 or better on the first try at the ACT. Scholarships may be used for undergraduate course work at Oregon institutions that are part of the border county opportunity project when the Oregon institutions offer programs not available at an accredited Washington institution. Scholarships may be awarded only to legal residents of the United States residing in Washington.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Higher Education): The Promise Scholarship is an important tool to continue the dream for academically successful high school students. It will help middle income students realize this dream. The scholarship demonstrates legislative commitment to its citizens. It is time to put this program in statute. The HECB would prefer to help more students. The HECB will report on the program in December 2002.

OSPI supports the certainty that is provided when the program is put into statute. Eventually, OSPI wants incentives in place by linking the WASL to the scholarship. It is difficult to use the Promise Scholarship to encourage students to do well when the funding from year to year is not dependable.

Testimony Against (Higher Education): None.

Testified (Higher Education): Representative Phyllis Kenney, prime sponsor; Theo Yu, OFM; Tom Parker, WAICU; Bruce Botka, HECB; Bob Butts, OSPI.

Testimony For (Ways & Means): The Governor views Promise as integral to incent excellence from K-12 reforms and continues to seek permanent authority for the scholarship program for reasons of stability and predictability. As it stands now, the program can evaporate with the biennial budget. The Governor prefers the House approach which balanced the challenge of limited and declining state resources through award levels rather than eligibility changes. Prompt resolution is needed by the HEC Board as those finishing high school this year will soon be notified of their academic eligibility for a college grant and the expectation is for a program that benefits those in the top 15 percent of their respective high school graduating class.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO with Concerns: Jim Crawford, Governor's Office of Financial Management; Ruta Fanning, Higher Education Coordinating Board.