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SECOND SUBSTITUTE HOUSE BILL 2041

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State of Washington                      64th Legislature                      2015 Regular Session

By House Appropriations (originally sponsored by Representatives Hansen and Pollet)

READ FIRST TIME 02/27/15.

1            AN ACT Relating to the creation of a pilot project on  
2 performance-based scholarships in the state need grant; adding a new  
3 section to chapter 28B.92 RCW; creating new sections; and providing  
4 an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.**    (1) The legislature recognizes that the  
7 high cost of attending an institution of higher education is often a  
8 barrier for low-income students. Traditional financial aid helps  
9 cover tuition and fees, but students have additional costs. These  
10 additional costs such as living expenses, transportation, and child  
11 care, may cause students to devote more time to work, which can  
12 interfere with academic performance.

13            (2) The legislature finds that institutions of higher education  
14 in other states are participating in innovative pilot projects for  
15 performance-based scholarships. The early findings of these small  
16 pilot projects are promising and indicate that performance-based  
17 scholarships may help improve student academic performance. The  
18 legislature finds this research compelling and intends to pursue  
19 additional research by conducting a small pilot project on  
20 performance-based scholarships within the state need grant.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 28B.92

2    RCW to read as follows:

3        (1)    The state need grant performance-based scholarship pilot  
4    project is created. The pilot project has two purposes:

5        (a)    To determine whether additional financial aid improves  
6    student academic performance and completion rates without performance  
7    benchmarks; or

8        (b)    To determine if performance benchmarks need to be attached to  
9    additional financial aid in order to increase academic performance.

10       (2)    The council shall, in consultation with the state board for  
11    community and technical colleges, administer the state need grant  
12    performance-based scholarship pilot project and shall select at a  
13    minimum, two institutions of higher education, one public  
14    baccalaureate institution and one community or technical college, to  
15    participate in the pilot project.

16       (3)(a)    The council shall establish the pilot project as a  
17    randomized controlled trial in which three cohorts from students who  
18    receive the state need grant at the beginning of the 2016 academic  
19    year for each of the participating institutions are randomly  
20    selected. The cohorts must consist of a sufficient number of students  
21    to produce a statistically valid response. The council may contract  
22    with a third-party consultant in creating the pilot project.

23       (b)    One cohort of students at each of the participating  
24    institutions shall receive their state need grant aid and any  
25    additional financial aid they qualified for, but will not receive a  
26    performance-based scholarship. These students shall be the control  
27    cohorts.

28       (c)    The second cohort of students at each of the participating  
29    institutions shall receive the performance-based scholarship without  
30    performance measures attached. These students shall be the first  
31    performance cohorts. Students in the first performance cohorts shall  
32    receive the scholarship money, in addition to the state need grant  
33    and any other financial aid they receive, as long as the students  
34    continue to receive the state need grant.

35       (d)    The third cohort of students at each of the participating  
36    institutions shall receive the performance-based scholarship with  
37    performance measures attached. These students shall be the second  
38    performance cohorts. Students in the second performance cohorts shall  
39    receive the scholarship money, in addition to the state need grant  
40    and any other financial aid they receive, as long as the students

1 continue to receive the state need grant and achieve the following  
2 additional performance standards:

3 (i) A minimum grade point average of 3.0, or other grade point  
4 average the council deems appropriate as long as the grade point  
5 average is higher than 2.0.

6 (ii) Successfully complete a minimum of fifteen credits or  
7 equivalent clock hours for each quarter or semester the student is  
8 receiving the state need grant, or other minimum credit standard that  
9 the council deems appropriate.

10 (4) The council shall distribute the scholarship money at the  
11 beginning of each quarter or semester that the student is receiving  
12 the state need grant, or at such other time as the council deems  
13 appropriate. The scholarship money shall be awarded directly to the  
14 student to use as the student chooses. The amount of each scholarship  
15 shall be determined by the level of appropriation received for this  
16 purpose and the number of students selected for the pilot project.

17 (5) The pilot project shall begin no later than the 2016-17  
18 academic year and shall last no longer than two years.

19 (6) The council shall contract with a third-party entity to  
20 conduct a comprehensive and rigorous evaluation of the state need  
21 grant performance-based scholarship pilot project. The third-party  
22 evaluator and the council shall submit a report to the appropriate  
23 committees of the legislature that details the findings of the  
24 evaluation within six months of pilot project completion or a date  
25 deemed appropriate by the council. The evaluation must provide a  
26 comparison between the control, first performance, and second  
27 performance cohorts.

28 (7) This section expires August 1, 2019.

29 NEW SECTION. **Sec. 3.** If specific funding for the purposes of  
30 this act, referencing this act by bill or chapter number, is not  
31 provided by June 30, 2015, in the omnibus appropriations act, this  
32 act is null and void.

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