

# HOUSE BILL REPORT

## SHB 1425

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### As Amended by the Senate

**Title:** An act relating to amending the opportunity scholarship act to expand scholarships for community and technical college students.

**Brief Description:** Expanding scholarships for community and technical college students.

**Sponsors:** House Committee on College & Workforce Development (originally sponsored by Representatives Taylor, Leavitt, Valdez, Santos, Johnson, J., Ortiz-Self, Simmons, Rule, Ramel, Chopp, Pollet, Hackney and Morgan).

#### **Brief History:**

##### **Committee Activity:**

College & Workforce Development: 2/4/21, 2/11/21 [DPS].

##### **Floor Activity:**

Passed House: 2/25/21, 98-0.

Senate Amended.

Passed Senate: 4/3/21, 46-0.

#### **Brief Summary of Substitute Bill**

- Modifies student eligibility for the Career and Technical Scholarship and the Rural Jobs Initiative Scholarship under the Washington State Opportunity Scholarship program.

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### HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Chandler, Hansen, Hoff, Kraft, Paul, Pollet, Sells and Sutherland.

**Staff:** Megan Mulvihill (786-7304).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### Washington State Opportunity Scholarship.

The Washington State Opportunity Scholarship (WSOS) program was established in 2011 to provide scholarships to low- and middle-income resident students pursuing eligible high-demand majors in science, technology, engineering, mathematics (STEM), and health care, and to encourage scholarship recipients to work in the state upon completion of their degrees. The WSOS is a private-public match program in which the state matches any private donations in order to fund the scholarships. The state match is capped at \$50 million annually.

The WSOS was expanded in 2017 and 2018, and now includes three possible scholarships. The Baccalaureate Scholarship, the Career and Technical Scholarship, and the Graduate Scholarship. The Baccalaureate Scholarship provides a student up to \$22,500 over five years to pursue a bachelor's degree in STEM or health care. In 2020, 750 new students received a scholarship. The Career and Technical Scholarship provides \$1,500 per quarter to a student pursuing an apprenticeship or a certificate or associate's degree in a professional-technical program. In 2020, 552 students received a scholarship. The Graduate Pathway will be accepting applicants for the 2021-22 academic year for students pursuing a Doctor of Nursing Practice or a Master of Science in Nursing degree.

Students have to meet certain requirements to qualify for the Baccalaureate and Career and Technical Scholarships. A student must:

- be a Washington resident;
- have earned a high school diploma or equivalent in Washington;
- have a total family income that does not exceed 125 percent of Washington state family median income based on family size;
- file a financial aid form;
- have a cumulative grade point average of at least 2.75 or a passing General Educational Development test score (for the Baccalaureate Scholarship only);
- plan to pursue an eligible certificate or degree at an eligible higher education institution;
- plan to enroll at least half-time (at least six credits for the Career and Technical Scholarship); and
- not already have a bachelor's degree.

### Rural Jobs Initiative.

In addition, the Rural Jobs Initiative (RJI) is administered by the WSOS. The RJI is a separate scholarship program within the Career and Technical Scholarship. To qualify for the RJI, a student needs to:

- be a Washington resident;
- be a resident of a rural county or have graduated from a Washington high school in a district with fewer than 2,000 students;
- have a family income that does not exceed 70 percent of Washington state median

- family income adjusted for family size;
- be enrolled in a certificate, degree, or other industry-recognized credential or training program that prepares a student for a high-employer-demand field; and
- be enrolled at a community or technical college in a rural county.

The RJI recipients are eligible to receive \$3,500 in their first quarter, \$2,500 in their second quarter, and \$2,000 per quarter for the remainder of their program. In 2020, 17 students received a scholarship.

### **Summary of Substitute Bill:**

Eligibility for the Career and Technical Scholarship is expanded by removing the requirement for a student's high school diploma or equivalent to be from Washington.

Eligibility for the RJI is modified. To be eligible for the RJI a student must either:

- be a resident of a rural county and be enrolled in a community or technical college; or
- have graduated from a school in a rural county and be enrolled in a community or technical college located in a rural county.

### **EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment requires the state match of private donations for the Rural Jobs Program within the Washington State Opportunity Scholarship program to be budgeted at maintenance level.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) Since 2011 the WSOS has supported thousands of students in their pursuit of high-demand, trade, STEM, and health care careers. The WSOS is made possible because of the state's generous matching of every private dollar raised. The unique model of financial aid coupled with student supports leads to students graduating faster, with less debt, and earning higher wages in fields that Washington's economy needs to survive. The majority of scholarship students are students of color and first-generation college students. All are from low- or middle-income families. The WSOS helps break the intergenerational cycle of poverty. The WSOS baccalaureate scholars earn more than twice their family income within five years of graduating.

Several obstacles limiting student access are eliminated, increasing opportunities for students in communities throughout Washington. With the pandemic, young people are realizing that they need to pivot and do something different to earn a living wage. Students want a hand up, not a handout. A nontraditional student may have lived in Washington for many years, despite not having earned a Washington high school diploma. Removing the requirement to have a Washington high school diploma will help increase access to scholarships for nontraditional and military students. For the Rural Jobs program, the problem is that some areas of the state, such as Ferry County, do not have a college. The nearest college campus is in a non-rural county. Students need options to pursue education in the communities where they reside, and online learning allows for this. The proposal would also have allowed noncredit-bearing programs in a high-demand field, but there will be an amendment to remove this.

(Opposed) None.

(Other) The efforts to financially assist additional students by amending the residency requirements are supported, and in concept, the industry-recognized credentials are also supported. The concern is that credit-bearing programs would not be included in this definition, and the programs are an undefined length of time. Some industry-recognized credential programs are as short as eight hours and others are as long as 10–12 weeks. A more clearly defined definition of industry-recognized credentials would be appreciated. This would help protect the college's program integrity and leverage other nontraditional and traditional financial assistance for students.

**Persons Testifying:** (In support) Representative Taylor, prime sponsor; and Kimber Connors, Washington State Opportunity Scholarship.

(Other) Scott Copeland, Washington State Board for Community and Technical Colleges.

**Persons Signed In To Testify But Not Testifying:** None.