

SENATE BILL REPORT

SB 6744

As of January 25, 2006

Title: An act relating to the guaranteed opportunities scholarship program.

Brief Description: Creating the guaranteed opportunities scholarship program.

Sponsors: Senators Rockefeller, Fraser, Berkey, Doumit, Shin, Kline, Kohl-Welles, McAuliffe and Rasmussen.

Brief History:

Committee Activity: Early Learning, K-12 & Higher Education: 1/26/06.

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Staff: Ingrid Mungia (786-7423)

Background: The Guaranteed Education Tuition (GET) Program was created in 1998 as Washington's prepaid college tuition program. The GET Program allows families to purchase tuition units at current prices for use at a later date. These funds are invested by the State Investment Board and the purchaser is guaranteed that one year's worth of units purchased now will be worth one year's worth of public university tuition in the future.

Customers can purchase up to 500 units and then redeem them at any accredited public or private college or university in the country. The Committee on Advanced College Tuition Payment (or GET Committee) oversees the program, including regularly setting and revising the purchase price for a tuition unit to ensure an actuarially sound program.

Summary of Bill: The Higher Education Coordinating Board (HECB) will design the Guaranteed Opportunities Scholarship Program. The HECB with the assistance of the Office of the Superintendent of Public Instruction will implement and administer the program. Scholarships will be awarded to students graduating from public and approved private high schools, students participating in home-based instruction, and persons twenty-one years of age or younger receiving a GED certificate, who meet the academic and financial eligibility criteria.

To meet the academic eligibility criteria for the Guaranteed Opportunities Scholarship Program, qualified students must attain or exceed the standards in all content areas on the Washington Assessment of Student Learning (WASL) or on the Washington Alternative Assessment System on their first attempt. Students graduating from public high schools or approved private high school must have a grade point average equal to or greater than 3.5 for the ninth and tenth grades. Students enrolled in a private school or receiving home-based instruction are permitted to take the high school assessments at an education service district for the purpose of qualifying for a Guaranteed Opportunities Scholarship or any other purpose.

To meet the financial eligibility criteria, a student's family income must not exceed one hundred percent of the state median family income adjusted for family size, as determined by the HECB for each graduating class. Students not meeting the academic eligibility requirements for the first year of scholarship benefits may reapply for the second year, but must still meet the income standard set the HECB for the student's graduating class.

Guaranteed Opportunities Scholarships will be for one hundred tuition units or one academic year. Scholarships will be awarded in the fall after results of the high school WASL are available. The first scholarship will be awarded to students who take the high school assessment for the first time in the spring of 2007 and must be used within five years of receipt. Scholarships are not intended to supplant any grant, scholarship, or tax program related to post secondary education. If the HECB finds that the scholarship supplants or reduces any other money for eligible students, the financial eligibility criteria or the amount of the scholarship will be adjusted to the level necessary to avoid supplanting.

The Guaranteed Opportunities Scholarship Program account is created in the custody of the State Treasurer. The HECB will deposit all money received for the program in the Guaranteed Opportunities Scholarship account. The account will be self-sustaining and consist of funds representing tuition units purchased by the state of Washington and funds received from other sources. The limitations and authorities applicable to the Washington Advanced College Tuition Payment Program account apply to the Guaranteed Opportunities Scholarship account. The state of Washington is eligible to purchase tuition units to grant scholarships. Disbursements from the account can only be made on the authorization of the HECB. Administrative expenses of the tuition unit payment portion of the program are paid from the account in an amount not to exceed three percent of the total available assets in the account.

Appropriation: None.

Fiscal Note: Requested on January 25, 2006.

Committee/Commission/Task Force Created: No.

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