

SENATE BILL REPORT

SB 6436

As Reported by Senate Committee On:
Higher Education, February 6, 2014

Title: An act relating to creating a work group to make recommendations for the continued viability of the college bound scholarship program.

Brief Description: Creating a work group to make recommendations for the continued viability of the college bound scholarship program.

Sponsors: Senators Frockt, Bailey, Kohl-Welles and Hargrove.

Brief History:

Committee Activity: Higher Education: 2/04/14, 2/06/14 [DPS].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 6436 be substituted therefor, and the substitute bill do pass.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Frockt, McAuliffe and Tom.

Staff: Kimberly Cushing (786-7421)

Background: The Washington College Bound Scholarship Program (program) was created in 2007. Students are eligible if they qualify for free or reduced-price lunch. To be awarded the scholarship, an eligible student must pledge, during grade seven or eight, that they will: (1) graduate from high school; (2) graduate with a C average; and (3) not have any felony convictions. To receive the scholarship, the student must have kept the pledge, have a family income at high school graduation below 65 percent of the state median, and be a resident student.

The Office of Superintendent of Public Instruction notifies schools about the program, and the Washington Student Achievement Council (WSAC) develops and distributes the pledge forms, tracks scholarship recipients, and distributes scholarship funds.

The scholarship is equal to the difference between the cost of the student's tuition and fees at a public college or university, plus \$500 for books and materials, and minus the value of any other state financial aid received for those items. The maximum award is for four years. The

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first scholarships were awarded to students who graduated in 2012. In the 2012-13 academic year, 4,690 students received a scholarship. The 2013-15 budget appropriated just over \$36 million for the program.

Summary of Bill (Recommended Substitute): The Legislature finds that emerging data on the program shows it is a success, but the program faces long-term challenges. Therefore, the Legislature intends to create a workgroup that will make recommendations to ensure the program is viable, productive, and effective.

A College Bound Scholarship Program workgroup is established with nine members to be appointed by June 30, 2014:

- two from the House of Representatives, one from each major caucus;
- two from the Senate, one from each major caucus;
- one from the four-year institutions of higher education to be selected by the Council of Presidents;
- one from the two-year institutions of higher education to be selected by the State Board for Community and Technical Colleges;
- one from WSAC;
- one from a private nonprofit college scholarship organization; and
- one nonlegislative member to be appointed by the Governor.

The workgroup must submit a report by December 31, 2014, to the Governor and appropriate committees of the Legislature with recommendations for making the program viable, including but not limited to funding.

The workgroup must meet at least once, but no more than five times, and is staffed jointly by Senate Committee Services and the Office of Program Research in the House of Representatives. The Office of Financial Management will present necessary data.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (Recommended Substitute): Adds three representatives to the workgroup, one each from the following: the four-year sector to be selected by the Council of Presidents; the two-year sector to be selected by the State Board for Community and Technical Colleges; and WSAC. Removes one of the two nonlegislative members to be appointed by the Governor.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony on Original Bill: PRO: This program has incredible promise. It is the best program we have to address the achievement gap in K-12. But we need to find a way to ensure the program is viable, and we need to do it in a calm, thoughtful way over interim to set it up for success in terms of funding and administration. The program sends the message to low-income students to dream big, work hard, and not worry

about the cost of higher education. However, the program is only serving its second cohort of students in college and there are challenges with projecting future costs. The environment has changed from when bill was created. No additional appropriations were made after the first investment. Changes to prioritize the program in State Need Grant (SNG) have driven costs to the SNG program. WSAC looks forward to supporting the workgroup and would like to be added as the program administrator. We want to ensure the program is effective and not at the expense of any other program such as SNG. It would be good to include a representative from a public four or two-year institution.

Persons Testifying: PRO: Senator Frockt, prime sponsor; Rachelle Sharpe, WSAC; Paul Francis, Council of Presidents.