

SENATE BILL REPORT

HB 1452

As of February 21, 2018

Title: An act relating to the opportunity scholarship program.

Brief Description: Concerning the opportunity scholarship program.

Sponsors: Representatives Holy, Tarleton, Van Werven, Springer, Stambaugh, Haler, Pollet and Slatter.

Brief History: Passed House: 4/07/17, 96-0; 5/02/17, 90-2; 5/25/17, 92-2; 1/11/18, 97-1.

Committee Activity: Higher Education & Workforce Development: 2/20/18.

Brief Summary of Bill

- Expands the Washington State Opportunity Scholarship (WSOS) to eligible professional-technical degree and certificate programs.
- Creates a new account, called the Pathways Scholarship Account, from which scholarships for professional-technical certificates and degrees will be awarded.
- Allows students who are ineligible to file for federal student aid to file a state financial aid application to meet scholarship renewal requirements.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Alicia Kinne-Clawson (786-7407)

Background: The 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 eligible student needs to be working towards a first bachelor's degree at an eligible Washington state college or university. The student may attend a public community or technical college if the student indicates plans to transfer to a four-year college or university

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by the time the student has earned 90 quarter credits. For the 2015-16 academic year, 1057 recipients were selected to receive the scholarship.

The WSOS program is overseen by the WSOS Board and administered by the program administrator. Washington STEM is the current program administrator, and has the duty of publicizing the program, selecting scholarship recipients, distributing awards, and managing the account investments. Also, Washington STEM administers two separate accounts to receive grants and contributions from private sources and state matching funds, and to disburse scholarship funds to participants. The accounts are:

- the scholarship account, from which scholarship funds are disbursed; and
- the endowment account, from which scholarship funds are disbursed only if certain conditions are met.

Summary of Bill: The WSOS program is expanded to include eligible students who have been accepted into a professional-technical certificate or degree program approved by the State Board for Community and Technical Colleges and offered at a public institution of higher education.

A new account is created called the Pathways Scholarship Account, from which scholarships for professional-technical certificates or degree programs will be awarded. The scholarships are to be disbursed on an annual basis, once the first fiscal year following a state appropriation for matching funds has passed. The two existing accounts are for baccalaureate scholarships only.

Students who are ineligible to apply for federal student aid to have their WSOS renewed may file a state financial aid application, as approved by the Office of Student Financial Assistance.

College scholarship organization is removed from the definition of program administrator, as is a reference to the program administrator having expertise in managing scholarships and college advising. The program administrator is put under contract of both the Student Achievement Council and the WSOS Board. In addition, the program administrator must provide administrative support to execute the program responsibilities, rather than having full responsibility.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Private benefactors are donating funds and the state is matching dollars one to one. This fills a gap for students given that the state need grant is underfunded. It focuses on the high needs programs for employers in Washington State. Since 2011, WSOS has funded scholarships for 8400 low and middle income higher education students. WSOS has successfully raised nearly \$200 million in public and private

dollars to support students in high demand degrees. These students hail from every county and legislative district in Washington. We have seen tremendous success in our baccalaureate programs, but there continues to be demand in workforce education—especially career pathways which require a professional or technical degree or certification. By 2021, there will be 330,000 jobs that need to be filled requiring a professional or technical degree or certificate.

Persons Testifying: PRO: Representative Jeff Holy, Prime Sponsor; Arlen Harris, State Board for Community & Technical Colleges; Naria Santa Lucia, WSOS.

Persons Signed In To Testify But Not Testifying: No one.