

# HOUSE BILL REPORT

## HB 1805

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### As Amended by the Senate

**Title:** An act relating to the opportunity scholarship program.

**Brief Description:** Concerning the opportunity scholarship program.

**Sponsors:** Representatives Paul, Boehnke and Shewmake.

### Brief History:

#### Committee Activity:

College & Workforce Development: 1/17/22, 1/26/22 [DP];  
Appropriations: 2/3/22, 2/4/22 [DP].

#### Floor Activity:

Passed House: 2/10/22, 89-4.  
Senate Amended.  
Passed Senate: 3/4/22, 48-0.

### Brief Summary of Bill

- Allows the Washington State Opportunity Scholarship Program to accept advanced degree program students who exceed 125 percent of the state median income if they demonstrate financial need through other factors.
- Aligns the definition of "resident student" for the Washington State Opportunity Scholarship Program with the Washington College Grant.
- Includes registered apprenticeships under the Washington State Opportunity Scholarship Program Professional-Technical Degree and Certificate programs.
- Establishes that the Washington State Opportunity Scholarship Program is automatically renewed until the program length expires, 125 percent of the program length, or the credit or clock-hour equivalent of five years.
- Establishes that the state match for the Rural County High Employer Demand Jobs Program must be based on donations and pledges received

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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.*

as of the date of the caseload forecast to ensure predictable treatment of the Program in the budget process.

- Removes the 2.0 grade point average for the Rural County High Employer Demand Jobs Program and instead requires students to meet satisfactory academic progress toward completion of an eligible program.

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## HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass. Signed by 10 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Hansen, Paul, Pollet, Sells and Sutherland.

**Minority Report:** Do not pass. Signed by 1 member: Representative Kraft.

**Staff:** Elizabeth Allison (786-7129).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

**Staff:** Kate Henry (786-7349).

### **Background:**

#### Washington State Opportunity Scholarship Program Overview.

The Washington State Opportunity Scholarship Program (WSOS) provides scholarships to low- and middle-income resident students pursuing professional–technical degrees or bachelor's degrees in high-demand majors in science, technology, engineering, mathematics, and health care. The scholarship also includes advanced degrees in health professions. The WSOS is a public-private partnership in which the state matches private contributions to fund the scholarships.

To be eligible to receive grants under the program, a student must be a resident student who:

- has received a high school diploma or high school equivalency certificate in Washington and:
  - is accepted at a four-year institution of higher education into an eligible program;
  - will attend a two-year institution with intent to transfer to an eligible program at a four-year institution; or
  - has been accepted at an institution of higher education into a professional-technical certificate or degree program in an eligible education program;
- has been accepted at an institution of higher education into an eligible advanced degree program that leads to credentials in health professions;
- declares an intention to obtain a professional-technical certificate, professional-technical degree, baccalaureate degree, or an advanced degree; and
- has a family income at or below 125 percent of the state median family income at the time the student applies for an opportunity scholarship.

A professional-technical certificate and professional-technical degree is a program as approved by the State Board for Community and Technical Colleges that is offered by an institution of higher education.

A student is defined as a resident student based on one of 24 factors including provisions for military and veteran status, being domiciled in Washington for a period of time, and status as a dependent with a parent domiciled in the state for a period of time.

The WSOS is administered by a program administrator that is a private, nonprofit, tax-exempt corporation. The program administrator is responsible for distributing funds to selected participants. Once funds are awarded, an Opportunity Scholarship is automatically renewed as long as the participant submits annual documentation of filing a Free Application for Federal Student Aid (FAFSA), Washington Application for State Financial Aid (WASFA) and other education tax credits, until the student withdraws from, completes, or has taken the credit or clock-hour equivalent of 125 percent of the published length of time of the program, whichever occurs first.

Rural County High Employer Demand Jobs Program.

The Rural County High Employer Demand Jobs Program (Rural Jobs Program) was established to meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields. The Rural Jobs Program is funded through a combination of private funds and state matching funds.

To be eligible to receive scholarship funds under the Rural Jobs Program, a student must:

- either be a resident of an eligible county and be enrolled in a community or technical college (CTC), or have attended and graduated from a school in an eligible school district and be enrolled in a CTC that is located in an eligible county;
- be a resident as defined in the WSOS;

- be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the Opportunity Scholarship Board as a program that prepares students for a high employer demand field;
- have a family income that does not exceed 70 percent of the state median family income adjusted for family size; and
- demonstrate financial need according to the FAFSA or WASFA application.

To remain eligible to receive scholarship funds under the Rural Jobs Program, the student must maintain a cumulative grade point average of 2.0.

Washington College Grant Eligibility.

The Washington College Grant is a need-based scholarship program that provides free college for students who demonstrate financial need. To be eligible to receive the Washington College Grant, a student must qualify under one of the following five factors:

- a student who is financially independent and who has been domiciled in Washington for at least one year prior to the start of the first academic quarter or semester;
- a dependent student whose parent has been domiciled in Washington for at least one year prior to the start of the first academic quarter or semester;
- a student classified as a resident based on domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment at an institution in this state is continuous;
- a student who has spent at least 75 percent of both junior and senior years in high schools in Washington, whose parents or legal guardians have been domiciled in Washington for at least a year before the person's first quarter or semester, and who enrolls in a public institution of higher education within six months of leaving high school; or
- any person who has obtained a high school diploma or received the equivalent of a diploma; who has continuously lived in Washington for at least a year before the person is admitted to an institution of higher education; and who provides the institution with an affidavit indicating that the person will file an application to become a permanent resident at the earliest opportunity the person is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including citizenship or civics review courses.

**Summary of Bill:**

Washington State Opportunity Scholarship Program.

Students who exceed 125 percent of the state median income are eligible to receive funds for the WSOS advanced degree program if they demonstrate financial need through other factors such as a history of prior household income, income loss caused by entering the advanced degree program, level of student debt at application and annually thereafter, or other factors determined by the program.

To remain eligible under the program, students must meet satisfactory academic progress toward completion of an eligible program as determined by the Office of Student Financial Assistance in the Washington College Grant Program.

Professional-technical certificates and professional-technical degrees are expanded to include eligible registered apprenticeship programs.

The definition of "resident student" is changed to align with the Washington College Grant.

The WSOS is automatically renewed until the student withdraws from or completes the program or:

- has extended beyond five years or 125 percent of the published program length of the program in which the student is enrolled; or
- the credit or clock-hour equivalent of five years as defined in the Washington College Grant.

#### Rural Jobs Program.

The state matching funds for the Rural Jobs Program must be based on donations and pledges received as of the date each official state caseload forecast is submitted to the caseload forecast council to the Legislative fiscal committees to ensure the predictable treatment of the program in the budget process by clarifying the calculation process of the state match required by this section, and to ensure the program is budgeted at maintenance level.

The 2.0 grade point average requirement for continued eligibility in the Rural Jobs Program is removed and students are required to meet satisfactory academic progress toward completion of an eligible program. Eligibility may not extend beyond five years or 125 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

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

The Senate amendment clarifies eligibility for the Rural Jobs Program by stating that an applicant must be a resident of an eligible county; have attended and graduated from a school in an eligible school district; or be enrolled in a community and technical college located in an eligible county or participating in an eligible apprenticeship in an eligible county. The amendment also makes a technical change referencing family income for the purpose of the advanced degree program.

**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 (College & Workforce Development):**

(In support) The bill makes small changes to improve the WSOS. The WSOS is one more tool in the toolbox to help folks in rural communities have a pathway to high-demand, family-wage jobs. The changes align well with the community's work and includes apprenticeships. The expansion of the eligibility threshold is important and allows DREAMers to participate. Changing the 2.0 grade point average requirement to "satisfactory academic progress" aligns the status with what colleges already track. Having two different thresholds to track is burdensome and this change matches the federal requirements. For some students in the healthcare field, income on Internal Revenue Service forms may not accurately represent the state of the student's income nor the student's ability to pay for college. Many students in the advanced health degree program of the WSOS are using student loans to pay for college. Since 2011, the WSOS has supported thousands of Washington students. Ten years later, the program has proved to be effective. Baccalaureate scholars are earning more than family-wage incomes a year after graduation. At a high level, the bill intends to make the WSOS more efficient to administer by changing the definition of "resident," allows apprenticeships to be eligible, and allows students to access the scholarship for five years.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations):**

(In support) The bill makes small changes to improve the WSOS. The WSOS has helped low-income students launch their careers and earn higher salaries. The state match process for the Rural Jobs Program would align with the other WSOS programs.

(Opposed) None.

**Persons Testifying (College & Workforce Development):** Representative Dave Paul, prime sponsor; Jacob Vigdor, University of Washington; and Jessica Monger, Washington State Opportunity Scholarship.

**Persons Testifying (Appropriations):** Jessica Monger, Washington State Opportunity Scholarship.

**Persons Signed In To Testify But Not Testifying (College & Workforce Development):** None.

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