

HOUSE BILL REPORT

HB 1907

As Passed House:

February 8, 2022

Title: An act relating to scholarship displacement in postsecondary institutions' gift equity packaging policies.

Brief Description: Concerning scholarship displacement in postsecondary institutions' gift equity packaging policies.

Sponsors: Representatives Steele and Jacobsen.

Brief History:

Committee Activity:

College & Workforce Development: 1/24/22, 1/27/22 [DP].

Floor Activity:

Passed House: 2/8/22, 95-1.

Brief Summary of Bill

- Requires the Washington Student Achievement Council to ensure that postsecondary institutions participating in state student financial aid programs allow a student who receives a private scholarship to receive up to 100 percent of the student's unmet need before the student's federal, state, or institutional aid is reduced.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 11 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Chandler, Kraft, Paul, Pollet, Sells and Sutherland.

Staff: Elizabeth Allison (786-7129).

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:

Scholarship displacement is when a student's institutional, state, or federal financial aid is reduced due to the student's receipt of a private scholarship.

State student financial aid programs include the Washington College Grant, the College Bound Scholarship, and the Washington State Opportunity Scholarship.

The Washington Student Achievement Council (WSAC) provides strategic planning, oversight, advocacy, and programs to support increased student success and higher levels of educational attainment in Washington. The agency's responsibilities include administration of student financial assistance programs and student outreach.

Summary of Bill:

The WSAC must ensure that postsecondary institutions that participate in state student financial aid programs have a gift equity packaging policy allowing for a student who receives a private scholarship to receive up to 100 percent of the student's unmet need before any of the student's federal, state, or institutional financial aid is reduced. This provision does not apply to public community and technical colleges.

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) Few states have implemented legislation like this but for those that have, it is monumental. The bill will be beneficial to most college students. Students can get private aid, and when they do, institutions may reduce their scholarship packages. The bill prohibits a public or private institution from reducing its financial package until 100 percent of the student's need is met. Other state bills with similar prohibitions have been passed, and there is a national bill focusing on scholarship displacement transparency and data. The widespread practice of scholarship displacement hurts students that apply for and receive private scholarships. This practice usually occurs at four-year institutions, not at community and technical colleges.

(Opposed) None.

Persons Testifying: Representative Mike Steele, prime sponsor; and Michele Waxman Johnson, Bold Thought Partners, LLC.

Persons Signed In To Testify But Not Testifying: None.