

SENATE BILL REPORT

SHB 1289

As Reported by Senate Committee On:
Higher Education & Workforce Development, March 15, 2023

Title: An act relating to program administration for the Washington state opportunity scholarship program.

Brief Description: Concerning program administration for the Washington state opportunity scholarship program.

Sponsors: House Committee on Postsecondary Education & Workforce (originally sponsored by Representatives Reed, Ybarra, Berry, Ortiz-Self, Riccelli, Paul, Reeves, Leavitt and Timmons).

Brief History: Passed House: 2/28/23, 96-0.

Committee Activity: Higher Education & Workforce Development: 3/15/23 [DPA].

Brief Summary of Amended Bill

- Allows the Washington State Opportunity Scholarship Board to establish and contract with private nonprofit corporations for program administration purposes.
- Modifies requirements for the state match for both the Washington State Opportunity Scholarship program and the Rural Jobs program.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Randall, Chair; Nobles, Vice Chair; Holy, Ranking Member; Hawkins and Liias.

Staff: Alicia Kinne-Clawson (786-7407)

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: The Washington State Opportunity Scholarship (WSOS) program was established in 2011 to provide scholarships to low- and middle-income resident students pursuing eligible high-demand baccalaureate degrees in science, technology, engineering, mathematics, health care, and to encourage scholarship recipients to work in the state upon completion of their degrees. The program was expanded in 2018 to provide awards to students in high-demand community and technical college programs as well as advanced degree programs.

The WSOS Board is staffed by a program administrator under contract with the board and the Washington Student Achievement Council. The program administrator is a private nonprofit. The WSOS is a private-public match program in which the state matches any private donations in order to fund the scholarships. The state match is capped at \$50 million annually.

Summary of Amended Bill: The WSOS Board is permitted to contract with more than one private nonprofit corporation. The board may also establish and contract with a private nonprofit corporation to operate as the program administrator to fulfill the duties required by the opportunity scholarship program.

The state match, up to a maximum of \$50 million shall be provided annually and is no longer contingent on state tax collections exceeding fiscal year 2008 levels.

The state match requirements for both WSOS and the Rural Jobs program under WSOS are modified to require:

- the state to provide an annual appropriation for the state match, not to exceed \$50 million per biennium for WSOS and not to exceed \$1 million per biennium for Rural Jobs;
- appropriations for the state match in the biennial budget must be based on estimated donations and pledges for the fiscal year as reported by the WSOS board to the Office of Financial Management (OFM) as of the date of the official state caseload forecast;
- annually in the supplemental budget, the state match must be adjusted to donations received and estimated pledges committed for the current fiscal biennium; and
- the state match for the current fiscal year must be adjusted to reflect the excess or deficit between donations and pledges received and the state match provided in the prior fiscal year.

The state match for the WSOS program is no longer contingent on state tax collections exceeding fiscal year 2008 levels.

EFFECT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE AMENDMENT(S):

- Clarifies language regarding calculation and timing of the state match contribution to the Opportunity Scholarship program and the Rural Jobs program.
- Requires annual state equal match funding, not to exceed \$50 million each fiscal year

for the Opportunity Scholarship program and \$1 million each fiscal biennium for the Rural Jobs program, to be appropriated for each fiscal year in the biennial budget based on donations and pledges estimated for those fiscal years by the WSOS Board to OFM.

- Requires the adjustment of the appropriation amounts in each supplemental budget to reflect the most recent estimate by the WSOS Board and to adjust the current fiscal year's appropriation for actual donations received for the prior fiscal year. Retains the deletion in the underlying bill of language relating to initial match provision when state tax collections exceeded 2008 revenues.
- Repeals redundant language and statute capping Rural Jobs program state match to \$1 million each fiscal biennium. Provides an immediate effective date for the match revisions.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A