

SENATE BILL REPORT

2SHB 2041

As of March 23, 2015

Title: An act relating to the creation of a pilot project on performance-based scholarships in the state need grant.

Brief Description: Creating a pilot project on performance-based scholarships in the state need grant program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Hansen and Pollet).

Brief History: Passed House: 3/10/15, 93-5.

Committee Activity: Higher Education: 3/24/15.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Kimberly Cushing (786-7421)

Background: The Washington State Need Grant (SNG) program assists needy and disadvantaged students by offsetting a portion of their higher education costs. To be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently \$58,500 for a family of four. Approximately 70,000 low-income recipients received SNG funds during the 2013-14 academic year. However, 33,500 students were unserved for one or more terms. The Legislature provided the SNG program \$308 million for 2014-15.

Under current law, a student is eligible to receive an SNG award for up to five years, or up to 125 percent of the published length of time of the student's program. A student must maintain satisfactory academic progress toward completion of an eligible program to remain a recipient of the SNG program.

Summary of Bill: A SNG performance-based scholarship pilot project (pilot) is created. The pilot's purpose is to determine whether (1) additional financial aid improves student academic performance and completion rates without performance benchmarks; or (2) performance benchmarks need to be attached to additional financial aid in order to increase academic performance.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Washington Student Achievement Council (WSAC), in consultation with the State Board for Community and Technical Colleges, must administer the pilot and select at a minimum one public baccalaureate institution and one community or technical college to participate in the pilot. The pilot must begin no later than the 2016-17 academic year and last no more than two years. WSAC may contract with a third-party consultant to create the pilot.

The pilot must be a randomized controlled trial with three cohorts selected from SNG students at each of the participating institutions. The cohorts must have a sufficient number of students to produce a statistically valid response. Each institution will have the following cohorts of students:

1. control cohort: students receive their SNG award;
2. first performance cohort: students receive a performance-based scholarship, in addition to their SNG award; and
3. second performance cohort: students receive the performance-based scholarship, in addition to their SNG award, if they achieve the following performance standards:
 - a. a minimum 3.0 GPA, or GPA deemed appropriate by WSAC that is higher than 2.0; and
 - b. complete a minimum of 15 credits for each quarter or semester, or other minimum credit standard that WSAC deems appropriate.

WSAC must distribute the scholarship money at the beginning of each quarter or semester, or whenever WSAC deems appropriate. The scholarship must be awarded directly to the student to use how they choose and the amount must be determined by the Legislature's appropriation for the pilot and number of students selected for the pilot.

WSAC must contract with a third-party evaluator to conduct a comprehensive and rigorous evaluation of the pilot. Within six months of the pilot completion or a date deemed appropriate by WSAC, the evaluator and WSAC must submit a report to the Legislature that details findings of the evaluation, including a comparison between the control, first performance, and second performance cohorts.

The act is null and void, unless specific funding for the purposes of this act is provided in the budget.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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