

HOUSE BILL REPORT

E2SHB 1512

As Passed House:
March 6, 2017

Title: An act relating to expanding college bound scholarship eligibility.

Brief Description: Expanding college bound scholarship eligibility.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Bergquist, Stambaugh, McBride, Gregerson, Slatter, Frame, Macri, Peterson, Hudgins, Pollet, Orwall, Doglio, Appleton, Fitzgibbon, Goodman, Farrell and Stanford).

Brief History:

Committee Activity:

Higher Education: 2/7/17, 2/15/17 [DPS];

Appropriations: 2/22/17, 2/23/17 [DP2S(w/o sub HE)].

Floor Activity:

Passed House: 3/6/17, 54-44.

Brief Summary of Engrossed Second Substitute Bill

- Expands a student's initial eligibility for the College Bound Scholarship (CBS) to the seventh and eighth grade, rather than just the seventh grade.
- Allows eligible students to sign a CBS pledge in the ninth grade, beginning in the 2017-18 academic year, or tenth grade, beginning in the 2018-19 academic year, if they were previously ineligible in the seventh or eighth grade as a Washington student.
- Prioritizes eligible CBS students for the State Need Grant who have family incomes in the 0–70 percent median family income range.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Hansen, Chair; Pollet, Vice Chair; Orwall, Sells, Stambaugh and Tarleton.

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.

Minority Report: Do not pass. Signed by 2 members: Representatives Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member.

Minority Report: Without recommendation. Signed by 1 member: Representative Haler.

Staff: Megan Mulvihill (786-7304).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 15 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Haler, Harris, Manweller, Nealey, Schmick, Taylor, Vick, Volz and Wilcox.

Staff: Lily Sobolik (786-7157).

Background:

College Bound Scholarship Program.

The College Board Scholarship (CBS) program was established in 2007 to provide guaranteed four-year tuition to students from low-income families. The first CBS awards were granted to the graduating high school class of 2012. Eligible students for the CBS include those who:

- qualify for free or reduced-price lunches in the seventh grade; or
- are dependent from parents or guardians, or are receiving extended foster care services; and
- are in grades 7 through 12; or
- are between the ages of 18 and 21 years and have not graduated from high school.

In the seventh grade, students become eligible for the CBS and are notified of their eligibility and the requirements for award of the scholarship. To be eligible to receive the CBS, a student must sign a pledge during the seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and no felony convictions. To receive the CBS, the student must graduate high school having fulfilled the CBS pledge requirements. Upon graduation, the student's family income will be assessed, and if it does not exceed 65 percent of the state median family income (MFI), the student will receive a scholarship.

The CBS recipients that attend public two-year or four-year institutions of higher education receive an award to cover the cost of tuition and fees, minus any state-funded grant, scholarship, or waiver assistance, plus \$500 for books and materials. The student must

maintain satisfactory academic progress and may not receive the scholarship for more than four full-time years.

The State Need Grant (SNG) is the state's largest financial aid program, and grants are awarded to students based on financial need. A student may receive a grant if their family income does not exceed 70 percent of state MFI. In the state budget, students eligible for the CBS who have family incomes in the 0–65 percent MFI range must be prioritized for the SNG and awarded the maximum SNG for which they are eligible.

Summary of Engrossed Second Substitute Bill:

A student's eligibility for the CBS program is determined in the seventh and eighth grade. Beginning in the 2017–18 academic year, a student may qualify for the CBS program if he or she is eligible for free or reduced-price lunches in the ninth grade, but was previously ineligible during the seventh or eighth grade while a Washington student. In addition, beginning in the 2018–19 academic year, a tenth grade student may qualify for the CBS program if he or she is eligible for free or reduced-price lunches in the tenth grade, but was previously ineligible during the seventh or eighth grade while a Washington student.

Under the SNG program, the Student Achievement Council (Council) must prioritize need grants based on CBS eligibility. Students who are eligible for the CBS and who have family incomes in the 0–70 percent MFI range must be prioritized and awarded the maximum SNG for which they are eligible under state policies and may not be denied maximum SNG funding due to institutional policies or delayed awarding of CBS students.

Updates outdated references from the Higher Education Coordinating Board to the Student Achievement Council.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Higher Education):

(In support) Students whose families make 70 to 125 percent of the state MFI do not qualify for the CBS, but these are families who are still not making a lot of money. These percentages are an arbitrary line drawn in the sand, but \$2,000 or \$3,000 of aid can make a big difference to a student. This brings the dream back for kids who find out their parents would otherwise make too much money, and they would no longer qualify for the scholarship. In addition, a student should be given an opportunity to sign up for the CBS if their parent loses their job in the ninth or tenth grade, and the student suddenly qualifies for free or reduced price lunch.

The CBS is a great program to motivate students to stay in high school and dream of going to college. The CBS has seen greater numbers of student sign up each year, and the CBS

students graduate high school at nearly the same rate as those students who do not qualify. For those low-income students who did qualify for the CBS, but did not sign up, they graduate high school at 12 percent less than CBS students. In addition, 92 percent of the CBS students enrolled in college. There were 11 percent of CBS students who signed up, but were not eligible at graduation because of too high of income. A student is still considered financially needy if the family income is at 125 percent MFI.

If students do not receive the scholarship, then their hard work is wasted. Family income changes with the economy, and one year of growth does not mean a family can pay for college. The CBS is the only thing that keeps some students in college. First generation college students need financial resources. Financial aid is the most important thing legislators can do for college students.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) Data shows that students eligible to sign the CBS pledge, but who do not sign up, graduate high school at lower rates. There are still many eligible students who do not sign the pledge due to various barriers, and this change would help reduce some of these barriers.

(Opposed) None.

Persons Testifying (Higher Education): Representative Bergquist, prime sponsor; Maria Hernandez and Luna Garcia, Fort Vancouver High School; Norma Heredia, Whitworth University; and Rachelle Sharpe, Washington Student Achievement Council.

Persons Testifying (Appropriations): Marc Webster, Washington Student Achievement Council.

Persons Signed In To Testify But Not Testifying (Higher Education): None.

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