AN ACT Relating to scholarship displacement in postsecondary institutions' gift equity packaging policies; adding a new section to chapter 28B.77 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature recognizes the importance of philanthropic entities that donate millions of dollars in private scholarships to students and that such entities are a key component in helping students attain their educational goals. The legislature seeks to encourage philanthropic giving of private scholarships and declares that such entities are more likely to donate money when they know their scholarships will genuinely help recipients meet their financial needs. Therefore, the legislature intends to incentivize the giving of scholarships by private entities by addressing scholarship displacement.

NEW SECTION. Sec. 2. A new section is added to chapter 28B.77 RCW to read as follows:

(1) The council shall ensure that a postsecondary institution participating in the state student financial aid program has 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,
as determined by the United States department of education's federal need analysis methodology, before any of the student's federal, state, or institutional financial aid is reduced under the institution's gift equity packaging policy.

(2) This section does not apply to public community and technical colleges.

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