

# SENATE BILL REPORT

## SB 5221

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As Reported by Senate Committee On:  
Higher Education & Workforce Development, February 1, 2023  
Ways & Means, February 16, 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:** Senators Liias, Short, Boehnke, Lovelett, Nguyen, Nobles, Shewmake, Torres, Trudeau, Valdez and Wilson, C..

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/18/23, 2/01/23 [DPS].  
Ways & Means: 2/16/23 [w/oRec].

**Brief Summary of Bill**

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

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5221 be substituted therefor, and the substitute bill do pass.

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

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*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.*

**Staff:** Alicia Kinne-Clawson (786-7407)

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That it be referred without recommendation.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Nguyen, Pedersen, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

**Staff:** Michele Alishahi (786-7433)

**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, and mathematics, and 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.

**Summary of 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.

### **EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute):**

Adds an emergency clause to section 2 of the bill, authorizing the WSOS board to establish and contract with one or more private nonprofit corporations.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony on Original Bill (Higher Education & Workforce Development):** *The committee recommended a different version of the bill than what was heard.* PRO: This bill makes some administrative changes to the Opportunity Scholarship, it provides an important safeguard to ensure the WSOS can continue serving scholars. This bill will modify the program administrator to mean one or more nonprofit corporations, allowing the WSOS to contract for discreet program administrator responsibilities. It gives the board authority to cause one or more nonprofits to be created for administrative duties who would operate independently as a separate entity whose purpose is to serve the Opportunity Scholarship Program. This bill will strike antiquated language which has caused confusion, will provide clarity, and will align the program with the legislative intent of providing a state match every year based on cash and pledges received by the caseload forecast date.

**Persons Testifying (Higher Education & Workforce Development):** PRO: Senator Marko Liias, Prime Sponsor; Jessica Monger, Washington State Opportunity Scholarship.

**Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development):** No one.

**Staff Summary of Public Testimony (Ways & Means):** No public hearing was held.

**Persons Testifying (Ways & Means):** N/A

**Persons Signed In To Testify But Not Testifying (Ways & Means):** N/A