

SENATE BILL REPORT

SB 5598

As Reported By Senate Committee On:
Higher Education, March 3, 1999
Ways & Means, March 8, 1999

Title: An act relating to higher education scholarships.

Brief Description: Creating the Washington's promise scholarship program.

Sponsors: Senators McAuliffe, Finkbeiner, West, Jacobsen, Long, Kline, Costa, Snyder, Eide, Patterson, Hale and Winsley; by request of Governor Locke.

Brief History:

Committee Activity: Higher Education: 2/12/99, 3/3/99 [DPS-WM, DNPS].
Ways & Means: 3/5/99, 3/8/99 [DP2S, DNPS].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5598 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Bauer, Finkbeiner, Horn, Jacobsen, McAuliffe and B. Sheldon.

Minority Report: Do not pass substitute.

Signed by Senator Sheahan.

Staff: Risa Sandler (786-7708)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5598 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Kline, Kohl-Welles, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Wojahn.

Minority Report: Do not pass substitute.

Signed by Senators Honeyford, McDonald, Roach, Rossi and Zarelli.

Staff: Risa Sandler (786-7708)

Background: Currently Washington State provides merit-based scholarships to undergraduate higher education students from state funds. These scholarships include the Washington Award for Vocational Excellence (WAVE), and the Washington Scholars Program. Each of these awards are presented to up to three students per legislative district

based on vocational merit in the case of the WAVE program, and upon academic merit for Washington Scholars.

Summary of Second Substitute Bill: The Higher Education Coordinating Board (HECB) must design and implement a Washington's promise scholarship program, and must incorporate academic and financial requirements into the program. The program must be given priority by the HECB, to award the scholarship to maximum number of recipients who qualify. In its design process, the HECB should consider the following criteria: (1) student debt burden; (2) state and institutional financial aid programs in light of federal tax policy; and (3) tax data available after the April 1999.

Beginning with the 2000-01 academic year, students in 10th grade who pass the Washington Assessment for Student Learning on the first try meet the academic eligibility criteria. Within available funds, awards must be advanced tuition payment program units up to annual amount no greater than the equivalent full-time community college tuition rate. There are three differences between the use of these accounts and the current Guaranteed Education Tuition program: (1) the scholarship can only be used to attend Washington State institutions; (2) the scholarship may not be transferred; and (3) the scholarships may not be refunded.

The Office of the Superintendent of Public Instruction provides the results of the Washington Assessment for Student Learning results to the HECB by July 15 following the academic year in which the test was taken.

The financial eligibility criterion is met for students whose family income does not exceed 135 percent of the state median family income.

The scholarship may be used for college-related expenses including but not limited to tuition, room and board, books, materials, transportation.

Second Substitute Bill Compared to Substitute Bill: The design and implementation of the scholarship by the HECB is an addition to the bill, including the areas that must be considered during the design process, and the statement that the HECB must give the Promise Scholarship its highest priority.

The specific dollar equivalent of the award is removed. Language indicating that advanced college tuition payment program units will be purchased within available funds and no greater than the annual full-time community college tuition rate is added.

Eligibility regarding class rank is removed, as has the provision that graduation from a public high school is necessary to receive the award.

Substitute Bill Compared to Original Bill: The reference to the length of the scholarship has been removed from the intent section as the scholarship is not a full two-year scholarship. The first year that graduates in the top 15 percent of their high school class is eligible for the award is 2001, instead of 2000.

The award is now available to public high school graduates only. Information regarding class rank and passing the Washington Assessment for Student Learning is provided by the

Office of the Superintendent of Public Instruction by July 15 following the end of the academic year.

Regarding the advanced college tuition payment program itself, the name of the program was included.

The amount of the award has been reduced to the equivalent of 75 percent of the full-time community college tuition rate for two years. The funds for these awards must be appropriated annually rather than per biennium.

Appropriation: None.

Fiscal Note: Requested on January 28, 1999.

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

Testimony For: This bill supports the middle class and is means-tested. The Promise Scholarship complements the State Need Grant.

Testimony With Concerns: The GET program is regulated by federal tax law which limits the type of expenditures from the account. There are questions regarding the interaction of the federal Lifelong Learning and Hope tax credits with the promise scholarship. The State Need grant should be a priority.

Testimony Against: There should not be a scholarship program that competes with the State Need grant until the State Need grant is funded at 100 percent of median family income. By awarding the scholarship to the top 15 percent of students, it will be skewed toward the wealthier students.

Testified: PRO: Carolyn Busch, OFM; Bruce Botka, HECB; Rhonda Coats, SBCTC (concerns); Violet Boyer, Dr. David Spangler, WA Assn. of Independent Colleges and Universities; Susan Patrick, HECB, Guaranteed Education Tuition Program (concerns); CON: Kathryn Crum, WA Student Lobby.