

HOUSE BILL REPORT

HB 2807

As Reported by House Committee On:
Higher Education
Appropriations

Title: An act relating to higher education scholarships.

Brief Description: Creating the Washington promise scholarship.

Sponsors: Representatives Kenney, Cox, Fromhold and Rockefeller; by request of Governor Locke.

Brief History:

Committee Activity:

Higher Education: 2/5/02 [DP];
Appropriations: 2/9/02, 2/11/02 [DPS].

Brief Summary of Substitute Bill

- Establishes a statute for the merit and need-based scholarship program administered by the Higher Education Coordinating Board.
- Eligible students may receive up to two years of tuition at the community college full-time tuition rate.
- Scholarships are awarded to students graduating from public and approved private high schools and students participating in home-based instruction who meet academic and financial eligibility criteria.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 9 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Chase, Dunn, Gombosky, Jarrett, Lantz and Skinner.

Staff: Antonio Sanchez (786-7383).

Background:

The Washington Promise Scholarship program provides college scholarships to the state's top high school seniors. Students must come from low- and middle-income families and either rank in the top 15 percent of their graduating classes or score 1200 or better on the Scholastic Aptitude Test. The Washington State Higher Education Coordinating Board (HECB) administers the program, with the assistance for the Office of the Superintendent of Public Instruction (OSPI). The award consists of two years tuition at the community college full-time tuition rate. Currently, the promise scholarship is not established in statute. However, the Legislature appropriated \$11.4 million during the 1999-2001 biennium as a provision in the state operating budget. The program is currently funded until June 2003.

Of this year's recipients:

- Almost two-thirds are women;
- More than one-third also qualify for the State Need Grant, a financial aid program for students from low-income families; and
- A little more than half will attend a public four-year university.

Summary of Bill:

The Promise Scholarship must be administered by the HECB. The scholarships are not intended to supplant any grant, scholarship, or tax program related to postsecondary education. Each qualifying student will receive two consecutive annual awards, the value of each not to exceed the full-time annual resident tuition rates charged by Washington's community colleges.

The scholarships may only be used for undergraduate course work at accredited institutions of higher education in the state of Washington, and may not be awarded to any student pursuing a degree in theology. The scholarships may be used for college-related expenses including tuition, room and board, books, materials, etc.

Eligibility is based on: 1) academic merit, and 2) student family income.

Academic eligibility

Students must graduate in the top 15 percent of their graduating class or students must equal or exceed a cumulative Scholastic Aptitude Test score of 1200 on their first attempt.

Financial eligibility

A student's family income shall not exceed 135 percent of the state median family income adjusted for family size, as determined by the HECB for each graduating class. Students

not meeting the financial eligibility requirements for the first year of scholarship benefits may reapply for the second year of benefits, but must still meet the income standard set by the board for the student's graduating class.

Implementation

The HECB will administer the scholarship, with the assistance of the OSPI. Public and approved private high schools will provide requested information for academic eligibility to OSPI, and OSPI, in turn, will provide this information to the HECB.

All money for the scholarship is deposited into an account in the custody of the State Treasurer. The HECB shall award scholarships to as many students as possible from among those qualifying and will determine the award amount dependent upon availability of funds.

The HECB is directed to change the eligibility for the state need grant from 60 percent of the state median family income to 55 percent when administering it in conjunction with the promise scholarship.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This scholarship will allow us to maximize our investment in our best students. It provides an important incentive for students to achieve. Scholarships of this type reduces the loan debt for many students.

Testimony Against: None.

Testified: Jim Crawford, Office of Financial Management; Bruce Botka, Higher Education Coordinating Board; Tom Parker, Washington Association of Independent Colleges and Universities; Jonathan Sprouffske, St. Martin's College student; and Stacey Valentin, Washington Student Lobby.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Mastin, McIntire, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

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

Staff: Laurie Schaffler (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

The substitute limits the number of eligible students and the amount of individual scholarships based on available funds and appropriations.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This program enhances the current financial aid programs by addressing the needs of middle income students. The program reflects the Legislature's ongoing support to the State Need Grant program. It also provides an incentive for high school students.

Testimony Against: None.

Testified: Bruce Botka, Higher Education Coordinating Board; and Russ Carver, Legislative Liaison for Eastern Washington University.