

HOUSE BILL REPORT

HB 1244

As Reported by House Committee On:
Higher Education

Title: An act relating to the creation of a foster care endowed scholarship program.

Brief Description: Creating the foster care endowed scholarship program.

Sponsors: Representatives Kenney, Cox, Kagi, Tokuda, Gombosky, Morell, Fromhold, Van Luven, Keiser, Benson, Quall, Delvin, Doumit, Lantz, Wood, McIntire, Cooper, Simpson, Veloria, Lovick, Conway, Kessler, D. Schmidt, Lambert, O'Brien, Schual-Berke, Edwards, Darneille, Edmonds and Haigh.

Brief History:

Committee Activity:

Higher Education: 1/29/01, 1/31/01 [DPS].

Brief Summary of Substitute Bill

- Creates a foster care endowed scholarship program administered by the Higher Education Coordinating Board.
- Eligible foster and former foster children, age 16 to 23 years, may receive up to the cost of attendance for an institution of higher education.
- Public and private donations will be solicited and placed in an endowment fund to be matched by state funds deposited in the scholarship trust account.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cox, Republican Co-Chair; Kenney, Democratic Co-Chair; Gombosky, Democratic Vice Chair; Jarrett, Republican Vice Chair; Dunn, Fromhold, Lantz and Skinner.

Staff: Tracey Taylor (786-7196).

Background:

Children may have to be removed from their home due to child abuse, neglect, parental substance abuse, or family conflict. Foster families are recruited, supported, and licensed to provide 24 hour a day care for these children. Many children are eventually returned to their homes; however, almost 11,000 children per year remain in foster care for at least 90 days, and some experience more than one foster home placement. Children in the foster care system experience many disruptions in their lives, including disruptions in their education.

There are some foster children who reach age of 18 years without being placed into a permanent home. The Children's Administration in the Department of Social and Health Services conducts an annual hand-count of the educational status of these children. Forty-one percent of the former foster children involved in the hand-count do not have a high school diploma or general equivalency diploma (GED) within one year of "aging" out of the foster care system. Only 38 percent of the sample group enroll in a vocational or educational program.

Summary of Substitute Bill:

The Foster Care Endowed Scholarship Program is created and shall be administered by the Higher Education Coordinating Board (HEC Board).

Eligibility: A resident student, age 16 to 23 years, who spent a minimum of six months in state foster care after their 14th birthday may be eligible for the foster care endowed scholarship. The student must demonstrate the financial inability to meet the total cost of board, room, books and tuition and incidental fees for any semester. In addition, the student must have entered or plan on entering an institution of higher education or vocational school in Washington within three years of high school graduation or completion of a GED; not pursue a degree in theology; and make satisfactory progress towards the completion of a degree or certificate program.

Grant: The grant shall be the remaining cost of attendance for a public institution of higher education in Washington after the receipt of a Pell Grant and State Need Grant. The grant may be used at a public or private institution of higher education and any other institution of higher education approved by the HEC Board. The eligible student may receive the grant up to eight semesters or 12 quarters.

Administration: The HEC Board must work with the Department of Social and Health Services and the Office of the Superintendent of Public Instruction to provide information to potentially eligible students over the age of 16 years. The HEC Board shall also contract with a private agency to perform outreach to potential recipients.

Advisory Board: The advisory members are appointed by the HEC Board. The membership may not exceed seven members and should include representatives from the

HEC Board, the Office of the Superintendent for Public Instruction, the foster parent community, and community organizations serving foster children and former foster children. The board will assist in publicizing the program, solicit grants and donations, assist in program development, assist in application screening and assist in outreach.

Trust Fund: A foster care endowed scholarship trust fund is created in the custody of the State Treasurer. Funds appropriated by the Legislature will be deposited into this trust fund. The money will remain in the trust fund until the endowment fund has sufficient matching funds (\$25,000), at which time the HEC Board deposits the state matching money into the endowment fund. The interest shall be retained by the trust fund.

Endowment Fund: A foster care scholarship endowment fund is created in the custody of the State Treasurer. Money received from public and private sources may be deposited in this fund. The state matching funds may be deposited in the endowment fund. No appropriation is required for expenditures from the endowment fund. The interest shall be retained by the endowment fund. The first \$25,000 deposited into the fund is considered to be the principal and may not be invaded.

State Matching Funds: When the foster care scholarship endowment fund reaches \$25,000 from private donations and grants, state matching money will be released from the foster care endowed scholarship trust fund to the endowment fund. After the initial match is made, state matching funds will be released on a semi-annual basis so long as there are funds available in the trust fund.

Expenses: The administrative staff is limited to one-quarter full-time equivalent.

Substitute Bill Compared to Original Bill:

The substitute bill transfers the administration of the foster care endowed scholarship trust fund and the foster care scholarship endowment fund from the State Treasurer to the HEC Board. The principal in the foster care scholarship endowment fund is limited to the first \$25,000 deposited. The foster care endowed scholarship trust fund will retain its interest earnings while in the custody of the State Treasurer.

The substitute bill reduces the threshold for the state match from \$50,000 to \$25,000 for the first match. Subsequently, the state match will occur on a semi-annual basis.

The substitute adds a limitation on administrative staff to one-quarter full-time equivalent.

Appropriation: The sum of \$150,000 for fiscal year ending June 30, 2002.

Fiscal Note: Requested on January 23, 2001.

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

Testimony For: Foster children have so many reasons to "give up" " disruptions in family life and support, multiple changes in schools, and the physical and emotional injuries from abuse. A "carrot" such as this scholarship can provide hope and a reason to continue on in schooling. These children are at risk for poverty, substance abuse, homelessness, and violence. The state is their parent, and as the result, the state has a moral obligation to help them become self-sufficient. At age 18, these children "age out" of the foster care system and are on their own " with no parents to fall back on. Since they are self-supporting, the State Need Grant and the Pell Grant is not sufficient to cover their costs. This scholarship will fill that gap.

Testimony Against: None.

Testified: Representative Phyllis Kenney, prime sponsor; Bruce Botka, Higher Education Coordinating Board; Alan Willoughby, foster parent; Janis Avery, Treehouse; Erin Smith, Washington Student Lobby; Laurie Lippold, Children's Home Society; and Shantalle Graham, foster child and Treehouse.