

# SENATE BILL REPORT

## SB 6820

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As Reported By Senate Committee On:  
Economic Development, Trade & Management, February 06, 2008

**Title:** An act relating to creating the Washington investment in student excellence scholarship program.

**Brief Description:** Creating the Washington investment in student excellence scholarship program.

**Sponsors:** Senators Kastama, Rasmussen, Shin, Kline, Kohl-Welles, Murray, Franklin, Brown, Eide, Regala, Hobbs, Berkey, Swecker, McCaslin, McAuliffe and McDermott.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Management: 2/05/08, 2/06/08 [DPS].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** That Substitute Senate Bill No. 6820 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Kauffman, King and Shin.

**Staff:** Aaron Gutierrez (786-7448)

**Background:** The Higher Education Coordinating Board (HECB) represents the public interest in higher education, and administers programs like the state financial aid account and the College Bound Scholars program.

All revenue for the state lottery not dedicated to lottery administration or stadium bonds goes into the state lottery fund. Money from this fund may only be used for the education construction fund and the student achievement fund.

Approximately ten states administer scholarships funded by state lottery revenue. Georgia, for example, administers the Helping Outstanding Pupils Educationally (HOPE) scholarship. The HOPE scholarship has been awarded to over one million students since its inception in 1993.

**Summary of Bill (Recommended Substitute):** The Economic Development Commission (EDC) is directed to work with the HECB and the Workforce Training and Education

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Coordinating Board, to study and identify stable funding sources for opportunity grants, apprenticeship programs, and scholarships based on both need and merit.

**EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT COMMITTEE (Recommended Substitute):** Strikes all language about creating a new scholarship, or funding current scholarships. Instead, it directs the EDC to study funding issues aimed at increasing access to higher education.

**Appropriation:** \$30,000.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: The bill combines both a meritorious and needs-based approach. Economic development and education are closely linked. This bill helps the fundamentals of the economy by making sure we have a highly skilled workforce. This bill makes sure that middle class students have access to scholarships as well. We need a stable and reliable funding source for these scholarships. The College Bound Scholarship program is a need-based scholarship, and would require approximately \$10 to \$12 million per year. The estimated remaining funding should produce approximately 5,000 new merit-based scholarships per year, with a total of approximately 20,000 ongoing awards. Concerns were expressed about the education construction fund.

**Persons Testifying:** PRO: Senator Kastama, prime sponsor; John Klacik, HECB; Mary Alice Grobins, State Board for Community and Technical Colleges.