

SENATE BILL REPORT

SB 5001

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 4, 2009

Title: An act relating to the American Indian endowed scholarship program.

Brief Description: Eliminating the matching fund requirement for the American Indian endowed scholarship program.

Sponsors: Senators Jacobsen and Kauffman.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/28/09, 2/04/09
[DPS-WM].

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5001 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kilmer, Chair; Jarrett, Vice Chair; Becker, Ranking Minority Member; Hewitt, Jacobsen, Kastama, McAuliffe, Pflug, Shin and Stevens.

Staff: Wendy Malkin (786-7434)

Background: The American Indian Endowed Scholarship program helps financially needy students, with close ties to a Native American community within Washington, pursue undergraduate and graduate studies. Scholarship recipients must be Washington residents and full-time students who promise to use their education to benefit other American Indians. Students can use the scholarships at public colleges and universities and accredited independent colleges and universities in Washington. The program annually awards about 15 scholarships. Scholarship amounts generally range from \$500 to \$2,000 for one academic year. Students are eligible to receive scholarships for up to five years.

Scholarship money comes from interest generated through an endowment funded by private contributions, tribes, and the state. The state funds the endowment with funds from the scholarship trust fund. Funds appropriated by the Legislature for the Endowed Scholarship program are deposited into the trust fund. The Higher Education Coordinating Board (Board) may request that the treasurer deposit \$50,000 of state matching funds from the

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scholarship trust fund into the American Indian scholarship endowment fund when the Board can match the state funds with an equal amount of private cash donations, including conditional gifts. Private cash donation means monies from nonstate sources. The principal of the endowment fund cannot be invaded. The endowment fund currently has approximately \$626,684.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): The state matching fund requirement and the scholarship trust fund are eliminated. The state may deposit money into the American Indian scholarship endowment fund without limitation. Funds appropriated by the Legislature for the American Indian Endowed Scholarship program may be deposited into the scholarship endowment fund.

Appropriation: None.

Fiscal Note: Requested on January 21, 2009.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Eliminating the matching requirement will clean-up and adjust the American Indian Endowed Scholarship program for the twenty-first century. It is difficult to raise private money without professional fund raising staff.

Persons Testifying: PRO: Senator Jacobsen, prime sponsor.