

HOUSE BILL REPORT

HB 1311

As Reported by House Committee On:
College & Workforce Development
Appropriations

Title: An act relating to college bound scholarship eligible students.

Brief Description: Concerning college bound scholarship eligible students.

Sponsors: Representatives Bergquist, Ortiz-Self, Stonier, Dolan, Frame, Paul, Ryu, Sells, Valdez, Lekanoff, Stanford, Leavitt, Thai and Wylie.

Brief History:

Committee Activity:

College & Workforce Development: 1/23/19, 2/8/19 [DPS];
Appropriations: 2/25/19, 2/28/19 [DP2S(w/o sub CWD)].

Brief Summary of Second Substitute Bill

- Allows eligible students to sign a College Bound Scholarship (CBS) pledge in the ninth and tenth grade if the student was previously ineligible in the seventh or eighth grade as a Washington student.
- Prioritizes eligible CBS students for a State Need Grant if they have a family income in the 0-70 percent median family income range.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Bergquist, Paul, Pollet, Ramos, Sells and Slatter.

Minority Report: Do not pass. Signed by 7 members: Representatives Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Kraft, Rude, Sutherland and Young.

Staff: Megan Mulvihill (786-7304).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

College Bound Scholarship Program.

The College Bound Scholarship (CBS) program was established in 2007 to provide guaranteed four-year tuition to students from low-income families. The first CBS awards were granted to the graduating high school class of 2012. Eligible students for the CBS include those who:

- qualify for free or reduced-price lunches in the seventh grade; or
- are dependent from parents or guardians, or are receiving extended foster care services; and
 - are in grades 7 through 12; or
 - are between the ages of 18 and 21 years and have not graduated from high school.

In the seventh grade, students become eligible for the CBS and are notified of their eligibility and the requirements for award of the scholarship. To be eligible to receive the CBS, a student must sign a pledge during the seventh or eighth grade that includes a commitment to graduate from high school with at least a C-average and no felony convictions.

To receive the CBS, the student must graduate high school having fulfilled the CBS pledge requirements. Upon graduation, the student's family income will be assessed, and if it does not exceed 65 percent of the state median family income (MFI), the student will receive a scholarship.

The CBS recipients that attend public two-year or four-year institutions of higher education receive an award to cover the cost of tuition and fees, minus any state-funded grant, scholarship, or waiver assistance, plus \$500 for books and materials. The CBS recipients that attend private institutions receive an award based on the average award students at the corresponding public institution would receive. The student must maintain satisfactory academic progress and may not receive the scholarship for more than four full-time years.

State Need Grant.

The State Need Grant (SNG) is the state's largest financial aid program and grants are awarded to students based on financial need. A student may receive a grant if their family income does not exceed 70 percent of state MFI. In the state budget, students eligible for the CBS who have family incomes in the 0–65 percent MFI range must be prioritized for the SNG and awarded the maximum SNG for which they are eligible.

Summary of Substitute Bill:

Upon graduation from high school, a CBS eligible student who meets the CBS pledge requirements and has a family income that does not exceed 70 percent of the state MFI must receive a CBS award.

Beginning in the 2019-20 academic year, a student may qualify for the CBS program if he or she is eligible for free or reduced-price lunches in the ninth grade, but was previously ineligible during the seventh or eighth grade while a Washington student. In the 2020-21 academic year, this is expanded to tenth grade as well.

Under the SNG program, the Student Achievement Council must prioritize need grants based on CBS eligibility as follows:

- Eligible students whose MFI is in the 0–70 percent MFI range must be prioritized and awarded the maximum SNG for which the student is eligible.
- Beginning 2023-24, eligible students whose MFI is in the 70-100 percent MFI range must be prioritized and awarded a SNG no less than the SNG award given to SNG recipients in the 70 percent MFI range for the institution the student attends.

Substitute Bill Compared to Original Bill:

The substitute bill made four changes to the underlying bill: (1) increased the income threshold range from 65 percent to 70 percent of the state MFI for all CBS eligible students beginning in the 2023-24 academic year; (2) delayed by one year when tenth graders are eligible to sign the CBS pledge; (2) changed the SNG award for CBS eligible students in the 70 percent or below MFI range to the maximum award a student is eligible for, rather than a maximum award; and (4) delays when CBS eligible students with MFIs in the 70 to 100 percent range are to be prioritized for a SNG award to the 2023-24 academic year.

Appropriation: None.

Fiscal Note: Requested on February 8, 2019.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There is a belief that an early promise of financial aid can change the way a student views their future. There are many CBS students who meet all of the requirements for a scholarship, but then find out at graduation they are no longer eligible for a scholarship because their family makes too much money. The state makes a promise to a student, the student does everything right, but then the student gets edged out of the income range. This bill is beneficial for the long-term success of our students, and this would essentially align the CBS with the SNG. In 2018 there were around 3,000 students who would have qualified under the bill.

This redirects state funds to traditional students versus nontraditional students. It is a policy question that the Legislature needs to wrangle with.

(Opposed) None.

Persons Testifying: Representative Bergquist, prime sponsor; Katherine Mahoney, Office of the Superintendent of Public Instruction; Marc Webster and Becky Thompson, Washington Student Achievement Council; and Lukas Garcia, University of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on College & Workforce Development. Signed by 23 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; Rude, Assistant Ranking Minority Member; Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Minority Report: Do not pass. Signed by 9 members: Representatives MacEwen, Assistant Ranking Minority Member; Caldier, Chandler, Dye, Hoff, Kraft, Mosbrucker, Schmick and Steele.

Staff: Zane Potter (786-7349).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On College & Workforce Development:

The second substitute bill no longer expands income eligibility for College Bound Scholarship (CBS) students from 65 to 70 percent of state MFI beginning in academic year 2023-24. It removes the requirement that beginning with the 2023-24 academic year, eligible CBS students with family incomes in the 70-100 percent state MFI range must be prioritized for a State Need Grant. The bill is null and void if funding is not specifically provided in the omnibus appropriations act.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) This bill gives students a second chance to sign up for the CBS program. If a student's parent loses a job in sixth through seventh grade, the student would be able to utilize this loss and sign up for the CBS program. If that same student's parent lost a job in ninth or tenth grade, the student would not be able to sign up. This opens the door to these students. It is a small number of students, but this bill can make a real difference.

(Opposed) None.

Persons Testifying: Marc Webster, Washington Student Achievement Council.

Persons Signed In To Testify But Not Testifying: None.