

DRAFT Report of the College Bound Scholarship Program Work Group

December 9, 2014

Report to the Governor and Washington State Legislature
As Directed by ESSB 6436, 2014 Legislature
<http://www.leg.wa.gov/jointcommittees/CBSPWG/Pages/default.aspx>

Work Group Members

Senator David Frockt (Chair)

Senator Barbara Bailey (Vice Chair)

Representative Larry Seaquist

Representative Jesse Young

Marty Brown, State Board for Community & Technical Colleges

Tom Fitzsimmons, Independent Colleges of Washington

Paul Francis, Washington State Council of Presidents

Frank Ordway, League of Education Voters

Rachelle Sharpe, Student Achievement Council

Yolanda Watson Spiva, College Success Foundation

Jerry Warren, Illahee Middle School

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Overview of the College Bound Scholarship Program and Work Group

College Bound Scholarship Program

In 2007, the Legislature created the College Bound Scholarship (CBS) Program in Engrossed Substitute Senate Bill 5098 to provide a tuition scholarship program for low-income students. The scholarship is open to seventh and eighth graders who qualify for free or reduced price lunches and sign a pledge to graduate from high school with a 2.0 grade point average or higher and no felony convictions. Students in foster care are automatically enrolled. At the time of high school graduation, eligible students must have a family income of 65 percent of the state median family income or below.

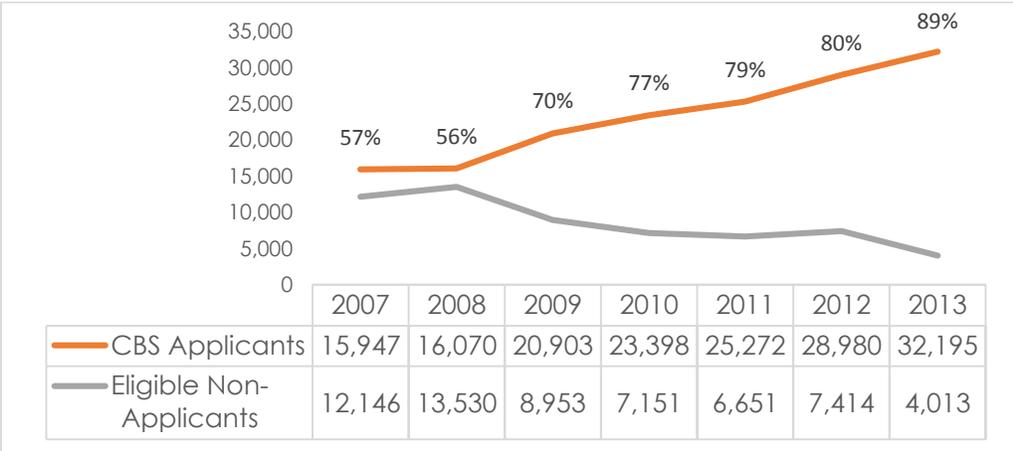
To receive a scholarship, a student must be resident student and be accepted by a state institution of higher education participating in the State Need Grant (SNG) Program. All scholarship recipients are limited to no more than four full-time years' worth of scholarship awards and the scholarship award must be used within five years of receipt.

The CBS award amounts are calculated as the difference between public institution tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives, plus \$500 for books.

The Office of Student Financial Aid, within the Washington Student Achievement Council (WSAC), is the Administrator of the Program. The Office of Superintendent of Public Instruction is directed to notify elementary, middle, and junior high schools about the Program and to work with WSAC to develop application collection and student tracking procedures. Currently, OSPI contracts with the College Success Foundation to increase CBS middle and high school students' knowledge and awareness of post-secondary opportunities.

Application

Seven cohorts of seventh and eighth grade students have signed up for the CBS program, which is nearly 186,000 students.¹



Source: WSAC CBS Application Data 2006-07 to 2012-13. OSPI State Report Card (2006-07 to 2012-13), June 2014.

¹ Rachele Sharpe's presentation to the work group, Nov. 17, 2014.

During the 2011-12 academic year (cohort 1) 76 percent of CBS students graduated from high school compared to 60 percent of other low-income students. The statewide average was 76 percent.² During the 2012-13 academic year (cohort 2) 79 percent of CBS students graduated from high school compared to 60 percent of other low-income students. The state wide average was 77 percent.³

Enrollment

The first CBS program cohort enrolled in college during the 2012-13 academic year. Three cohorts, approximately 12,345 CBS students, are enrolled for the 2014-15 academic year. About five percent of CBS students enrolled in post-secondary institutions of higher education do not receive a CBS award because their need is already covered by other aid.⁴

Approximately 54 percent of the CBS students who enrolled in college for the first time during fall 2014 attend a four-year institution.⁵ During the 2014-15 academic year, 61 percent of all CBS students (regardless of cohort year and initial year of college enrollment) are expected to be enrolled at four-year institutions.⁶ In 2012-13, 26 percent of low-income students attended a four-year institution, compared to 38 percent of CBS students. For the community and technical college sector, 63 percent of low-income students attended a two-year institution and 53 percent of CBS students.⁷

Coordination with the State Need Grant (SNG) Program

The CBS Program coordinates with other aid and is designed as a “last dollar in” program. CBS award amounts for students who do not receive a SNG are higher than those that do receive a SNG. The 2013-15 operating budget requires institutions to prioritize CBS students when awarding SNG and to provide them with the maximum award for which they are eligible.

During the 2012-13 academic year between 67 to 86 percent of College Bound Scholars received a SNG award. The following year between 57 to 88 percent of CBS students received an award. SNG coordination varies by sector and across years. CBS-SNG coordination is expected to improve during the 2014-15 academic year given that institutions now have two years of experience administering these programs together. Tighter CBS-SNG coordination will likely increase the amount of SNG funding that CBS students receive and decrease the amount of CBS funding those same students receive.

Estimated Scholarship Costs

The table below show the costs of scholarships in the CBS program and the amount of SNG funding those same students are expected to receive in the 2015-17 and 2017-19 biennial budgets. By the end of the 2015-17, 1 out every 3 dollars appropriated to the SNG program will be for a CBS scholar and by the end of 2017-19, 2 out of every 5 dollars.⁸

² Id.

³ Id.

⁴ Caseload Forecast Council November Forecast

⁵ Rachele Sharpe's presentation to the work group, Nov. 17, 2014

⁶ Caseload Forecast Council November Forecast

⁷ Rachele Sharpe's presentation to the work group, June 2014

⁸ The biennial appropriation for the SNG is \$616 million

Estimated Costs of CBS Students in the CBS Program and the SNG Program ⁹ <i>\$ dollars in millions</i>			
Program	FY 2013-15	FY 2015-17	FY 2017-19
CBS	\$ 48.3	\$ 74.0	\$ 92.3
SNG	\$ 101.9	\$ 198.3	\$ 247.2
Total¹⁰	\$ 150.2	\$ 272.3	\$ 339.5

Estimated Student Support Costs

In addition to the scholarship funding, which constitutes the bulk of state expenditures on the program, the legislature has appropriated \$5.75 million per biennium for the College Success Foundation to provide seventh and eighth grade CBS outreach and eleventh and twelfth grade mentoring/support services, which are not restricted to CBS students.

College Bound Scholarship Program Work Group

In 2014, the Legislature created the College Bound Scholarship (CBS) Program Work Group under Engrossed Substitute Senate Bill 6436. ESSB 6436 directs the work group to make recommendations to ensure the CBS program is viable, productive, and effective. Membership consists of the following:

- two from the House of Representatives, one from each major caucus;
- two from the Senate, one from each major caucus;
- one from the four-year institutions of higher education to be selected by the Council of Presidents;
- one from the two-year institutions of higher education to be selected by the State Board for Community and Technical Colleges;
- one from a private, nonprofit higher education institution to be selected by an association of independent nonprofit baccalaureate degree-granting institutions;
- one from WSAC;
- one from a private nonprofit college scholarship organization;
- one nonlegislative member to be appointed by the Governor; and
- one from the middle school system.

The work group must submit a report by December 31, 2014, to the Governor and appropriate committees of the Legislature with recommendations for making the program viable, including, but not limited to, funding.

The work group must meet at least once, but no more than five times, and is staffed jointly by Senate Committee Services in the Senate and the Office of Program Research in the House of Representatives.

Representatives Seaquist and Young and Senators Bailey and Frockt were appointed to the work group. The work group elected Senator Frockt chair and Senator Bailey vice chair and met four times during the 2014 interim.

⁹ Estimates based on November forecast updates and no assumed tuition increases

¹⁰ Totals may not sum to 100 percent due to rounding

Work Group Meetings

Agendas and materials from all meetings can be found online at <http://www.leg.wa.gov/jointcommittees/CBSPWG/Pages/default.aspx>.

Monday, July 9, 2014 (Olympia)

The work group elected Senator David Frockt as the chair and Senator Barbara Bailey as the vice chair and adopted Rules and Procedures (see Appendix C). Work group staff provided a statutory and fiscal review of the CBS program and outlined various legal considerations for administering the program. The work group also received information on low-income student demographics, current program data, and the role of the College Success Foundation.

Thursday, October 16, 2014 (Tacoma)

The work group received information from Indiana's 21st Century Scholars Program and supports and interventions available to CBS students, with a focus on the Tacoma Public Schools. The work group also heard from two CBS students currently enrolled in high school.

A list was circulated to begin the discussion of recommendations, but was not intended to limit Work Group member proposals to only these items:

1. Fully fund the State Need Grant program
2. Determine which student support services provide the best value to CBS students
 - a. Create a pilot program for organizations to provide support services in K-12
 - b. Improve the quality of middle and high school counseling
3. Increase data collection and dissemination
4. Direct the State Actuary to make future projections

Monday, November 17, 2014 (Olympia)

The work group received updated data and fiscal estimates for the CBS program. Public testimony was provided by the Road Map Project, the Dream Project, and Ricardo Sanchez. The work group began a discussion of recommendations and agreed to circulate a draft and provide feedback before convening for a final meeting.

Monday, December 15, 2014 (Olympia)

Discussion and vote on final recommendations.

Recommendations

Data

- 1. Develop and expand data collection for the College Bound Scholarship Program from enrollment through post-secondary education via the Washington State Education Research and Data Center (ERDC).**
 - a. Require all institutions of higher education (public and private) participating in the CBS program to provide data for the purposes of analysis and evaluation; and
 - b. Require WSAC to annually share the CBS Program data with ERDC by cohort and sector so that it can be included in the state's longitudinal data system. Including, but not limited to:
 - i. The number of students who sign up for CBS in seventh or eighth grade;
 - ii. The number of CBS students who graduate from high school;
 - iii. The number of CBS students who enroll in post-secondary education;
 - iv. The persistence and completion rates of CBS students by post-secondary institution of enrollment;
 - v. Average recipient GPAs;
 - vi. Breakdown of why applicants did not remain eligible;
 - vii. Program costs; and
 - viii. Impacts to SNG.
- 2. Study certain aspects of the program and student outcomes, including:**
 - a. Student GPA and its relationship to positive outcomes.
 - b. Variance in remediation needed by CBS Scholars vs. their peers.
 - c. The differentials in CBS Scholars' versus their peers' persistence.
 - d. The impact of addressing ineligibility issues, such as moving into the state after middle school or change in family income.
- 3. Reconvene the CBS Program Work Group in 2017 to review program data and determine whether program changes are needed.**
- 4. Direct the Washington State Institute for Public Policy to conduct a study to ensure effective CBS spending as well as address potential equity issues.**

Student Supports: College Access

- 5. Add a robust student component to the CBS Portal to maintain contact and help students manage their college preparation work.**

Use Indiana's 21st Century Scholars portal as a model for keeping students engaged and tracking their progress toward postsecondary access.
- 6. Leverage coordinated support with the state's required High School and Beyond Plan in middle and high schools.**

7. Implement a coordinated service model using K-2, postsecondary and youth-serving organizations to equalize mentoring and advising resources across the state.

Replicate Indiana's 21st Century Scholars model that distributes regional outreach coordinators throughout the state to connect students, families, and schools to resources they need. Map which schools have services and which schools need greater support.

Student Supports: College Completion

8. Require postsecondary institutions to designate a CBS professional on campus to be the contact for CBS students in order to receive CBS support dollars.

The CBS program is an opportunity to leverage increased support for low-income, first-generation students who would benefit from additional support and connections on college campuses.

9. Require institutions to provide tailored advising resources for CBS students once they have enrolled at a post-secondary institution.

Complete the handoff of advising and counseling services begun at the middle- and high-school levels. Institutions of higher education should identify officials and their individual campus resources/programs, including other CBS students, to work with students on campus.

Communication

10. Enhance communications with contact metrics, including more robust and comprehensive social media outreach, designed to keep CBS students on track to graduate. Expand online resources to help schools track students and find new ways to reach out at key junctures.

Develop more communications and materials from the state (WSAC) to be delivered electronically or by mail direction to students and families starting when they sign up through postsecondary education. Specifically develop outreach materials for each grade level.

Statutory Changes

11. Align statute with administrative rules that were implemented to provide clarity for students.

For instance, the statute notes students must use the award within "five years of receipt." Rule requires this to be five years from high school graduation to encourage no more than one-year delay in postsecondary enrollment.

12. Direct WSAC to actually verify that applicants have no felony convictions.

13. Synchronize the income eligibility factors for CBS and SNG.

For example, students with a family size of two are eligible for CBS at an income of \$28,000 or below. Students in a family of two are eligible for the maximum SNG award at an income of \$28,500 or below. The following table displays the three eligibility factors used for the CBS and SNG programs.

Program	Point of determining eligibility	Eligibility Factor	% of eligible factor
College Bound Scholarship Program			
a) CBS Program Eligibility ¹	7th/8th Grade	Federal Poverty Level	185%
b) CBS Award Eligibility ²	FAFSA	State Median Income	65%
State Need Grant	FAFSA	State Median Income	70%

¹ Based on free or reduced price lunch. RCW 28B.118.010 (1)(a)

² RCW 28B.118.010 (6)

14. There is not a need for statutory changes at this time.

Funding

15. Fully fund the State Need Grant Program.

Fully funding SNG and increasing coordination between SNG and CBS across all institutions would reduce CBS costs and increase the amount of SNG funding CBS students receive. Fully funding the SNG for the 2015-17 biennium would cost approximately \$245 million. During the 2013-14 academic year there were 70,496 students served by the SNG and 34,739 students unserved by the SNG. During that same period, approximately 3,028 CBS students received a SNG and 1,209 CBS students did not receive a SNG.

16. Phase in full funding of the State Need Grant Program to align with the recommendation of the Washington Student Achievement Council.

Investing an additional \$16 million each year through 2023 will close the State Need Grant funding gap. Each annual increase would serve an additional 4,000 students who depend on financial assistance to enroll and succeed in postsecondary education.

17. Continue to fully fund CBS caseload requirements.

18. Invest long-range funding for the CBS program in dedicated state accounts to save for long term CBS costs.

Renew investing in the Guaranteed Education Tuition (GET) program or other dedicated state investment accounts on an on-going basis to provide a funding source to cover partial program costs in the future. In 2007, the Legislature appropriated \$7.4 million to the Higher Education Coordinating Board (HECB) to purchase GET units to hold in trust by the HECB and later distribute as scholarships to eligible students. In 2012, the State used the purchased GET units to fund the first CBS cohort to enroll in college.

19. Fully fund enhanced coordinated support services for CBS students.

This includes the \$2.867 million request by the College Success Foundation (CSF) for the 2015-17 biennium for the student wrap-around support services in middle and high schools provided through CSF's Achievers Scholars, Higher Education Readiness Opportunity, and College Bound Outreach support programs. Based on many years of Achievers Scholars data, it is estimated that CSF supports and the promise of a full-ride scholarship generates 40 bachelor's degree graduates per every 100 low-income eleventh graders, compared to national average of seven graduates per 100.¹¹

20. Create a competitive grant program seeded with state funds to be awarded to high quality outreach programs that can demonstrate success in improving both high school and college graduation rates for CBS students.

The state should emphasize high quality, low cost programs like the University of Washington's Dream Project to leverage the use of current college students and scholarship recipients to improve high school attainment for students coming behind them. These outreach coordinators could also help develop community coalitions like the Tacoma College Support Network around the state to drive participation, mentoring, and support to high school students moving toward graduation and potential college attainment.

Paramount Duty

21. CBS and SNG programs shall be fully funded and considered an integral part of the State's overall commitment to the paramount duty.

The State's paramount duty is to ensure that every citizen has the opportunity to access education that prepares them to contribute to our economy and democracy. The evidence is clear that in order to meet this duty, most citizens will need to complete some form of postsecondary education. The initial evidence indicates that CBS and the support services that grow around it are immensely effective in helping low income kids complete high school and go to college.

¹¹ College Success Foundation Memo to the Work Group members, Nov. 24, 2014.

Appendix A: Engrossed Substitute Senate Bill 6436 (2014)

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6436

Chapter 215, Laws of 2014

63rd Legislature
2014 Regular Session

COLLEGE BOUND SCHOLARSHIP PROGRAM WORK GROUP

EFFECTIVE DATE: 06/12/14

Passed by the Senate March 10, 2014
YEAS 48 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 6, 2014
YEAS 92 NAYS 5

FRANK CHOPP

Speaker of the House of Representatives

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6436**

as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Approved April 3, 2014, 11:32 a.m.

FILED

April 4, 2014

JAY INSLEE

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6436

AS AMENDED BY THE HOUSE
Passed Legislature - 2014 Regular Session

State of Washington

63rd Legislature

2014 Regular Session

By Senate Higher Education (originally sponsored by Senators Frockt, Bailey, Kohl-Welles, and Hargrove)

READ FIRST TIME 02/07/14.

AN ACT Relating to creating a work group to make recommendations for the continued viability of the college bound scholarship program; creating new sections; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The legislature finds that while the college bound scholarship program was created in 2007, the first cohort of scholarship recipients entered institutions of higher education in 2013 and emerging data shows that the program is a success. However, the legislature further finds that the program faces long-term challenges. Therefore, the legislature intends to create a work group to make recommendations to ensure the program is viable, productive, and effective.

NEW SECTION. **Sec. 2.** (1) (a) A college bound scholarship program work group is established. The work group shall consist of the following members:

(i) Two members of the house of representatives, with one member representing each of the major caucuses and appointed by the speaker of the house of representatives;

(ii) Two members of the senate, with one member representing each of the major caucuses and appointed by the president of the senate;

(iii) One representative of the four-year institutions of higher education as defined in RCW 28B.10.016, selected by the presidents of those institutions;

(iv) One representative of the state's community and technical college system, selected by the state board for community and technical colleges;

(v) One representative of a private, nonprofit higher education institution as defined in RCW 28B.07.020(4), selected by an association of independent nonprofit baccalaureate degree-granting institutions;

(vi) One representative from the student achievement council;

(vii) One representative from a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising;

(viii) One nonlegislative representative appointed by the governor; and

(ix) One representative from the middle school system.

(b) All members must be appointed by June 30, 2014.

(c) The work group shall appoint its own chair and vice chair and shall meet at least once but no more than five times in 2014.

(d) Legislative members of the work group shall serve without additional compensation, but shall be reimbursed in accordance with RCW 44.04.120 while attending meetings of the work group. Nonlegislative members of the work group may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(2) The work group shall submit a report to the governor and the legislature by December 31, 2014, with recommendations for making the college bound scholarship program viable, including but not limited to funding.

(3) Staff support for the work group shall be jointly provided by senate committee services and the house of representatives office of program research, with the office of financial management presenting data as needed.

(4) This section expires July 1, 2015.

Passed by the Senate March 10, 2014.

Passed by the House March 6, 2014.

Approved by the Governor April 3, 2014.

Filed in Office of Secretary of State April 4, 2014.

Appendix B: Membership

College Bound Scholarship Program Work Group Membership

#s	ESSB 6436	INDIVIDUAL
1, 2	Two members of the house of representatives, with one member representing each of the major caucuses and appointed by the speaker of the house of representatives;	Representative Seaquist Representative Young
3, 4	Two members of the senate, with one member representing each of the major caucuses and appointed by the president of the senate;	Senator Bailey Senator Frockt
5	One representative of the four-year institutions of higher education as defined in RCW 28B.10.016, selected by the presidents of those institutions;	Paul Francis , Executive Director, COP
6	One representative of the state's community and technical college system, selected by the state board for community and technical colleges;	Marty Brown , Executive Director, SBCTC
7	One representative of a private, nonprofit higher education institution as defined in RCW 28B.07.020(4), selected by an association of independent nonprofit baccalaureate degree-granting institutions;	Tom Fitzsimmons , Vice President, Independent Colleges of Washington
8	One representative from the student achievement council;	Rachelle Sharpe , Director of Student Financial Assistance
9	One representative from a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising;	Yolanda Watson Spiva , President & CEO, College Success Foundation
10	One nonlegislative representative appointed by the governor; and	Frank Ordway , League of Education Voters
11	One representative from the middle school system.	Jerry Warren , Principal, Illahee Middle, Federal Way

**RULES & PROCEDURES FOR THE
COLLEGE BOUND SCHOLARSHIP PROGRAM WORK GROUP
ADOPTED: June 9, 2014**

1. Membership

The College Bound Scholarship Program Work Group (Work Group) consists of eleven members specified in ESSB 6436 (2014), including four legislators, one appointed from each of the four major caucuses.

The Work Group shall appoint a chair (Senator David Frockt) and vice chair (Senator Barbara Bailey) from among its members.

2. Meetings

The Work Group shall meet at least once more but no more than five times in 2014. The Chair shall determine the date, time, and place of meetings. Notices of Work Group meetings shall be posted on the House of Representatives' and the Senate's website and in the printed Legislative Meeting Schedule.

Any portion of a Work Group meeting may be devoted to public comment.

3. Quorum

Six (6) members of the Work Group shall constitute a quorum. The Work Group may meet without a quorum present but shall not adopt recommendations or vote without a quorum present in person or by phone.

4. Decisions

The Work Group shall make decisions on the basis of consensus whenever possible. Where a consensus does not emerge, a majority of the members present must vote in favor of an action for it to be adopted. Adoption of final recommendations shall require at least **six (6) yes votes**. Minority reports may be offered.

5. Meeting Records

Legislative Work Group staff will maintain and keep the official records of Work Group meetings.