SUBSTITUTE HOUSE BILL 1779

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Wallace, Dunn, Haigh, Kenney, Hasegawa, B. Sullivan, McDermott, Takko, Roberts, P. Sullivan, Fromhold, Quall, Simpson, Lantz, Hudgins, Kagi, Santos, Ormsby and Morrell)

READ FIRST TIME 02/20/07.

AN ACT Relating to the GET ready for math and science scholarship program; amending RCW 28B.95.060; reenacting and amending RCW 43.79A.040; adding a new section to chapter 28B.95 RCW; and adding a new chapter to Title 28B RCW.

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

б NEW SECTION. Sec. 1. (1) The GET ready for math and science 7 scholarship program is established. The purpose of the program is to 8 provide scholarships to students who achieve level four on the 9 mathematics or science portions of the tenth grade Washington 10 assessment of student learning, major in a mathematics, science, or related field in college, and commit to working in mathematics, 11 science, or a related field for at least three years in Washington 12 following completion of their bachelor's degree. The program shall be 13 administered by the nonprofit organization selected as the private 14 15 partner in the public-private partnership.

16 (2) The total annual amount of each GET ready for math and science 17 scholarship may vary, but shall not exceed the annual cost of resident 18 undergraduate tuition fees and mandatory fees at the University of 1 Washington. For full-time students, the amount of the scholarship 2 shall be as follows:

3 (a) Students with family incomes less than or equal to one hundred
4 percent of the state's median family income shall receive the maximum
5 scholarship award for the institution attended;

6 (b) Students whose incomes are greater than one hundred percent, 7 but less than or equal to one hundred fifty percent, of the state's 8 median family income shall receive fifty percent of the maximum award 9 for the institution attended; and

10 (c) Students whose incomes are greater than one hundred fifty 11 percent, but less than or equal to two hundred percent, of the state's 12 median family income shall receive twenty-five percent of the maximum 13 award for the institution attended.

14 (3) An eligible recipient may receive a GET ready for math and 15 science scholarship for up to one hundred eighty quarter credits, or 16 the semester equivalent, or for up to five years, whichever comes 17 first.

18 <u>NEW SECTION.</u> Sec. 2. The definitions in this section apply 19 throughout this chapter unless the context clearly requires otherwise. 20 (1) "Board" means the higher education coordinating board.

21 (2) "GET units" means tuition units under the advanced college

tuition payment program in chapter 28B.95 RCW.
(3) "Institution of higher education" has the same meaning as in
RCW 28B.92.030.

(4) "Program administrator" means the private nonprofit corporation that is registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, that will serve as the private partner in the public-private partnership under this chapter.

30 (5) "Qualified program" or "qualified major" means a mathematics, 31 science, or related degree program or major line of study offered by an 32 institution of higher education that is included on the list of 33 programs or majors selected by the board and the program administrator 34 under section 9 of this act.

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NEW SECTION. Sec. 3. (1) An eligible student is a student who:

(a) Is eligible for resident tuition and fee rates as defined in
 RCW 28B.15.012;

3 (b) Achieved level four on the mathematics or science portion of
4 the tenth grade Washington assessment of student learning;

5 (c) Has a family income at or below one hundred twenty-five percent 6 of the state median family income at the time the student applies for 7 a GET ready for math and science scholarship and for up to the two 8 previous years;

9 (d) Has declared an intention to complete a qualified program or 10 qualified major or has entered a qualified program or declared a 11 qualified major at an institution of higher education;

(e) Has declared an intention to work in a mathematics, science, or
related field in Washington for at least three years immediately
following completion of a bachelor's degree or higher degree.

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(2) An eligible recipient is an eligible student who:

16 (a) Enrolls at an institution of higher education within one year 17 of graduating from high school;

(b) Maintains satisfactory academic progress, as defined by theinstitution of higher education where the student is enrolled;

(c) Takes at least one college-level mathematics or science courseeach term since enrolling in an institution of higher education; and

(d) Enters a qualified program or qualified major no later than theend of the first term in which the student has junior level standing.

NEW SECTION. Sec. 4. (1) If the student enrolls in a qualified program or declares a qualified major and the program or major is subsequently removed from the list of qualified programs and qualified majors by the board and the program administrator, the student's eligibility to receive a GET ready for math and science scholarship shall not be affected.

30 (2) If a student who received a GET ready for math and science 31 scholarship ceases to be enrolled in an institution of higher 32 education, withdraws or is no longer enrolled in a qualified program, 33 declares a major that is not a qualified major, or otherwise is no 34 longer eligible to receive a GET ready for math and science 35 scholarship, the student shall notify the program administrator as soon 36 as practicable and is not eligible for further GET ready for math and science scholarship awards. Such a student shall also repay the amount of the GET ready for math and science scholarship awarded to the student as required by section 5 of this act.

<u>NEW SECTION.</u> Sec. 5. (1) A recipient of a GET ready for math and
science scholarship incurs an obligation to repay the scholarship, with
interest and an equalization fee, if he or she does not:

7 (a) Graduate with a bachelor's degree from a qualified program or
8 in a qualified major within five years of first enrolling at an
9 institution of higher education; and

10 (b) Work in Washington in a mathematics, science, or related 11 occupation full time for at least three years following completion of 12 a bachelor's degree, unless he or she is enrolled in a graduate degree 13 program as provided in subsection (4) of this section.

(2) A former scholarship recipient who has earned a bachelor's
degree shall annually verify to the board that he or she is working
full time in a mathematics, science, or related field for three years.

(3) If a former scholarship recipient begins but then stops working full time in a mathematics, science, or related field within three years following completion of a bachelor's degree, he or she shall pay back a prorated portion of the amount of the GET ready for math and science scholarship award received by the recipient, plus interest and a prorated equalization fee.

(4) A recipient may postpone for up to three years his or her instate work obligation if he or she enrolls full time in a graduate
degree program in mathematics, science, or a related field.

26 <u>NEW SECTION.</u> **Sec. 6.** The office of the superintendent of public 27 instruction shall:

(1) Notify elementary, middle, junior high, and high school
 students, parents, teachers, counselors, principals, and the children's
 administration of the department of social and health services about
 the GET ready for math and science scholarship program;

32 (2) Notify students who achieve level four of the mathematics or 33 science Washington assessment of student learning in tenth grade that 34 they may be eligible to apply for a GET ready for math and science 35 scholarship and provide them with contact information for the program 36 administrator;

1 (3) Notify the program administrator and the board, as early as 2 possible during the fall of the students' junior year in high school, 3 of the names and contact information of all students who achieved level 4 four on the mathematics or science Washington assessment of student 5 learning during tenth grade so that the program administrator may 6 provide them with scholarship information; and

7 (4) Provide data showing the race, ethnicity, income, and other 8 available demographic information of students who achieve level four of 9 the math and science Washington assessment of student learning in the 10 tenth grade. Compare those data with comparable information on the 11 tenth grade student population as a whole. Submit a report with the 12 analysis to the committees responsible for education and higher 13 education in the legislature on December 1st of even-numbered years.

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NEW SECTION. Sec. 7. The board shall:

(1) Purchase GET units to be owned and held in trust by the board,
for the purpose of scholarship awards as provided for in this section;
(2) Distribute scholarship funds, in the form of GET units or
through direct payments from the GET ready for math and science
scholarship account, to institutions of higher education on behalf of
eliqible recipients identified by the program administrator;

(3) Provide the program administrator with annual reports regarding enrollment, contact, and graduation information of GET ready for math and science scholarship recipients, if the recipients have given permission for the board to do so;

(4) Collect repayments from former scholarship recipients who donot meet the eligibility criteria or work obligations; and

(5) Establish rules for scholarship repayment, approved leaves of
 absence, deferments, and exceptions to recognize extenuating
 circumstances that may impact students.

30 <u>NEW SECTION.</u> Sec. 8. The program administrator shall:

31 (1) Recruit a minimum of eight private partners to provide input 32 into the development and administration of the GET ready for math and 33 science program;

34 (2) Solicit and accept grants and donations from private sources to
 35 match state funds appropriated for the GET ready for math and science
 36 scholarship program;

1 (3) Develop and implement an application, selection, and 2 notification process for awarding GET ready for math and science 3 scholarships;

4 (4) Notify institutions of higher education of scholarship 5 recipients who will attend their institutions and inform them of the 6 terms of the students' eligibility; and

7 (5) Report to private donors on the program outcomes and facilitate 8 contact between scholarship recipients and donors, if the recipients 9 have given the program administrator permission to do so, in order for 10 donors to offer employment opportunities, internships, and career 11 information to recipients.

NEW SECTION. Sec. 9. The board and the program administrator shall jointly determine criteria for qualifying undergraduate programs, majors, and courses leading to a bachelor's degree in mathematics, science, or a related field, offered by institutions of higher education. The board shall publish the criteria for qualified courses, and lists of qualified programs and qualified majors on its web site on a biennial basis.

19 <u>NEW SECTION.</u> Sec. 10. (1) The GET ready for math and science 20 scholarship account is created in the custody of the state treasurer.

(2) The board shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the board. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator.

30 (4) With the exception of the operating costs associated with the 31 management of the account by the treasurer's office as authorized in 32 chapter 43.79A RCW, the account shall be credited with all investment 33 income earned by the account.

34 (5) Disbursements from the account are exempt from appropriations35 and the allotment provisions of chapter 43.88 RCW.

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(6) Disbursements from the account shall be made only on the
 authorization of the board.

3 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 28B.95
4 RCW to read as follows:

5 Ownership of tuition units purchased by the higher education 6 coordinating board for the GET ready for math and science scholarship 7 program under section 7 of this act shall be in the name of the state 8 of Washington and may be redeemed by the state of Washington on behalf 9 of recipients of GET ready for math and science scholarship program 10 scholarships for tuition and fees.

11 **Sec. 12.** RCW 28B.95.060 and 2000 c 14 s 5 are each amended to read 12 as follows:

(1) The Washington advanced college tuition payment program account is created in the custody of the state treasurer. The account shall be a discrete nontreasury account retaining its interest earnings in accordance with RCW 43.79A.040.

(2)(a) Except as provided in (b) of this subsection, the governing 17 body shall deposit in the account all money received for the program. 18 19 The account shall be self-sustaining and consist of payments received 20 from purchasers of tuition units and funds received from other sources, public or private. With the exception of investment and operating 21 22 costs associated with the investment of money by the investment board 23 paid under RCW 43.33A.160 and 43.84.160, the account shall be credited 24 with all investment income earned by the account. Disbursements from 25 the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW. Money used for program administration is subject 26 to the allotment of all expenditures. However, an appropriation is not 27 required for such expenditures. Program administration shall include, 28 The salaries and expenses of the program 29 but not be limited to: 30 personnel including lease payments, travel, and goods and services necessary for program operation; contracts for program promotion and 31 32 advertisement, audits, and account management; and other general costs of conducting the business of the program. 33

(b) All money received by the program from the higher education
 coordinating board for the GET ready for math and science scholarship

program shall be deposited in the GET ready for math and science scholarship account created in section 10 of this act.

3 (3) The assets of the account may be spent without appropriation 4 for the purpose of making payments to institutions of higher education 5 on behalf of the qualified beneficiaries, making refunds, transfers, or 6 direct payments upon the termination of the Washington advanced college 7 tuition payment program. Disbursements from the account shall be made 8 only on the authorization of the governing body.

9 (4) With regard to the assets of the account, the state acts in a 10 fiduciary, not ownership, capacity. Therefore the assets of the 11 program are not considered state money, common cash, or revenue to the 12 state.

13 Sec. 13. RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2 are 14 each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2) All income received from investment of the treasurer's trust
fund shall be set aside in an account in the treasury trust fund to be
known as the investment income account.

22 (3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds 23 24 including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state 25 26 agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to 27 financial institutions. Payments shall occur prior to distribution of 28 earnings set forth in subsection (4) of this section. 29

(4)(a) Monthly, the state treasurer shall distribute the earnings
 credited to the investment income account to the state general fund
 except under (b) and (c) of this subsection.

(b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the

agricultural local fund, the American Indian scholarship endowment 1 fund, the foster care scholarship endowment fund, the foster care 2 endowed scholarship trust fund, the students with dependents grant 3 account, the basic health plan self-insurance reserve account, the 4 contract harvesting revolving account, the Washington state combined 5 fund drive account, the commemorative works account, the Washington 6 7 international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, 8 the fruit and vegetable inspection account, the future teachers 9 10 conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the grain 11 inspection revolving fund, the juvenile accountability incentive 12 13 account, the law enforcement officers' and fire fighters' plan 2 14 expense fund, the local tourism promotion account, the produce railcar pool account, the regional transportation investment district account, 15 the rural rehabilitation account, the stadium and exhibition center 16 17 account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's 18 trust fund, the Washington horse racing commission Washington bred 19 owners' bonus fund account, the Washington horse racing commission 20 21 class C purse fund account, the individual development account program 22 account, the Washington horse racing commission operating account (earnings from the Washington horse racing commission operating account 23 24 must be credited to the Washington horse racing commission class C 25 purse fund account), the life sciences discovery fund, and the reading 26 achievement account. However, the earnings to be distributed shall 27 first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190. 28

(c) The following accounts and funds shall receive eighty percent 29 of their proportionate share of earnings based upon each account's or 30 fund's average daily balance for the period: The advanced right of way 31 32 revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the 33 federal narcotics asset forfeitures account, the high occupancy vehicle 34 account, the local rail service assistance account, and the 35 36 miscellaneous transportation programs account.

37 (5) In conformance with Article II, section 37 of the state

Constitution, no trust accounts or funds shall be allocated earnings
 without the specific affirmative directive of this section.

3 <u>NEW SECTION.</u> Sec. 14. Sections 1 through 10 of this act 4 constitute a new chapter in Title 28B RCW.

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