
SUBSTITUTE SENATE BILL 5369

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Shin, Berkey and Kilmer)

READ FIRST TIME 02/9/07.

1 AN ACT Relating to creating a scholarship for students entering
2 mathematics and science professions; reenacting and amending RCW
3 43.79A.040; and adding a new chapter to Title 28B RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that encouraging
6 outstanding students to enter mathematics and science professions is of
7 paramount importance to the state of Washington. By creating the
8 mathematics and science professions conditional scholarship, the
9 legislature intends to assist in the effort to recruit as mathematics
10 and science professionals individuals who have distinguished themselves
11 through outstanding academic achievement or demonstrated their
12 commitment to mathematics and science professions. The legislature
13 urges business, industry, and philanthropic community organizations to
14 join with state government in making this program successful.

15 NEW SECTION. **Sec. 2.** Unless the context clearly requires
16 otherwise, the definitions in this section apply throughout this
17 chapter.

18 (1) "Board" means the higher education coordinating board.

1 (2) "Conditional scholarship" means a loan that is forgiven in
2 whole or in part if the recipient renders service in a qualified
3 profession in this state.

4 (3) "Eligible student" means a student who is registered for at
5 least six credit hours or the equivalent, has a 3.0 grade point average
6 at an institution of higher education, is a resident student as defined
7 by RCW 28B.15.012 and 28B.15.013, has declared mathematics,
8 engineering, a physical science, or a natural science for his or her
9 major, and has a declared intention to complete a program leading to a
10 qualified profession in the state of Washington.

11 (4) "Forgiven" or "to forgive" or "forgiveness" means to render
12 service in a qualified profession in the state of Washington in lieu of
13 monetary repayment.

14 (5) "Institution of higher education" or "institution" means a
15 college or university in the state of Washington that is accredited by
16 an accrediting association recognized as such by rule of the board.

17 (6) "Participant" means an eligible student who has received a
18 conditional scholarship under this chapter.

19 (7) "Qualified profession" means a mathematics, engineering,
20 physical science, or natural science profession.

21 (8) "Satisfied" means paid-in-full.

22 NEW SECTION. **Sec. 3.** The qualified professions conditional
23 scholarship program is established. The program shall be administered
24 by the board. In administering the program, the board has the
25 following powers and duties:

- 26 (1) Select students to receive conditional scholarships;
27 (2) Adopt necessary rules and guidelines;
28 (3) Publicize the program;
29 (4) Collect and manage repayments from students who do not meet
30 their obligations under this chapter; and
31 (5) Solicit and accept grants and donations from public and private
32 sources for the program.

33 NEW SECTION. **Sec. 4.** (1) The board may select participants based
34 on an application process conducted by the board.

35 (2) The board shall establish a selection committee for screening
36 and selecting recipients of the qualified professions conditional

1 scholarships. The criteria shall emphasize factors demonstrating
2 excellence including but not limited to superior scholastic
3 achievement, leadership ability, and community contributions. The
4 criteria shall also take into account the diverse nature of the
5 disciplines eligible for the conditional scholarship and allocate the
6 funds in a manner to represent a cross section of the fields.

7 NEW SECTION. **Sec. 5.** To receive additional disbursements under
8 the program under this chapter, a participant must be considered by his
9 or her institution of higher education to be in a satisfactory progress
10 condition.

11 NEW SECTION. **Sec. 6.** The board may award conditional scholarships
12 to eligible students from the funds appropriated to the board for this
13 purpose, or from any private donations, or any other funds given to the
14 board for this program. The amount of the conditional scholarship
15 awarded an individual shall not exceed the amount of tuition and fees
16 at the institution of higher education attended by the participant or
17 resident undergraduate tuition and fees at the University of Washington
18 per academic year for a full-time student, whichever is lower.
19 Participants are eligible to receive conditional scholarships for a
20 maximum of five years.

21 NEW SECTION. **Sec. 7.** (1) Participants in the qualified
22 professions conditional scholarship program incur an obligation to
23 repay the conditional scholarship, with interest, unless they are
24 employed in a qualified profession for each year of scholarship
25 received, under rules adopted by the board.

26 (2) The interest rate shall be determined annually by the board.

27 (3) The minimum payment shall be set by the board. The maximum
28 period for repayment shall be ten years, with payments of principal and
29 interest accruing quarterly commencing six months from the date the
30 participant completes or discontinues the course of study. Provisions
31 for deferral of payment shall be determined by the board.

32 (4) The entire principal and interest of each payment shall be
33 forgiven for each payment period in which the participant is employed
34 in a qualified profession until the entire repayment obligation is
35 satisfied. Should the participant cease to be employed in a qualified

1 profession in this state before the participant's repayment obligation
2 is completed, payments on the unsatisfied portion of the principal and
3 interest shall begin the next payment period and continue until the
4 remainder of the participant's repayment obligation is satisfied.

5 (5) The board is responsible for collection of repayments made
6 under this section and shall exercise due diligence in such collection,
7 maintaining all necessary records to ensure that maximum repayments are
8 made. Collection and servicing of repayments under this section shall
9 be pursued using the full extent of the law, including wage garnishment
10 if necessary. The board is responsible to forgive all or parts of such
11 repayments under the criteria established in this section and shall
12 maintain all necessary records of forgiven payments.

13 (6) Receipts from the payment of principal or interest or any other
14 subsidies to which the board as administrator is entitled, that are
15 paid by or on behalf of participants under this section, shall be
16 deposited in the qualified professions conditional scholarship account
17 and shall be used to cover the costs of granting the conditional
18 scholarships, maintaining necessary records, and making collections
19 under subsection (5) of this section. The board shall maintain
20 accurate records of these costs, and all receipts beyond those
21 necessary to pay such costs shall be used to grant conditional
22 scholarships to eligible students.

23 (7) The board shall adopt rules to define the terms of repayment,
24 including applicable interest rates, fees, and deferments.

25 NEW SECTION. **Sec. 8.** (1) The qualified professions conditional
26 scholarship account is created in the custody of the state treasurer.
27 An appropriation is not required for expenditures of funds from the
28 account. The account is not subject to allotment procedures under
29 chapter 43.88 RCW except for moneys used for program administration.

30 (2) The board shall deposit in the account all moneys received for
31 the program. The account shall be self-sustaining and consist of funds
32 appropriated by the legislature for the qualified professions
33 conditional scholarship program, private contributions to the program,
34 and receipts from participant repayments.

35 (3) Expenditures from the account may be used solely for
36 conditional scholarships to participants in the program established by

1 this chapter and costs associated with program administration by the
2 board.

3 (4) Disbursements from the account may be made only on the
4 authorization of the board.

5 **Sec. 9.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2 are
6 each reenacted and amended to read as follows:

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

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

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

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

25 (b) The following accounts and funds shall receive their
26 proportionate share of earnings based upon each account's or fund's
27 average daily balance for the period: The Washington promise
28 scholarship account, the college savings program account, the
29 Washington advanced college tuition payment program account, the
30 agricultural local fund, the American Indian scholarship endowment
31 fund, the foster care scholarship endowment fund, the foster care
32 endowed scholarship trust fund, the students with dependents grant
33 account, the basic health plan self-insurance reserve account, the
34 contract harvesting revolving account, the Washington state combined
35 fund drive account, the commemorative works account, the Washington
36 international exchange scholarship endowment fund, the developmental
37 disabilities endowment trust fund, the energy account, the fair fund,

1 the fruit and vegetable inspection account, the future teachers
2 conditional scholarship account, the game farm alternative account, the
3 grain inspection revolving fund, the juvenile accountability incentive
4 account, the law enforcement officers' and fire fighters' plan 2
5 expense fund, the local tourism promotion account, the produce railcar
6 pool account, the qualified professions conditional scholarship
7 account, the regional transportation investment district account, the
8 rural rehabilitation account, the stadium and exhibition center
9 account, the youth athletic facility account, the self-insurance
10 revolving fund, the sulfur dioxide abatement account, the children's
11 trust fund, the Washington horse racing commission Washington bred
12 owners' bonus fund account, the Washington horse racing commission
13 class C purse fund account, the individual development account program
14 account, the Washington horse racing commission operating account
15 (earnings from the Washington horse racing commission operating account
16 must be credited to the Washington horse racing commission class C
17 purse fund account), the life sciences discovery fund, and the reading
18 achievement account. However, the earnings to be distributed shall
19 first be reduced by the allocation to the state treasurer's service
20 fund pursuant to RCW 43.08.190.

21 (c) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The advanced right of way
24 revolving fund, the advanced environmental mitigation revolving
25 account, the city and county advance right-of-way revolving fund, the
26 federal narcotics asset forfeitures account, the high occupancy vehicle
27 account, the local rail service assistance account, and the
28 miscellaneous transportation programs account.

29 (5) In conformance with Article II, section 37 of the state
30 Constitution, no trust accounts or funds shall be allocated earnings
31 without the specific affirmative directive of this section.

32 NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act constitute
33 a new chapter in Title 28B RCW.

--- END ---