H-2633.1

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**SUBSTITUTE HOUSE BILL 2158**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Finance (originally sponsored by Representatives Hansen, Tarleton, Ormsby, Sullivan, Robinson, Bergquist, Slatter, Pollet, Valdez, Sells, Tharinger, Ortiz-Self, Appleton, Dolan, Macri, Senn, Thai, Kloba, Goodman, Stanford, and Orwall)

AN ACT Relating to creating a workforce education investment to train Washington students for Washington jobs; amending RCW 28B.92.030, 43.88C.010, 28B.10.790, 28B.12.030, 28B.92.040, 28B.92.065, 28B.15.065, 28B.15.740, 28B.15.760, 28B.15.762, 28B.15.820, 28B.116.010, 28A.180.120, 28B.76.502, 28B.76.525, 28B.76.526, 28B.76.540, 28B.76.699, 28B.77.020, 28B.117.020, 28B.118.090, 28B.133.010, 28B.133.020, 28C.18.166, 28C.18.060, 43.216.135, and 43.216.135; reenacting and amending RCW 28B.108.010, 28B.118.010, 28B.145.005, 28B.145.010, 28B.145.020, 28B.145.030, 28B.145.040, and 28B.145.090; adding a new section to chapter 43.79 RCW; adding new sections to chapter 28B.92 RCW; adding a new section to chapter 28A.700 RCW; adding a new section to chapter 28B.145 RCW; adding a new section to chapter 28B.50 RCW; adding a new section to chapter 82.04 RCW; adding a new chapter to Title 28B RCW; adding a new chapter to Title 28C RCW; creating new sections; repealing RCW 28B.92.010, 28B.92.020, 28B.92.050, 28B.92.060, 28B.92.080, 28B.92.082, 28B.92.084, 28B.97.010, 28B.97.020, 28B.119.005, 28B.119.010, 28B.119.020, 28B.119.030, 28B.119.040, 28B.119.050, and 28B.119.900; making appropriations; providing an effective date; and providing contingent effective dates.

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

**PART I**

**LEGISLATIVE INTENT**

NEW SECTION. **Sec.**  The legislature finds it is essential that Washington residents have the opportunity to succeed in a competitive global economy by investing in Washington students for Washington jobs. The legislature finds that Washington state is expected to have seven hundred forty thousand job openings by 2021 and that most of these projected openings will be filled by workers with a postsecondary credential, such as a degree, apprenticeship, or certificate. The legislature finds that the state must focus on educational opportunities with targeted investments to keep tuition low and expand capacity for in-state students. The legislature also finds that currently only forty percent of Washington's high school students earn such a credential by age twenty-six, when seventy percent is the goal set by industry and business leaders intent on hiring Washington-educated workers. The legislature finds that Washington state already has several successful programs that help Washington students train for Washington jobs, including the state need grant, the guided pathways initiative at the community and technical colleges, and degree and apprenticeship programs in high-demand fields, such as computer science, engineering, nursing, and more. The legislature further finds that providing additional resources for workforce investments is critical in maintaining Washington's competitiveness in the global economy by ensuring businesses are able to hire Washington talent. Therefore, the legislature intends to create the new workforce education investment account, supported by professions that depend on higher education, that will expand existing investments to help people earn the credentials essential to obtain family-wage jobs and fill the seven hundred forty thousand jobs of the future.

**PART II**

**WORKFORCE EDUCATION INVESTMENT ACCOUNT**

NEW SECTION. **Sec.**  A new section is added to chapter 43.79 RCW to read as follows:

(1) The workforce education investment account is created in the state treasury. All revenues from the workforce investment surcharges created in section 72 of this act must be deposited directly into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for higher education programs, higher education operations, higher education compensation, and state-funded student aid programs.

(2) Expenditures from the workforce education investment account must be used to supplement, not supplant, other federal, state, and local funding for higher education.

**PART III**

**WORKFORCE EDUCATION INVESTMENT ACCOUNTABILITY AND**

**OVERSIGHT BOARD**

NEW SECTION. **Sec.**  (1) The workforce education investment accountability and oversight board is established. The board consists of sixteen members, as provided in this subsection:

(a) Four members of the legislature consisting of the chairs and ranking minority members of the respective higher education and workforce development committees of the senate and house of representatives, ex officio; and

(b) The following members appointed by the governor with the consent of the senate:

(i) Five members representing the businesses described in section 72 of this act;

(ii) Two members representing labor organizations, one of which must have expertise in registered apprenticeships and training a high-demand workforce and one of which must represent faculty at the four-year institutions of higher education;

(iii) Two members representing the institutions of higher education, as defined in RCW 28B.10.016, one of which must be from the four-year sector and one of which must be from the community and technical college sector;

(iv) Two members representing students, one of which must be a community and technical college student; and

(v) One member representing the student achievement council, established under chapter 28B.77 RCW.

(2) Except for ex officio and student members, board members shall hold their offices for a term of three years until their successors are appointed. Student board members shall hold one-year terms.

(3) The board shall have two cochairs. One cochair shall be one of the chairs of the respective higher education and workforce development committees of the legislature and the other cochair shall be one of the board members representing the businesses described in section 72 of this act. The cochairs shall hold the position for a one-year term. The board members shall elect the cochairs annually.

(4) Nine members of the board constitute a quorum for the transaction of business. The board shall meet four times a year.

(5) Staff support for the board shall be provided by the workforce training and education coordinating board established in chapter 28C.18 RCW.

(6) The purposes of the board are to:

(a) Provide guidance and recommendations to the legislature on what workforce education priorities should be funded with the workforce education investment account; and

(b) Ensure accountability that the workforce education investments funded with the workforce education investment account are producing the intended results and are effectively increasing student success and career readiness, such as by increasing retention, completion, and job placement rates.

(7) The board shall consult data from the education data center established under RCW 43.41.400 and the workforce training and education coordinating board established under chapter 28C.18 RCW when reviewing and determining whether workforce education investments funded from the workforce education investment account are effectively increasing student success and career readiness.

(8) The board shall report its recommendations to the appropriate committees of the legislature by December 1st of each year.

**PART IV**

**WORKFORCE EDUCATION INVESTMENTS**

**A. WORKFORCE EDUCATION INVESTMENT APPROPRIATIONS**

NEW SECTION. **Sec.**  The appropriations in this section are provided to the Washington student achievement council and are subject to the following conditions and limitations:

(1) $54,543,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $98,343,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for the Washington college grant program under chapter 28B.92 RCW to fund:

(a) The backlog of students eligible for a grant, but who did not receive a grant due to funding limitations in previous years, with the first half of the backlog funded in fiscal year 2020;

(b) The maximum Washington college grant, as defined in RCW 28B.92.030, increase to full tuition and fees; and

(c) Grants for apprenticeship programs.

(2) $65,757,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for expanding the income eligibility threshold for the Washington college grant program as described in section 17 of this act.

(3) $10,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for the Washington student loan program created in chapter 28B.--- RCW (the new chapter created in section 74 of this act).

NEW SECTION. **Sec.**  The appropriations in this section are provided to the state board for community and technical colleges and are subject to the following conditions and limitations:

(1) $15,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $40,124,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to fully implement guided pathways at each of the state's community and technical colleges by academic year 2020-21. Guided pathways is a research-based approach that provides clear, structured, educational experiences for students with four elements: Clarify paths to students' end goals, help students choose and enter a pathway, help students stay on path, and ensure that students are learning. Guided pathways implementation includes:

(a) Increased student support services, including advising and counseling;

(b) Faculty teaching and planning time to redesign curriculum, develop meta-majors, and engage in interdepartmental planning on pathways;

(c) Data analytics and student tracking technology to help advisors and students address challenges that may impede a student's progress; and

(d) Research and evaluation to ensure reforms lead to improvements for all students.

(2) $20,400,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $20,400,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase nurse educator salaries.

(3) $20,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for increasing high-demand program faculty salaries, including but not limited to nursing educators, other health-related professions, information technology, computer science, and trades, including welding. Contract negotiations relating to salary increases must consider, and to the extent practicable establish, salaries that are comparable to industry professionals, and no less than the average salary identified by the college and university professional association for human resources or a similar organization.

(4) $1,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $2,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for enrollments in new career launch programs as defined in section 56 of this act.

NEW SECTION. **Sec.**  The appropriations in this section are provided to the University of Washington and are subject to the following conditions and limitations:

(1) $4,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $4,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase degree production in the college of engineering at the Seattle campus.

(2) $500,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $500,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to maintain the Washington state academic redshirt program.

(3) $150,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $1,350,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to add degree capacity and increase undergraduate enrollments per year by two hundred ten in the engineering, mathematics, and science programs to support the biomedical innovation partnership zone at the Bothell campus.

(4) $177,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $1,634,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to establish bachelor of science programs in mechanical and civil engineering, enrolling one hundred eighty students per year by fiscal year 2025, to support increased student and local employer demand for graduates in these fields at the Tacoma campus.

NEW SECTION. **Sec.**  The appropriations in this section are provided to Central Washington University and are subject to the following conditions and limitations:

(1) $950,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $950,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase the number of certified K-12 teachers by:

(a) Expanding alternative certification options by targeting conditional or emergency teachers, as well as paraeducators, and encouraging those individuals to gain Washington state certification; and

(b) Targeting high-demand endorsement areas, such as special education and elementary education.

(2) $368,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $368,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for increasing mental health counseling at Central Washington University.

NEW SECTION. **Sec.**  The appropriations in this section are provided to Western Washington University and are subject to the following conditions and limitations:

(1) $1,713,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $1,713,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase access to science, technology, engineering, and mathematic degrees, which may include expanding prehealth care capacity, creating an energy science and technology bachelor of science degree, and expanding electrical engineering degrees.

(2) $400,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $400,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to hire additional academic advisors and develop a first-year experience program.

NEW SECTION. **Sec.**  The appropriations in this section are provided to The Evergreen State College and are subject to the following conditions and limitations:

(1) $335,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $335,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase enrollment capacity by seventy-five students in the psychology program by hiring additional psychology faculty.

(2) $280,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $300,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase student success by establishing a new student precollege immersion program and The Evergreen first-year experience program.

NEW SECTION. **Sec.**  The appropriations in this section are provided to Eastern Washington University and are subject to the following conditions and limitations:

(1) $1,318,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $1,318,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to create a computer engineering degree in the college of science, technology, engineering, and math with an average enrollment per year of one hundred thirty-three students at full implementation.

(2) $600,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $600,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for developing a coordinated care network to maximize the connectivity of student support programs by linking offices in a virtual network. The network must use a data driven risk model and observations to inform advisors and case managers of concerns and student needs to help increase retention and graduation.

NEW SECTION. **Sec.**  $2,450,000, or as much thereof as may be necessary, is appropriated to the employment security department for the fiscal year ending June 30, 2020, from the workforce education investment account and $7,950,000, or as much thereof as may be necessary, is appropriated to the employment security department for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for the career connected learning grant program established in section 55 of this act.

NEW SECTION. **Sec.**  The appropriations in this section are provided to the office of the superintendent of public instruction and are subject to the following conditions and limitations:

(1) $700,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $700,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for expanding career connected learning as defined in section 56 of this act.

(2) $50,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $50,000, or as much the thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for increasing the funding per full-time equivalent for career launch programs as described in section 59 of this act.

(3) $750,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and $750,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for Marysville school district to collaborate with Arlington school district, Everett Community College, other local school districts, local labor unions, and local industry groups to develop a regional apprenticeship pathways pilot program. The pilot program must seek to:

(a) Establish an education-based apprenticeship preparation program recognized by the Washington state apprenticeship and training council that prepares individuals for registered apprenticeships within the building and construction trades;

(b) Provide dual credit for participants by meeting high school graduation requirements and providing opportunities for credit leading to a college credential; and

(c) Provide participants with preferred or direct entry into a state registered apprenticeship program in the building and construction trades.

NEW SECTION. **Sec.**  $50,000, or as much thereof as may be necessary, is appropriated to the office of financial management for the fiscal year ending June 30, 2020, from the workforce education investment account and $50,000, or as much thereof as may be necessary, is appropriated to the office of financial management for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for implementing career connected learning.

NEW SECTION. **Sec.**  $4,240,892, or as much thereof as may be necessary, is appropriated to the department of children, youth, and families for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for eliminating the work requirement under the working connections child care program for single parents who are pursuing a vocational education full-time at a community, technical, or tribal college as set forth under section 69 or 70 of this act.

**B. WORKFORCE EDUCATION INVESTMENT POLICIES**

**1. CREATING THE WASHINGTON COLLEGE GRANT PROGRAM TO**

**REPLACE THE STATE NEED GRANT PROGRAM**

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

(1) The legislature finds that individuals with a postsecondary credential have a greater chance of earning a wage that can support themselves and their families than if they do not obtain a postsecondary credential. At the same time, Washington employers are in need of many more individuals who possess postsecondary qualifications. Access to postsecondary opportunities are vital to ensure that more Washington high school graduates and working adults can enter and complete a postsecondary program and compete for the job opportunities available in the state.

(2) The legislature further finds that a statewide free college program, for students who demonstrate financial need as defined in section 17 of this act, is necessary to significantly reduce the financial costs of obtaining a postsecondary credential. The Washington college grant program is intended to increase access to postsecondary opportunities for Washington residents.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

(1) The Washington college grant program is created to provide a statewide free college program for eligible participants and greater access to postsecondary education for Washington residents. The Washington college grant program is intended to increase the number of high school graduates and adults that can attain a postsecondary credential and provide them with the qualifications needed to compete for job opportunities in Washington.

(2) The office shall implement and administer the Washington college grant program and is authorized to establish rules necessary for implementation of the program.

(3) The legislature shall appropriate funding for the Washington college grant program. Allocations must be made on the basis of estimated eligible participants enrolled in eligible institutions of higher education or apprenticeship programs. All eligible students are entitled to a Washington college grant beginning in academic year 2020-21.

(4) The office shall award Washington college grants to all eligible students beginning in academic year 2020-21.

(5) To be eligible for the Washington college grant, students must meet the following requirements:

(a) Demonstrate financial need under section 17 of this act;

(b)(i) Be enrolled or accepted for enrollment for at least three quarter credits or the equivalent semester credits at an institution of higher education in Washington as defined in RCW 28B.92.030; or

(ii) Be enrolled in a registered apprenticeship program approved under chapter 49.04 RCW;

(c) Be a resident student as defined in RCW 28B.15.012(2) (a) through (e);

(d) File an annual application for financial aid as approved by the office; and

(e) Must not have earned a baccalaureate degree or higher from a postsecondary institution.

(6) Washington college grant eligibility may not extend beyond five years or one hundred twenty-five percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(7) Institutional aid administrators shall determine whether a student eligible for the Washington college grant in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than three percent.

(8) Qualifications for receipt and renewal include maintaining satisfactory academic progress toward completion of an eligible program as determined by the office and established in rule.

(9) Should a recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution of higher education according to the institution of higher education's policy for issuing refunds, except as provided in RCW 28B.92.070.

(10) An eligible student enrolled on a part-time basis shall receive a prorated portion of the Washington college grant for any academic period in which he or she is enrolled on a part-time basis.

(11) The Washington college grant is intended to be used to meet the costs of postsecondary education for students with financial need. The student shall be awarded all need-based financial aid for which the student qualifies as determined by the institution.

(12) Students and participating institutions of higher education shall comply with all the rules adopted by the council for the administration of this chapter.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

In addition to other eligibility requirements outlined in this chapter, students who demonstrate financial need are eligible to receive the Washington college grant. Financial need is as follows:

(1) Until academic year 2020-21, students with family incomes between zero and fifty percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant as defined in RCW 28B.92.030. Grants for students with incomes between fifty-one and seventy percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:

(a) Seventy percent for students with family incomes between fifty-one and fifty-five percent of the state median family income;

(b) Sixty-five percent for students with family incomes between fifty-six and sixty percent of the state median family income;

(c) Sixty percent for students with family incomes between sixty-one and sixty-five percent of the state median family income; and

(d) Fifty percent for students with family incomes between sixty-six and seventy percent of the state median family income.

(2) Beginning with academic year 2020-21, students with family incomes between zero and seventy percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant as defined in RCW 28B.92.030. Grants for students with incomes between seventy-one and one hundred percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:

(a) Fifty percent for students with family incomes between seventy-one and eighty percent of the state median family income;

(b) Twenty-five percent for students with family incomes between eighty-one and ninety percent of the state median family income; and

(c) Ten percent for students with family incomes between ninety-one and one hundred percent of the state median family income.

**Sec.**  RCW 28B.92.030 and 2013 c 248 s 2 are each amended to read as follows:

As used in this chapter:

(1) "Council" means the student achievement council.

(2) ((~~"Disadvantaged student" means a posthigh school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full-time student in an institution of higher education, who would otherwise qualify as a needy student, and who is attending an institution of higher education under an established program designed to qualify the student for enrollment as a full-time student.~~

~~(3)~~)) "Financial aid" means either loans ((~~and/or~~)), grants, or both, to ((~~needy~~)) students who demonstrate financial need enrolled or accepted for enrollment as a student at institutions of higher education.

(3) "Financial need" means a demonstrated financial inability to bear the total cost of education as directed in rule by the office.

(4) "Institution" or "institutions of higher education" means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the council for the purposes of this section and that agrees to and complies with program rules adopted pursuant to RCW 28B.92.150. However, any institution, branch, extension or facility operating within the state of Washington that is affiliated with an institution operating in another state must be:

(i) A separately accredited member institution of any such accrediting association;

(ii) A branch of a member institution of an accrediting association recognized by rule of the council for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students; ((~~or~~))

(iii) A nonprofit institution recognized by the state of Washington as provided in RCW 28B.77.240; or

(iv) An approved apprenticeship program under chapter 49.04 RCW.

(5) ((~~"Needy student" means a posthigh school student of an institution of higher education who demonstrates to the office the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter. "Needy student" also means an opportunity internship graduate as defined by RCW 28C.18.162 who enrolls in a postsecondary program of study as defined in RCW 28C.18.162 within one year of high school graduation~~)) "Maximum Washington college grant":

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, is tuition and estimated fees for fifteen quarter credit hours or the equivalent, as determined by the office, including operating fees, building fees, and services and activities fees.

(b) For students attending private four-year not-for-profit institutions of higher education in Washington, in the 2019-20 academic year, is nine thousand seven hundred thirty-nine dollars and may increase each year afterwards by no more than the tuition growth factor.

(c) For students attending two-year private not-for-profit institutions of higher education in Washington, in the 2019-20 academic year, is three thousand six hundred ninety-four dollars and may increase each year afterwards by no more than the tuition growth factor.

(d) For students attending four-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is eight thousand five hundred seventeen dollars and may increase each year afterwards by no more than the tuition growth factor.

(e) For students attending two-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is two thousand eight hundred twenty-three dollars and may increase each year afterwards by no more than the tuition growth factor.

(f) For students attending Western Governors University-Washington, as established in RCW 28B.77.240, in the 2019-20 academic year, is five thousand six hundred nineteen dollars and may increase each year afterwards by no more than the tuition growth factor.

(g) For students attending approved apprenticeship programs, is tuition and fees, as determined by the office, in addition to required program supplies and equipment.

(6) "Office" means the office of student financial assistance.

(7) ((~~"Placebound student" means a student who (a) is unable to complete a college program because of family or employment commitments, health concerns, monetary inability, or other similar factors; and (b) may be influenced by the receipt of an enhanced student financial aid award to complete a baccalaureate degree at an eligible institution~~)) "Tuition growth factor" means an increase of no more than the average annual percentage growth rate of the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

The caseload forecast council shall estimate the anticipated caseload of the Washington college grant program and submit the caseload forecast as specified in RCW 43.88C.020.

**Sec.**  RCW 43.88C.010 and 2018 c 208 s 4 are each amended to read as follows:

(1) The caseload forecast council is hereby created. The council shall consist of two individuals appointed by the governor and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. The chair of the council shall be selected from among the four caucus appointees. The council may select such other officers as the members deem necessary.

(2) The council shall employ a caseload forecast supervisor to supervise the preparation of all caseload forecasts. As used in this chapter, "supervisor" means the caseload forecast supervisor.

(3) Approval by an affirmative vote of at least five members of the council is required for any decisions regarding employment of the supervisor. Employment of the supervisor shall terminate after each term of three years. At the end of the first year of each three-year term the council shall consider extension of the supervisor's term by one year. The council may fix the compensation of the supervisor. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

(4) The caseload forecast council shall oversee the preparation of and approve, by an affirmative vote of at least four members, the official state caseload forecasts prepared under RCW 43.88C.020. If the council is unable to approve a forecast before a date required in RCW 43.88C.020, the supervisor shall submit the forecast without approval and the forecast shall have the same effect as if approved by the council.

(5) A councilmember who does not cast an affirmative vote for approval of the official caseload forecast may request, and the supervisor shall provide, an alternative forecast based on assumptions specified by the member.

(6) Members of the caseload forecast council shall serve without additional compensation but shall be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) "Caseload," as used in this chapter, means:

(a) The number of persons expected to meet entitlement requirements and require the services of public assistance programs, state correctional institutions, state correctional noninstitutional supervision, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support;

(b) The number of students who are eligible for the Washington college bound scholarship program and are expected to attend an institution of higher education as defined in RCW 28B.92.030;

(c) The number of students who are eligible for the Washington college grant program under sections 16 and 17 of this act and are expected to attend an institution of higher education as defined in RCW 28B.92.030; and

(d) The number of children who are eligible, as defined in RCW 43.216.505, to participate in, and the number of children actually served by, the early childhood education and assistance program.

(8) The caseload forecast council shall forecast the temporary assistance for needy families and the working connections child care programs as a courtesy.

(9) The caseload forecast council shall forecast youth participating in the extended foster care program pursuant to RCW 74.13.031 separately from other children who are residing in foster care and who are under eighteen years of age.

(10) The caseload forecast council shall forecast the number of youth expected to receive behavioral rehabilitation services while involved in the foster care system and the number of screened in reports of child abuse or neglect.

(11) Unless the context clearly requires otherwise, the definitions provided in RCW 43.88.020 apply to this chapter.

**Sec.**  RCW 28B.10.790 and 2012 c 229 s 518 are each amended to read as follows:

Washington residents attending any nonprofit college or university in another state which has a reciprocity agreement with the state of Washington shall be eligible for the student financial aid program outlined in chapter 28B.92 RCW if:

(1) They qualify as a ((~~"needy~~)) student((~~"~~)) who demonstrates financial need as defined under RCW 28B.92.030((~~(4),~~)); and

(2) The institution attended is a member institution of an accrediting association recognized by rule of the student achievement council for the purposes of this section and is specifically encompassed within or directly affected by such reciprocity agreement and agrees to and complies with program rules and regulations pertaining to such students and institutions adopted pursuant to RCW 28B.92.150.

**Sec.**  RCW 28B.12.030 and 2017 c 52 s 1 are each amended to read as follows:

((~~As used~~)) The definitions in this section apply throughout this chapter((~~, the following words and terms shall have the following meanings,~~)) unless the context ((~~shall~~)) clearly ((~~indicate another or different meaning or intent:~~)) requires otherwise.

(1) ((~~The term "needy student" shall mean a student enrolled or accepted for enrollment at a postsecondary institution who, according to a system of need analysis approved by the office of student financial assistance, demonstrates a financial inability, either parental, familial, or personal, to bear the total cost of education for any semester or quarter.~~

~~(2) The term~~)) "Eligible institution" ((~~shall~~)) means any postsecondary institution in this state accredited by the Northwest Association of Schools and Colleges, or a campus of a member institution of an accrediting association recognized by rule of the student achievement council for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, or any public technical college in the state.

(2) "Financial need" has the same meaning as in RCW 28B.92.030.

**Sec.**  RCW 28B.92.040 and 2011 1st sp.s. c 11 s 160 are each amended to read as follows:

The office shall be cognizant of the following guidelines in the performance of its duties:

(1) The office shall be research oriented, not only at its inception but continually through its existence.

(2) The office shall coordinate all existing programs of financial aid except those specifically dedicated to a particular institution by the donor.

(3) The office shall take the initiative and responsibility for coordinating all federal student financial aid programs to ensure that the state recognizes the maximum potential effect of these programs, and shall design state programs that complement existing federal, state, and institutional programs. ((~~The office shall ensure that state programs continue to follow the principle that state financial aid funding follows the student to the student's choice of institution of higher education.~~))

(4) Counseling is a paramount function of the ((~~state need~~)) Washington college grant program and other state student financial aid programs, and in most cases could only be properly implemented at the institutional levels; therefore, state student financial aid programs shall be concerned with the attainment of those goals which, in the judgment of the office, are the reasons for the existence of a student financial aid program, and not solely with administration of the program on an individual basis.

(5) The "package" approach of combining loans, grants and employment for student financial aid shall be the conceptual element of the state's involvement.

(6) The office shall ensure that allocations of state appropriations for financial aid are made to individuals and institutions in a timely manner and shall closely monitor expenditures to avoid under or overexpenditure of appropriated funds.

**Sec.**  RCW 28B.92.065 and 2015 3rd sp.s. c 36 s 4 are each amended to read as follows:

Beginning with the 2015-2017 omnibus appropriations act and each biennium thereafter, reductions in tuition levels resulting from section 3, chapter 36, Laws of 2015 3rd sp. sess. will allow the legislature to reduce ((~~state need~~)) Washington college grant program appropriations by an equal amount from the 2013-2015 fiscal biennium amounts. The legislature does not intend to reduce award levels for private colleges and universities below the 2014-15 academic year levels.

((~~By reducing the overall cost of tuition, the legislature in future biennia is better able and intends to serve those students currently eligible but unserved in the state need grant.~~))

**Sec.**  RCW 28B.15.065 and 1977 ex.s. c 322 s 6 are each amended to read as follows:

It is the intent of the legislature that ((~~needy~~)) students who demonstrate financial need not be deprived of access to higher education due to increases in educational costs or consequent increases in tuition and fees. It is the sense of the legislature that state appropriations for student financial aid be adjusted in an amount which together with funds estimated to be available in the form of basic educational opportunity grants as authorized under Section 411 of the federal Higher Education Act of 1965 as now or hereafter amended will equal twenty-four percent of any change in revenue estimated to occur as a result of revisions in tuition and fee levels under the provisions of chapter 322, Laws of 1977 ex. sess.

**Sec.**  RCW 28B.15.740 and 2015 c 55 s 223 are each amended to read as follows:

(1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges may waive all or a portion of tuition and fees for ((~~needy~~)) students who demonstrate financial need and are eligible for resident tuition and fee rates pursuant to RCW 28B.15.012 and 28B.15.013. Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community and technical colleges may waive all or a portion of tuition and fees for other students at the discretion of the governing boards, except on the basis of participation in intercollegiate athletic programs, not to exceed three-fourths of one percent of gross authorized operating fees revenue under RCW 28B.15.910 for the community and technical colleges considered as a whole and not to exceed two percent of gross authorized operating fees revenue for the other institutions of higher education.

(2) In addition to the tuition and fee waivers provided in subsection (1) of this section and subject to the provisions of RCW 28B.15.455, 28B.15.460, and 28B.15.910, a total dollar amount of tuition and fee waivers awarded by any state university, regional university, or state college under this chapter, not to exceed one percent, as calculated in subsection (1) of this section, may be used for the purpose of achieving or maintaining gender equity in intercollegiate athletic programs. At any institution that has an underrepresented gender class in intercollegiate athletics, any such waivers shall be awarded:

(a) First, to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; and

(b) Second, (i) to nonmembers of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for members of the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; or (ii) to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers do not result in any saved or displaced money that can be used for athletic programs for members of the underrepresented gender class.

**Sec.**  RCW 28B.15.760 and 2012 c 229 s 528 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.15.762 and 28B.15.764.

(1) "Borrower" means an eligible student who has received a loan under RCW 28B.15.762.

(2) "Council" means the student achievement council.

(3) "Eligible student" means a student registered for at least ten credit hours or the equivalent and demonstrates achievement of a 3.00 grade point average for each academic year, who is a resident student as defined by RCW 28B.15.012 through 28B.15.015, who is a ((~~"needy~~)) student((~~"~~)) who demonstrates financial need as defined in RCW 28B.92.030, and who has a declared major in a program leading to a degree in teacher education in a field of science or mathematics, or a certificated teacher who meets the same credit hour and ((~~"needy student"~~)) financial eligibility requirements and is seeking an additional degree in science or mathematics.

(4) "Forgiven" or "to forgive" means to collect service as a teacher in a field of science or mathematics at a public school in the state of Washington in lieu of monetary payment.

(5) "Institution of higher education" or "institution" means a college or university in the state of Washington which is a member institution of an accrediting association recognized as such by rule of the council.

(6) "Office" means the office of student financial assistance.

(7) "Public school" means a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

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

**Sec.**  RCW 28B.15.762 and 2012 c 229 s 529 are each amended to read as follows:

(1) The council may make long-term loans to eligible students at institutions of higher education from the funds appropriated to the council for this purpose. The amount of any such loan shall not exceed the demonstrated financial need of the student or two thousand five hundred dollars for each academic year whichever is less, and the total amount of such loans to an eligible student shall not exceed ten thousand dollars. The interest rates and terms of deferral of such loans shall be consistent with the terms of the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq. The period for repaying the loan principal and interest shall be ten years with payments accruing quarterly commencing nine months from the date the borrower graduated. The entire principal and interest of each loan payment shall be forgiven for each payment period in which the borrower teaches science or mathematics in a public school in this state until the entire loan is satisfied or the borrower ceases to teach science or mathematics at a public school in this state. Should the borrower cease to teach science or mathematics at a public school in this state before the time in which the principal and interest on the loan are satisfied, payments on the unsatisfied portion of the principal and interest on the loan shall begin the next payment period and continue until the remainder of the loan is paid.

(2) The council is responsible for collection of loans made under subsection (1) of this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of loans under subsection (1) of this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The council is responsible to forgive all or parts of such loans under the criteria established in subsection (1) of this section and shall maintain all necessary records of forgiven payments.

(3) Receipts from the payment of principal or interest or any other subsidies to which the council as lender is entitled, which are paid by or on behalf of borrowers under subsection (1) of this section, shall be deposited with the office and shall be used to cover the costs of making the loans under subsection (1) of this section, maintaining necessary records, and making collections under subsection (2) of this section. The office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to make loans to eligible students.

(4) Any funds not used to make loans, or to cover the cost of making loans or making collections, shall be placed in the state educational trust fund for ((~~needy or disadvantaged~~)) students who demonstrate financial need.

(5) The council shall adopt necessary rules to implement this section.

**Sec.**  RCW 28B.15.820 and 2009 c 215 s 9 are each amended to read as follows:

(1) Each institution of higher education, including technical colleges, shall deposit a minimum of three and one-half percent of revenues collected from tuition and services and activities fees in an institutional financial aid fund that is hereby created and which shall be held locally. Moneys in the fund shall be used only for the following purposes: (a) To make guaranteed long-term loans to eligible students as provided in subsections (3) through (8) of this section; (b) to make short-term loans as provided in subsection (9) of this section; (c) to provide financial aid to ((~~needy~~)) students who demonstrate financial need as provided in subsection (10) of this section; or (d) to provide financial aid to students as provided in subsection (11) of this section.

(2) An "eligible student" for the purposes of subsections (3) through (8) and (10) of this section is a student registered for at least three credit hours or the equivalent, who is eligible for resident tuition and fee rates as defined in RCW 28B.15.012 and 28B.15.013, and who is a ((~~"needy~~)) student((~~"~~)) who demonstrates financial need as defined in RCW 28B.92.030.

(3) The amount of the guaranteed long-term loans made under this section shall not exceed the demonstrated financial need of the student. Each institution shall establish loan terms and conditions which shall be consistent with the terms of the guaranteed loan program established by 20 U.S. Code Section 1071 et seq., as now or hereafter amended. All loans made shall be guaranteed by the Washington student loan guaranty association or its successor agency. Institutions are hereby granted full authority to operate as an eligible lender under the guaranteed loan program.

(4) Before approving a guaranteed long-term loan, each institution shall analyze the ability of the student to repay the loan based on factors which include, but are not limited to, the student's accumulated total education loan burdens and the employment opportunities and average starting salary characteristics of the student's chosen fields of study. The institution shall counsel the student on the advisability of acquiring additional debt, and on the availability of other forms of financial aid.

(5) Each institution is responsible for collection of guaranteed long-term loans made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Institutions shall cooperate with other lenders and the Washington student loan guaranty association, or its successor agency, in the coordinated collection of guaranteed loans, and shall assure that the guarantability of the loans is not violated. Collection and servicing of guaranteed long-term loans under this section shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency: PROVIDED, That institutions be permitted to perform such servicing if specifically recognized to do so by the Washington student loan guaranty association or its successor agency. Collection and servicing of guaranteed long-term loans made by community colleges under subsection (1) of this section shall be coordinated by the state board for community and technical colleges and shall be conducted under procedures adopted by the state board.

(6) Receipts from payment of interest or principal or any other subsidies to which institutions as lenders are entitled, that are paid by or on behalf of borrowers of funds under subsections (3) through (8) of this section, shall be deposited in each institution's financial aid fund and shall be used to cover the costs of making the guaranteed long-term loans under this section and maintaining necessary records and making collections under subsection (5) of this section: PROVIDED, That such costs shall not exceed five percent of aggregate outstanding loan principal. Institutions shall maintain accurate records of such costs, and all receipts beyond those necessary to pay such costs, shall be deposited in the institution's financial aid fund.

(7) The governing boards of the state universities, the regional universities, and The Evergreen State College, and the state board for community and technical colleges, on behalf of the community colleges and technical colleges, shall each adopt necessary rules and regulations to implement this section.

(8) First priority for any guaranteed long-term loans made under this section shall be directed toward students who would not normally have access to educational loans from private financial institutions in Washington state, and maximum use shall be made of secondary markets in the support of loan consolidation.

(9) Short-term loans, not to exceed one year, may be made from the institutional financial aid fund to students enrolled in the institution. No such loan shall be made to any student who is known by the institution to be in default or delinquent in the payment of any outstanding student loan. A short-term loan may be made only if the institution has ample evidence that the student has the capability of repaying the loan within the time frame specified by the institution for repayment.

(10) Any moneys deposited in the institutional financial aid fund that are not used in making long-term or short-term loans may be used by the institution for locally administered financial aid programs for ((~~needy~~)) students who demonstrate financial need, such as need-based institutional employment programs or need-based tuition and fee scholarship or grant programs. These funds shall be used in addition to and not to replace institutional funds that would otherwise support these locally administered financial aid programs. First priority in the use of these funds shall be given to ((~~needy~~)) students who demonstrate financial need who have accumulated excessive educational loan burdens. An excessive educational loan burden is a burden that will be difficult to repay given employment opportunities and average starting salaries in the student's chosen fields of study. Second priority in the use of these funds shall be given to ((~~needy~~)) single parents who are students who demonstrate financial need, to assist these students with their educational expenses, including expenses associated with child care and transportation.

(11) Any moneys deposited in the institutional financial aid fund may be used by the institution for a locally administered financial aid program for high school students enrolled in dual credit programs. If institutions use funds in this manner, the governing boards of the state universities, the regional universities, The Evergreen State College, and the state board for community and technical colleges shall each adopt necessary rules to implement this subsection. Moneys from this fund may be used for all educational expenses related to a student's participation in a dual credit program including but not limited to tuition, fees, course materials, and transportation.

**Sec.**  RCW 28B.108.010 and 2011 1st sp.s. c 11 s 191 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Eligible student" or "student" means an American Indian who is a ((~~financially needy~~)) student who demonstrates financial need, as defined in RCW 28B.92.030, who is a resident student, as defined by RCW 28B.15.012(2), who is a full-time student at an institution of higher education, and who promises to use his or her education to benefit other American Indians.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the council for higher education.

(3) "Office" means the office of student financial assistance.

**Sec.**  RCW 28B.116.010 and 2013 c 39 s 10 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Cost of attendance" means the cost associated with the attendance of the institution of higher education as determined by the office of student financial assistance, including but not limited to tuition, room, board, and books.

(2) "Eligible student" means a student who:

(a) Is between the ages of sixteen and twenty-three;

(b) Has been in foster care in the state of Washington for a minimum of six months since his or her fourteenth birthday;

(c) Is a ((~~financially needy~~)) student who demonstrates financial need, as defined in RCW 28B.92.030;

(d) Is a resident student, as defined in RCW 28B.15.012(2);

(e) Has entered or will enter an institution of higher education in Washington state within three years of high school graduation or having successfully completed his or her high school equivalency certificate as provided in RCW 28B.50.536;

(f) Is not pursuing a degree in theology; and

(g) Makes satisfactory progress towards the completion of a degree or certificate program.

(3) "Institution of higher education" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the student achievement council.

(4) "Office" means the office of student financial assistance.

**Sec.**  RCW 28A.180.120 and 2017 c 236 s 4 are each amended to read as follows:

In 2017, funds must be appropriated for the purposes in this section.

(1) The professional educator standards board, beginning in the 2017-2019 biennium, shall administer the bilingual educator initiative, which is a long-term program to recruit, prepare, and mentor bilingual high school students to become future bilingual teachers and counselors.

(2) Subject to the availability of amounts appropriated for this specific purpose, pilot projects must be implemented in one or two school districts east of the crest of the Cascade mountains and one or two school districts west of the crest of the Cascade mountains, where immigrant students are shown to be rapidly increasing. Districts selected by the professional educator standards board must partner with at least one two-year and one four-year college in planning and implementing the program. The professional educator standards board shall provide oversight.

(3) Participating school districts must implement programs, including: (a) An outreach plan that exposes the program to middle school students and recruits them to enroll in the program when they begin their ninth grade of high school; (b) activities in ninth and tenth grades that help build student agency, such as self-confidence and awareness, while helping students to develop academic mind-sets needed for high school and college success; the value and benefits of teaching and counseling as careers; and introduction to leadership, civic engagement, and community service; (c) credit-bearing curricula in grades eleven and twelve that include mentoring, shadowing, best practices in teaching in a multicultural world, efficacy and practice of dual language instruction, social and emotional learning, enhanced leadership, civic engagement, and community service activities.

(4) There must be a pipeline to college using two-year and four-year college faculty and consisting of continuation services for program participants, such as advising, tutoring, mentoring, financial assistance, and leadership.

(5) High school and college teachers and counselors must be recruited and compensated to serve as mentors and trainers for participating students.

(6) After obtaining a high school diploma, students qualify to receive conditional loans to cover the full cost of college tuition, fees, and books. To qualify for funds, students must meet program requirements as developed by their local implementation team, which consists of staff from their school district and the partnering two-year and four-year college faculty.

(7) In order to avoid loan repayment, students must (a) earn their baccalaureate degree and certification needed to serve as a teacher or professional guidance counselor; and (b) teach or serve as a counselor in their educational service district region for at least five years. Students who do not meet the repayment terms in this subsection are subject to repaying all or part of the financial aid they receive for college unless students are recipients of funding provided through programs such as the ((~~state need~~)) Washington college grant program or the college bound scholarship program.

(8) Grantees must work with the professional educator standards board to draft the report required in section 6, chapter 236, Laws of 2017.

(9) The professional educator standards board may adopt rules to implement this section.

**Sec.**  RCW 28B.76.502 and 2017 c 177 s 1 are each amended to read as follows:

(1) The office must provide a financial aid counseling curriculum to institutions of higher education with ((~~state need~~)) Washington college grant recipients. The curriculum must be available via a web site. The curriculum must include, but not be limited to:

(a) An explanation of the ((~~state need~~)) Washington college grant program rules, including maintaining satisfactory progress, repayment rules, and usage limits;

(b) Information on campus and private scholarships and work‑study opportunities, including the application processes;

(c) An overview of student loan options with an emphasis on the repayment obligations a student borrower assumes regardless of program completion, including the likely consequences of default and sample monthly repayment amounts based on a range of student levels of indebtedness;

(d) An overview of personal finance, including basic money management skills such as living within a budget and handling credit and debt;

(e) Average salaries for a wide range of jobs;

(f) Financial education that meets the needs of, and includes perspectives from, a diverse group of students who are or were recipients of financial aid, including student loans, who may be trained by the financial education public-private partnership; and

(g) Contact information for local financial aid resources and the federal student aid ombuds' office.

(2) By the 2013‑14 academic year, the institution of higher education must take reasonable steps to ensure that each ((~~state need~~)) Washington college grant recipient receives information outlined in subsection (1)(a) through (g) of this section by directly referencing or linking to the web site on the conditions of award statement provided to each recipient.

(3) By July 1, 2013, the office must disseminate the curriculum to all institutions of higher education participating in the ((~~state need~~)) Washington college grant program. The institutions of higher education may require ((~~nonstate need~~)) students who are not participating in the Washington college grant ((~~recipients~~)) program to participate in all or portions of the financial aid counseling.

(4) Subject to the availability of amounts appropriated for this specific purpose, by the 2017-18 academic year, each institution of higher education must take reasonable steps to ensure that the institution presents, and each incoming student participates in, a financial education workshop. The scope of the workshop must include, but is not limited to, the information outlined in subsection (1)(b) through (g) of this section, and include recommendations by the financial education public-private partnership. The institutions are encouraged to present these workshops during student orientation or as early as possible in the academic year.

**Sec.**  RCW 28B.76.525 and 2011 1st sp.s. c 11 s 110 are each amended to read as follows:

(1) The state financial aid account is created in the custody of the state treasurer. The primary purpose of the account is to ensure that all appropriations designated for financial aid through statewide student financial aid programs are made available to eligible students. The account shall be a nontreasury account.

(2) The office shall deposit in the account all money received for the ((~~state need~~)) Washington college grant program established under chapter 28B.92 RCW ((~~28B.92.010~~)), the state work-study program established under chapter 28B.12 RCW, the Washington scholars program established under RCW 28A.600.110, the Washington award for vocational excellence program established under RCW 28C.04.525, and the educational opportunity grant program established under chapter 28B.101 RCW. The account shall consist of funds appropriated by the legislature for the programs listed in this subsection and private contributions to the programs. Moneys deposited in the account do not lapse at the close of the fiscal period for which they were appropriated. Both during and after the fiscal period in which moneys were deposited in the account, the office may expend moneys in the account only for the purposes for which they were appropriated, and the expenditures are subject to any other conditions or limitations placed on the appropriations.

(3) Expenditures from the account shall be used for scholarships to students eligible for the programs according to program rules and policies.

(4) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(5) Only the director of the office or the director's designee may authorize expenditures from the account.

**Sec.**  RCW 28B.76.526 and 2018 c 232 s 10 are each amended to read as follows:

The Washington opportunity pathways account is created in the state treasury. Expenditures from the account may be used only for programs in chapter 28A.710 RCW (charter schools), chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW 28B.76.670 (Washington award for vocational excellence), chapter 28B.92 RCW (((~~state need~~)) Washington college grant program), chapter 28B.105 RCW (GET ready for math and science scholarship), chapter 28B.117 RCW (passport to careers), chapter 28B.118 RCW (college bound scholarship), ((~~chapter 28B.119 RCW (Washington promise scholarship),~~)) and chapter ((~~43.215~~)) 43.216 RCW (early childhood education and assistance program).

**Sec.**  RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each amended to read as follows:

In addition to administrative responsibilities assigned in this chapter, the office shall administer the programs set forth in the following statutes: RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter 28B.85 RCW (degree-granting institutions); chapter 28B.92 RCW (((~~state need~~)) Washington college grant); chapter 28B.12 RCW (work-study); RCW 28B.15.543 (((~~tuition waivers for Washington scholars~~)) grants for undergraduate coursework); RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through 28B.15.734 (Oregon reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho reciprocity); RCW 28B.15.756 (British Columbia reciprocity); chapter 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW (future teachers conditional scholarship); chapter 28B.108 RCW (American Indian endowed scholarship); chapter 28B.109 RCW (Washington international exchange scholarship); chapter 28B.115 RCW (health professional conditional scholarship); ((~~chapter 28B.119 RCW (Washington promise scholarship);~~)) and chapter 28B.133 RCW (gaining independence for students with dependents).

**Sec.**  RCW 28B.76.699 and 2016 c 233 s 17 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office shall administer a student teaching residency grant program to provide additional funds to individuals completing student teaching residencies at public schools in Washington.

(2) To qualify for the grant, recipients must be enrolled in a professional educator standards board-approved teacher preparation program, be completing or about to start a student teaching residency at a Title I school, and demonstrate financial need, as defined by the office and consistent with the income criteria required to receive the ((~~state need~~)) Washington college grant ((~~established~~)) created in chapter 28B.92 RCW.

(3) The office shall establish rules for administering the grants under this section.

**Sec.**  RCW 28B.77.020 and 2015 c 83 s 2 are each amended to read as follows:

(1) Aligned with the state's biennial budget and policy cycles, the council shall propose educational attainment goals and priorities to meet the state's evolving needs. The council shall identify strategies for meeting the goals and priorities by means of a short-term strategic action plan and a ten-year plan that serves as a roadmap.

(a) The goals must address the needs of Washington residents to reach higher levels of educational attainment and Washington's workforce needs for certificates and degrees in particular fields of study.

(b) The council shall identify the resources it deems appropriate to meet statewide goals and also recognize current state economic conditions and state resources.

(c) In proposing goals, the council shall collaborate with the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the four-year institutions of higher education, independent colleges and degree-granting institutions, certificate-granting institutions, and the workforce training and education coordinating board.

(2) The council shall update the strategic action plan every two years with the first strategic action plan to be submitted to the governor and the legislature by December 1, 2012. The ten-year roadmap must be updated every two years with the first roadmap to be submitted to the governor and the legislature by December 1, 2013. The council must provide regular updates to the joint higher education committee created in RCW 44.04.360 as needed.

(3) In order to develop the ten-year roadmap, the council shall conduct strategic planning in collaboration with agencies and stakeholders and include input from the legislature. The council must also consult with the STEM education innovation alliance established under RCW 28A.188.030 in order to align strategies under the roadmap with the STEM framework for education and accountability developed by the alliance. The roadmap must encompass all sectors of higher education, including secondary to postsecondary transitions. The roadmap must outline strategies that address:

(a) Strategic planning, which includes setting benchmarks and goals for long-term degree production generally and in particular fields of study;

(b) Expanding access, affordability, quality, efficiency, and accountability among the various institutions of higher education;

(c) Higher education finance planning and strategic investments including budget recommendations necessary to meet statewide goals;

(d) System design and coordination;

(e) Improving student transitions;

(f) Higher education data and analysis, in collaboration with the education data center, which includes outcomes for recruitment, retention, and success of students;

(g) College and career access preparedness, in collaboration with the office of the superintendent of public instruction and the state board of education;

(h) Expanding participation and success for racial and ethnic minorities in higher education;

(i) Development and expansion of innovations in higher education including innovations to increase attainment of postsecondary certificates, and associate, baccalaureate, graduate, and professional degrees; and innovations to improve precollege education in terms of cost-effectiveness and transitions to college-level education;

(j) Strengthening the education pipeline and degree production in science, technology, engineering, and mathematics fields, and aligning strategies under the roadmap with the STEM framework for action and accountability developed under RCW 28A.188.030; and

(k) Relevant policy research.

(4) As needed, the council must conduct system reviews consistent with RCW 28B.77.080.

(5) The council shall facilitate the development and expansion of innovative practices within, between, and among the sectors to increase educational attainment and assess the effectiveness of the innovations.

(6) The council shall use the data and analysis produced by, and in consultation with, the education data center created in RCW 43.41.400 in developing policy recommendations and proposing goals. In conducting research and analysis the council at a minimum must:

(a) Identify barriers to increasing educational attainment, evaluate effectiveness of various educational models, identify best practices, and recommend methods to overcome barriers;

(b) Analyze data from multiple sources including data from academic research and from areas and agencies outside of education including but not limited to data from the department of health, the department of corrections, and the department of social and health services to determine best practices to remove barriers and to improve educational attainment;

(c) Assess educational achievement disaggregated by income level, age, gender, race and ethnicity, country of origin, and other relevant demographic groups working with data from the education data center;

(d) Track progress toward meeting the state's goals;

(e) Communicate results and provide access to data analysis to policymakers, the superintendent of public instruction, institutions of higher education, students, and the public; and

(f) Use data from the education data center wherever appropriate to conduct duties in (a) through (e) of this subsection.

(7) The council shall collaborate with the appropriate state agencies and stakeholders, including the state board of education, the office of the superintendent of public instruction, the state board for community and technical colleges, the workforce training and education coordinating board, and the four-year institutions of higher education to improve student transitions and success including but not limited to:

(a) Setting minimum college admission standards for four-year institutions of higher education, including:

(i) A requirement that coursework in American sign language or an American Indian language satisfies any requirement for instruction in a language other than English that the council or the institutions may establish as a general undergraduate admissions requirement; and

(ii) Encouragement of the use of multiple measures to determine whether a student must enroll in a precollege course, such as placement tests, the SAT, high school transcripts, college transcripts, or initial class performance;

(b) Proposing comprehensive policies and programs to encourage students to prepare for, understand how to access, and pursue postsecondary college and career programs, including specific policies and programs for students with disabilities;

(c) Recommending policies that require coordination between or among sectors such as dual high school-college programs, awarding college credit for advanced high school work, and transfer between two and four-year institutions of higher education or between different four-year institutions of higher education; and

(d) Identifying transitions issues and solutions for students, from high school to postsecondary education including community and technical colleges, four-year institutions of higher education, apprenticeships, training, or workplace education; between two-year and four-year institutions of higher education; and from postsecondary education to career. In addressing these issues the council must recognize that these transitions may occur multiple times as students continue their education.

(8) The council directs the work of the office, which includes administration of student financial aid programs under RCW 28B.76.090, including the ((~~state need~~)) Washington college grant and other scholarships, the Washington advanced college tuition payment program, and work-study programs.

(9) The council may administer state and federal grants and programs including but not limited to those programs that provide incentives for improvements related to increased access and success in postsecondary education.

(10) The council shall protect higher education consumers including:

(a) Approving degree-granting postsecondary institutions consistent with existing statutory criteria;

(b) Establishing minimum criteria to assess whether students who attend proprietary institutions of higher education shall be eligible for the ((~~state need~~)) Washington college grant and other forms of state financial aid.

(i) The criteria shall include retention rates, completion rates, loan default rates, and annual tuition increases, among other criteria for students who receive ((~~state need~~)) the Washington college grant ((~~as~~)) in chapter 28B.92 RCW and any other state financial aid.

(ii) The council may remove proprietary institutions of higher education from eligibility for the ((~~state need~~)) Washington college grant or other form of state financial aid if it finds that the institution or college does not meet minimum criteria.

(iii) The council shall report by December 1, 2014, to the joint higher education committee in RCW 44.04.360 on the outcomes of students receiving ((~~state need~~)) Washington college grants, impacts on meeting the state's higher education goals for educational attainment, and options for prioritization of the ((~~state need~~)) Washington college grant and possible consequences of implementing each option. When examining options for prioritizing the ((~~state need~~)) Washington college grant the council shall consider awarding grants based on need rather than date of application and making awards based on other criteria selected by the council.

(11) The council shall adopt residency requirements by rule.

(12) The council shall arbitrate disputes between and among four-year institutions of higher education and the state board for community and technical colleges at the request of one or more of the institutions involved, or at the request of the governor, or from a resolution adopted by the legislature. The decision of the council shall be binding on the participants in the dispute.

(13) The council may solicit, accept, receive, and administer federal funds or private funds, in trust, or otherwise, and contract with foundations or with for-profit or nonprofit organizations to support the purposes and functions of the council.

(14) The council shall represent the broad public interest above the interests of the individual institutions of higher education.

**Sec.**  RCW 28B.117.020 and 2018 c 232 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Apprentice" means a person enrolled in a state-approved, federally registered, or reciprocally recognized apprenticeship program.

(2) "Apprenticeship" means an apprenticeship training program approved or recognized by the state apprenticeship council or similar federal entity.

(3) "Cost of attendance" means the cost associated with attending a particular institution of higher education as determined by the office, including but not limited to tuition, fees, room, board, books, personal expenses, and transportation, plus the cost of reasonable additional expenses incurred by an eligible student and approved by a financial aid administrator at the student's school of attendance.

(4) "Federal foster care system" means the foster care program under the federal unaccompanied refugee minors program, Title 8 U.S.C. Sec. 1522 of the immigration and nationality act.

(5) "Financial need" means the difference between a student's cost of attendance and the student's total family contribution as determined by the method prescribed by the United States department of education.

(6) "Homeless" or "homelessness" means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney-Vento homeless assistance act, 42 U.S.C. Sec. 11301 et seq.

(7) "Independent college or university" means a private, nonprofit institution of higher education, open to residents of the state, providing programs of education beyond the high school level leading to at least the baccalaureate degree, and accredited by the Northwest association of schools and colleges, and other institutions as may be developed that are approved by the student achievement council as meeting equivalent standards as those institutions accredited under this section.

(8) "Institution of higher education" means any institution eligible to and participating in the ((~~state need~~)) Washington college grant program.

(9) "Occupational-specific costs" means the costs associated with entering an apprenticeship or preapprenticeship, including but not limited to fees, tuition for classes, work clothes, rain gear, boots, occupation-specific tools.

(10) "Office" means the office of student financial assistance.

(11) "Preapprenticeship" means an apprenticeship preparation program recognized by the state apprenticeship council and as defined in RCW 28C.18.162.

(12) "Program" means the passport to careers program created in this chapter.

(13) "State foster care system" means out-of-home care pursuant to a dependency and includes the placement of dependents from other states who are placed in Washington pursuant to orders issued under the interstate compact on the placement of children, chapter 26.34 RCW.

(14) "Tribal court" has the same meaning as defined in RCW 13.38.040.

(15) "Tribal foster care system" means an out-of-home placement under a dependency order from a tribal court.

(16) "Unaccompanied" means a youth or young adult experiencing homelessness while not in the physical custody of a parent or guardian.

**Sec.**  RCW 28B.118.010 and 2018 c 204 s 1 and 2018 c 12 s 1 are each reenacted and amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the ((~~state need~~)) Washington college grant program in chapter 28B.92 RCW unless otherwise provided in this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter;

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through twelve; or

(ii) Are between the ages of eighteen and twenty-one and have not graduated from high school; or

(c) Were dependent pursuant to chapter 13.34 RCW and were adopted between the ages of fourteen and eighteen with a negotiated adoption agreement that includes continued eligibility for the Washington state college bound scholarship program pursuant to RCW 74.13A.025.

(2) Eligible students and the students' parents or guardians shall be notified of the student's eligibility for the Washington college bound scholarship program beginning in the student's seventh grade year. Students and the students' parents or guardians shall also be notified of the requirements for award of the scholarship.

(3)(a) To be eligible for a Washington college bound scholarship, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.

(b)(i) Beginning in the 2018-19 academic year, the office of student financial assistance shall make multiple attempts to secure the signature of the student's parent or guardian for the purpose of witnessing the pledge.

(ii) If the signature of the student's parent or guardian is not obtained, the office of student financial assistance may partner with the school counselor or administrator to secure the parent's or guardian's signature to witness the pledge. The school counselor or administrator shall make multiple attempts via all phone numbers, email addresses, and mailing addresses on record to secure the parent's or guardian's signature. All attempts to contact the parent or guardian must be documented and maintained in the student's official file.

(iii) If a parent's or guardian's signature is still not obtained, the school counselor or administrator shall indicate to the office of student financial assistance the nature of the unsuccessful efforts to contact the student's parent or guardian and the reasons the signature is not available. Then the school counselor or administrator may witness the pledge unless the parent or guardian has indicated that he or she does not wish for the student to participate in the program.

(c) A student eligible under subsection (1)(b) of this section shall be automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social and health services to the office of student financial assistance by mail or electronically, as indicated on the form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b)(i) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (e). A student who is eligible to receive the Washington college bound scholarship because the student is a resident student under RCW 28B.15.012(2)(e) must provide the institution, as defined in RCW 28B.15.012, an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses.

(ii) For eligible children as defined in subsection (1)(b) and (c) of this section, to receive the Washington college bound scholarship, a student must have received a high school equivalency certificate as provided in RCW 28B.50.536 or have graduated with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (e).

For a student who does not meet the "C" average requirement, and who completes fewer than two quarters in the running start program, under chapter 28A.600 RCW, the student's first quarter of running start course grades must be excluded from the student's overall grade point average for purposes of determining their eligibility to receive the scholarship.

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington or the representative average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington or the representative average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

**Sec.**  RCW 28B.118.090 and 2015 c 244 s 6 are each amended to read as follows:

(1) Beginning January 1, 2015, and at a minimum every year thereafter, the student achievement council and all institutions of higher education eligible to participate in the college bound scholarship program shall ensure data needed to analyze and evaluate the effectiveness of the college bound scholarship program is promptly transmitted to the education data center created in RCW 43.41.400 so that it is available and easily accessible. The data to be reported should include but not be limited to:

(a) The number of students who sign up for the college bound scholarship program in seventh or eighth grade;

(b) The number of college bound scholarship students who graduate from high school;

(c) The number of college bound scholarship students who enroll in postsecondary education;

(d) Persistence and completion rates of college bound scholarship recipients disaggregated by institutions of higher education;

(e) College bound scholarship recipient grade point averages;

(f) The number of college bound scholarship recipients who did not remain eligible and reasons for ineligibility;

(g) College bound scholarship program costs; and

(h) Impacts to the ((~~state need~~)) Washington college grant program.

(2) Beginning May 12, 2015, and at a minimum every December 1st thereafter, the student achievement council shall submit student unit record data for the college bound scholarship program applicants and recipients to the education data center.

**Sec.**  RCW 28B.133.010 and 2013 c 248 s 4 are each amended to read as follows:

The educational assistance grant program for students with dependents is hereby created, subject to the availability of receipts of gifts, grants, or endowments from private sources. The program is created to serve ((~~financially needy~~)) students who demonstrate financial need with dependents eighteen years of age or younger, by assisting them directly through a grant program to pursue a degree or certificate at public or private institutions of higher education, as defined in RCW 28B.92.030(4) (a) and (b) (i) and (ii), that participate in the ((~~state need~~)) Washington college grant program.

**Sec.**  RCW 28B.133.020 and 2004 c 275 s 73 are each amended to read as follows:

To be eligible for the educational assistance grant program for students with dependents, applicants shall: (1) Be residents of the state of Washington; (2) be ((~~needy~~)) students who demonstrate financial need as defined in RCW 28B.92.030((~~(3)~~)); (3) be eligible to participate in the ((~~state need~~)) Washington college grant program as set forth under chapter 28B.92 RCW ((~~28B.92.080~~)); and (4) have dependents eighteen years of age or younger who are under their care.

**Sec.**  RCW 28C.18.166 and 2011 1st sp.s. c 11 s 242 are each amended to read as follows:

On an annual basis, each opportunity internship consortium shall provide the board with a list of the opportunity internship graduates from the consortium. The board shall compile the lists from all consortia and shall notify the office of student financial assistance of the eligibility of each graduate on the lists to receive a ((~~state need~~)) Washington college grant under chapter 28B.92 RCW if the graduate enrolls in a postsecondary program of study within one year of high school graduation.

**2. ESTABLISHING A STATE STUDENT LOAN PROGRAM**

NEW SECTION. **Sec.**  (1) The legislature finds that college students continue to borrow in order to fund their higher education. In Washington state, the institute for college access and success estimates over fifty percent of 2017 graduates had student debt with an average balance just under twenty-four thousand dollars. Student loan debt now outpaces other sources of consumer debt, such as credit card and vehicle debt. While research shows that earning a postsecondary credential positively impacts a person's earning potential, high student loan debt erodes much of this benefit.

(2) The legislature recognizes that people with student loan debt are less likely to get married and start a family, establish small businesses, and buy homes. High student loan debt negatively impacts a person's credit score and their debt-to-income ratio, which impacts their ability to qualify for a mortgage. A federal reserve study looking at the impact of student loan debt on home ownership found that a one thousand dollar increase in student loan debt causes a one to two percentage point drop in the homeownership rate for borrowers during their late twenties and early thirties. The study found that between 2005 and 2014, about twenty percent of the decline in homeownership among individuals aged twenty-four to thirty-two is attributed to the rise in student loan debt. This indicates that over four hundred thousand individuals would have owned a home in 2014 had it not been for the rise in student loan debt.

(3) Therefore, the legislature intends to support students pursuing higher education by establishing an affordable state student loan program. The legislature recognizes that student loans are beneficial for students who have no other way to pay for college, but finds that high interest rates that accumulate while the student is in school negatively impact the student's ability to prosper financially and contribute to the state's economy after graduation. Therefore, the legislature intends to offer student loans to low-income and middle-income state residents who graduated from Washington high schools and are pursuing undergraduate studies at a subsidized, one percent interest rate.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Borrower" means an eligible student who has received a student loan under the Washington student loan program.

(2) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education, such as tuition, fees, books, equipment, room and board, and other expenses as determined by the office.

(3) "Eligible program" means a postsecondary education program that leads to a certificate, associate's degree, or bachelor's degree.

(4) "Eligible student" means a student who:

(a) Meets the definition of resident student;

(b) Graduated from a Washington high school;

(c) Has a family income no greater than one hundred forty percent of the state median family income, adjusted for family size;

(d) Is enrolled in an institution of higher education in an eligible program; and

(e) Has completed either the free application for federal student aid or the Washington application for state financial aid.

(5) "Gift aid" means federal, state, institutional, or private financial aid provided for educational purposes with no obligation of repayment. "Gift aid" does not include student loans or work-study programs.

(6) "Institutions of higher education" include the state universities, the regional universities, The Evergreen State College, the community and technical colleges, and private not-for-profit institutions of higher education authorized to participate in state financial aid programs.

(7) "Office" means the office of student financial assistance established under chapter 28B.76 RCW.

(8) "Program" means the Washington student loan program.

(9) "Resident student" has the same meaning as provided in RCW 28B.15.012(2) (a) through (e).

(10) "Student loan" means a loan that is approved by the office and awarded to an eligible student.

(11) "Washington high school" means a Washington public high school, a Washington private high school under chapter 28A.195 RCW, or home-based instruction under chapter 28A.200 RCW.

NEW SECTION. **Sec.**  (1) The Washington student loan program is created to assist students who need additional financial support to obtain postsecondary education.

(2) The office must administer the program. In administering the program, the office must:

(a) Screen and select eligible students to receive student loans;

(b) Issue low-interest student loans;

(c) Establish annual and lifetime loan limits;

(d) Define the terms of repayment;

(e) Collect and manage repayments from borrowers;

(f) Establish an appeals process;

(g) Exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;

(h) Publicize the program; and

(i) Adopt necessary rules.

NEW SECTION. **Sec.**  (1) Beginning with the academic year 2021-22, the office may award student loans under the program to eligible students from the funds available in the Washington student loan account created in section 50 of this act.

(2) The office must set the interest rate for student loans issued under the program at one percent to begin accruing six months after the borrower is no longer enrolled on at least a half-time basis at an institution of higher education.

(3) The office must establish repayment procedures for student loans issued under the program, but in no event shall the period of repayment exceed ten years from the borrower's termination of enrollment at an institution of higher education, or fifteen years from the date of the borrower's first loan, whichever is less.

(4) The office must determine annual and lifetime loan limits, but a loan may not exceed the eligible student's cost of attendance as determined by the institution of higher education, less all gift aid.

(5) The office must establish an appeals process for borrowers who believe there is an unresolved error in the servicing of their loan. The office must provide borrowers with a description of the appeals process.

NEW SECTION. **Sec.**  The office may contract with a third-party entity to provide loan servicing for student loans issued under the program. The third-party entity must comply with all of the requirements for student education loan servicers under chapter 31.04 RCW.

NEW SECTION. **Sec.**  The Washington student loan account is created in the custody of the state treasurer. All receipts received for the program, including loan repayments, must be deposited into the account. Expenditures from the account may be used only for the program. Only the director of the office or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec.**  (1) The office must collect data on the program. The data must include, but is not limited to, the following:

(a) The number of eligible students who were awarded a student loan;

(b) The number of borrowers;

(c) The average borrowed annual and total balances;

(d) Borrower demographics; and

(e) Repayment statistics, such as the number of borrowers in active repayment, delinquency, forbearance, and default.

(2) By December 1, 2026, and in compliance with RCW 43.01.036, the office must submit an annual report on the data under subsection (1) of this section and any other relevant information regarding the program to the appropriate committees of the legislature.

**3. EXPANDING CAREER CONNECTED LEARNING OPPORTUNITIES**

NEW SECTION. **Sec.**  (1) The legislature recognizes that in Washington's fast-growing economy local employers need access to a pool of diverse, skilled talent, but too few people are prepared for the career opportunities available. Across the state, there are persistent opportunity gaps in education and employment. Even in today's thriving economy, the path to economic self-sufficiency and fulfillment is difficult for many people.

(2) The legislature intends to scale up high-quality career connected learning opportunities that address persistent educational opportunity gaps and meet the talent needs of employers. Through career connected learning opportunities that are available across communities and regions, individuals can advance their academic learning and build awareness of, exposure to, and preparation for, career opportunities.

(3) In order to create a statewide, sustainable career connected learning system, three areas must be addressed:

(a) Statewide system development through cross-sector coordination;

(b) Directing resources to K-12 and higher education partners to support enrollment in career launch and registered apprenticeship programs and other career connected learning opportunities; and

(c) Support for regional leadership and coordination to facilitate connections between industry and education, implement career connected learning programs, and help young adults and employers to navigate these opportunities.

NEW SECTION. **Sec.**  (1) Within existing resources, a career connected learning cross-agency work group is established to scale up and expand high-quality career connected learning opportunities in communities across the state.

(2) The purpose of the work group is to coordinate agency functions and external partnerships and carry out the duties and responsibilities set forth in section 54 of this act.

(3) The governor shall select the chair of the work group.

(4) The governor's office may consult or contract with entities with expertise in industry and education partnerships to provide staffing support and guidance on industry talent needs. The governor's office may convene additional ad hoc committees that include industry sector advisory groups and leaders including, but not limited to, high-level representatives from education, industry, philanthropy, as well as students, parents, and community partners.

(5) The work group must consist of, but is not limited to, representatives from the following offices and agencies:

(a) The department of labor and industries in consultation with the regulatory apprenticeship council under RCW 49.04.010;

(b) The department of social and health services, including the division of vocational rehabilitation;

(c) The education research and data center at the office of financial management;

(d) The employment security department;

(e) The office of the superintendent of public instruction;

(f) The state board of education;

(g) The state board for community and technical colleges;

(h) The student achievement council;

(i) The workforce training and education coordinating board;

(j) One representative of the public baccalaureate institutions;

(k) One representative of the independent four-year institutions of higher education; and

(l) The office of the governor.

(6) The office of the governor may establish subcommittees of the work group to plan and execute the duties and responsibilities under section 54 of this act.

(7) The work group shall:

(a) Meet at least six times during the calendar year; and

(b) Report progress to the governor and appropriate committees of the legislature by September 1st annually.

NEW SECTION. **Sec.**  The career connected learning cross-agency work group established in section 53 of this act shall have the following duties and responsibilities:

(1) Advance and promote the career connect Washington vision to create a statewide system for career connected learning and the need for joint action as follows:

(a) Create, and periodically update, clear guidance for endorsing career launch programs to guide quality assurance for the purpose of expanding enrollments by August 1, 2019. Registered apprenticeships as approved by the Washington apprenticeship and training council at the department of labor and industries are considered endorsed career launch programs;

(b) Prioritize activities including coordinating cross-agency and industry sector leadership to advance strategic priorities;

(c) Implement a marketing and communications agenda;

(d) Mobilize private sector and philanthropic leadership and resources to support system building;

(e) Build systemic functions in key agencies and existing systems;

(f) Create a statewide inventory that identifies existing support programs to promote equitable participation in career connected learning, including resources for populations to reengage with educational opportunities;

(g) Develop web sites and other resources, and coordinate current resources managed by the workforce training and education coordinating board, the student achievement council, and the employment security department, to inform students, employers, and the public about career connected learning opportunities;

(h) Develop financial and other support services to increase access and success in career connected learning for students facing barriers or living in underserved communities;

(i) Address transfer and articulation issues to ensure career launch program participants receive high school and college credit in programs initiated in K-12 or dropout reengagement programs, or college credit in postsecondary programs and registered apprenticeships, and work to expand the portability of credits to the maximum extent possible;

(j) Establish clear targets for equity to guide state data development and action by regional partners related to program design and expansion, including specific equity-focused criteria within grant funding processes and strategies; and

(k) Develop data systems and protocols for career connected learning planning and evaluation purposes;

(2) By September 1, 2019, and by each September 1st thereafter, make budget recommendations to the office of financial management, to direct resources to education programs for career connected learning as follows:

(a) Support the K-12 system and the office of the superintendent of public instruction to increase student participation in career connected learning programs that include career awareness and exploration, career preparation, and career launch;

(b) Support expansion of innovative program design in registered apprenticeships, year-round and summer programs, and equitable access to dual credit;

(c) Support two-year and four-year institutions of higher education to expand career connected learning enrollments, and specifically:

(i) Build capacity at community and technical colleges to support innovative design in career launch and registered apprenticeship programs, as well as program participation by high school graduates or out-of-school youth;

(ii) Align the use of work-study to support career launch and registered apprenticeship programs; and

(iii) Clarify financial aid eligibility and exclusions from financial aid caps for career launch and registered apprenticeship programs;

(d) Promote innovation in equivalency and credentialing within endorsed career launch and registered apprenticeship programs including, but not limited to, offering guidance and technical assistance to school districts and local education agencies to ensure students take advantage of flexibility in the twenty-four credit diploma and earn high school credit for career launch and registered apprenticeship programs;

(e) Expand the number of portable credits and credit for prior learning to ensure that career launch programs transfer for high school or college credit to the maximum extent possible; and

(f) Support the registered apprenticeship system and the department of labor and industries to build capacity to expand registered apprenticeship and preapprenticeship programs;

(3) Support regional leadership, program intermediaries, and career connected learning navigation and coordination to expand participation in career connected learning opportunities and the implementation of the career connected learning grant program established in section 55 of this act;

(4) Support the formation and operation of regional networks in both rural and urban areas to guide career connected learning opportunities that are both tailored to the local needs of students and employers, and designed for portable credentials across education settings and across an industry; and

(5) Develop a data enclave for career connected learning to measure progress and ensure equity of opportunity for career connected learning, led by the education research and data center at the office of financial management, as follows:

(a) Develop program codes for career connected learning opportunities in K-12 and postsecondary education in order to track those programs that are designated as career connected learning programs for each of the three categories set forth in the definition of "career connected learning" in section 56 of this act; and

(b) Collect and disaggregate program participation and outcomes data by race, gender, income, rurality, ability, foster youth, homeless youth, English language learner, and other relevant categories.

NEW SECTION. **Sec.**  (1) Subject to the availability of amounts appropriated for this specific purpose, the career connected learning grant program is established as a competitive grant program to advance the career connect Washington vision under section 54 of this act. The employment security department shall administer the program. The governor's office shall work with the employment security department to establish grant criteria and guide the process for selection with consultation from the career connected learning cross-agency work group.

(2) The purpose of the career connected learning grant program is to create career connected learning opportunities, including career awareness and exploration, career preparation, and career launch programs, that are both tailored to the local needs of students and employers and designed so that students may receive high school or college credit across industries and regions of the state to the maximum extent possible.

(3) The program funds shall be used for two overarching purposes:

(a) Support regional career connected learning networks in both rural and urban areas under subsection (5) of this section; and

(b) Support career connected learning program intermediaries working within and across regions who partner with multiple employers, labor partners, and educational institutions, work with K-12 and postsecondary career representatives to develop curricula for new and innovative programs, and scale existing career awareness and exploration, career preparation, and endorsed career launch programs.

(4) The program administrator shall consult with the governor's office to develop a formal request for proposal for both the regional career connected learning networks and the program intermediaries.

(5)(a) Proposals for regional career connected learning networks and intermediaries may be sought from applicants within the geographic areas of the nine educational service districts. Successful applicants shall convene and manage regional, cross-industry networks that will lead to the expansion of career connected learning opportunities.

(b) Regional career connected learning network applicants must demonstrate regional knowledge and status as a trusted partner of industry and education stakeholders, a track record of success with career connected learning and aligned initiatives, and a commitment to equity. Regional career connected learning networks may include, but are not limited to, regional education networks, school districts, educational service districts, higher education institutions, workforce development councils, chambers of commerce, industry associations, joint labor management councils, multiemployer training partnerships, economic development councils, and nonprofit organizations.

(6) Eligible program intermediary applicants may include, but are not limited to, new or existing industry associations, joint labor management councils, regional networks, postsecondary education and training institutions working with multiple employer partners, and other community-based organizations and expanded learning partners.

(7) Program intermediaries must work with appropriate faculty and staff at the state universities, the regional universities, and the state college, and K-12 education representatives, to expand the number of career launch program credits that may be articulated and transferred to postsecondary degree programs.

(8) Subject to the availability of amounts appropriated for this specific purpose, the employment security department, as the administrator of the program, has the authority to utilize funds deposited in the career connected learning account for the purposes of the program.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Career awareness and exploration" means programs, activities, and events that provide early exposure to jobs and industries. "Career awareness and exploration" are structured programs that include job fairs, guest speakers, job shadows, job site tours, and other similar activities.

(2) "Career connected learning" means a learning experience that is integrated with work-related content and skills in the following three categories: (a) Career awareness and exploration; (b) career preparation; and (c) career launch.

(3)(a) "Career launch programs" means registered apprenticeships and programs that combine the following three elements:

(i) Supervised paid work experience;

(ii) Aligned classroom learning to academic and employer standards; and

(iii) Culmination in a valuable credential beyond a high school diploma or forty-five college credits towards a two-year or four-year postsecondary credential.

(b) "Career launch programs" include the elements in (a) of this subsection and may be achieved through, but are not limited to, one or more of the following:

(i) A state-approved career and technical education sequence of courses or program of study that include requirements in alignment with RCW 28A.700.030;

(ii) A qualifying degree or credential earned through a community or technical college or university.

(c) "Career launch programs" may be initiated in a secondary education system and completed in a postsecondary education system, or first year of paid employment, as long as all parties jointly plan the program.

(d) "Career launch programs" must be endorsed through the process created under section 54(1)(a) of this act.

(4) "Career preparation programs" means programs that give students hands-on skills and knowledge experience within a particular business, career track, or industry, and help prepare students to work in a professional setting. "Career preparation programs" include career and technical education courses, on-site internships, preapprenticeship programs, and other similar opportunities.

(5) "Work group" means the career connected learning cross-agency work group established in section 53 of this act.

NEW SECTION. **Sec.**  Where applicable, career awareness and exploration, career connected learning, career launch programs, and career preparation programs are subject to RCW 49.12.121 and 49.12.123 regarding employing minors.

NEW SECTION. **Sec.**  The career connected learning account is created in the state treasury. All receipts from public or private sources provided for the purpose of funding grants under section 55 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for career connected learning grants.

NEW SECTION. **Sec.**  A new section is added to chapter 28A.700 RCW to read as follows:

(1) Beginning in the 2019-20 school year, to allow students to engage in learning outside of the school day or in a summer program, school districts shall be funded up to one and two-tenths full-time equivalents for career launch programs, as defined in section 56 of this act.

(2) The office of the superintendent of public instruction shall develop procedures to ensure that school districts do not report any student for more than one and two-tenths full-time equivalent students, combining both the student's high school enrollment and career launch enrollment.

**Sec.**  RCW 28C.18.060 and 2017 c 39 s 4 are each amended to read as follows:

The board, in cooperation with the operating agencies of the state training system and private career schools and colleges, shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system;

(2) Advocate for the state training system and for meeting the needs of employers and the workforce for workforce education and training;

(3) Establish and maintain an inventory of the programs of the state training system, and related state programs, and perform a biennial assessment of the vocational education, training, and adult basic education and literacy needs of the state; identify ongoing and strategic education needs; and assess the extent to which employment, training, vocational and basic education, rehabilitation services, and public assistance services represent a consistent, integrated approach to meet such needs;

(4) Develop and maintain a state comprehensive plan for workforce training and education, including but not limited to, goals, objectives, and priorities for the state training system, and review the state training system for consistency with the state comprehensive plan. In developing the state comprehensive plan for workforce training and education, the board shall use, but shall not be limited to: Economic, labor market, and populations trends reports in office of financial management forecasts; joint office of financial management and employment security department labor force, industry employment, and occupational forecasts; the results of scientifically based outcome, net-impact and cost-benefit evaluations; the needs of employers as evidenced in formal employer surveys and other employer input; and the needs of program participants and workers as evidenced in formal surveys and other input from program participants and the labor community;

(5) In consultation with the student achievement council, review and make recommendations to the office of financial management and the legislature on operating and capital facilities budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education;

(6) Provide for coordination among the different operating agencies and components of the state training system at the state level and at the regional level;

(7) Develop a consistent and reliable database on vocational education enrollments, costs, program activities, and job placements from publicly funded vocational education programs in this state;

(8)(a) Establish standards for data collection and maintenance for the operating agencies of the state training system in a format that is accessible to use by the board. The board shall require a minimum of common core data to be collected by each operating agency of the state training system;

(b) Develop requirements for minimum common core data in consultation with the office of financial management and the operating agencies of the training system;

(9) Establish minimum standards for program evaluation for the operating agencies of the state training system, including, but not limited to, the use of common survey instruments and procedures for measuring perceptions of program participants and employers of program participants, and monitor such program evaluation;

(10) Every two years administer scientifically based outcome evaluations of the state training system, including, but not limited to, surveys of program participants, surveys of employers of program participants, and matches with employment security department payroll and wage files. Every five years administer scientifically based net-impact and cost-benefit evaluations of the state training system;

(11) In cooperation with the employment security department, provide for the improvement and maintenance of quality and utility in occupational information and forecasts for use in training system planning and evaluation. Improvements shall include, but not be limited to, development of state-based occupational change factors involving input by employers and employees, and delineation of skill and training requirements by education level associated with current and forecasted occupations;

(12) Provide for the development of common course description formats, common reporting requirements, and common definitions for operating agencies of the training system;

(13) Provide for effectiveness and efficiency reviews of the state training system;

(14) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between institutions of the state training system, and encourage articulation agreements for programs encompassing two years of secondary workforce education and two years of postsecondary workforce education;

(15) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between private training institutions and institutions of the state training system;

(16) Develop policy objectives for the workforce innovation and opportunity act, P.L. 113-128, or its successor; develop coordination criteria for activities under the act with related programs and services provided by state and local education and training agencies; and ensure that entrepreneurial training opportunities are available through programs of each local workforce development board in the state;

(17) Ensure that the expansion of K-12 and postsecondary opportunities for career connected learning, as defined in section 56 of this act, is incorporated into the state plan adopted for the purposes of the Carl D. Perkins career and technical education improvement act, P.L. 109-270;

(18) Make recommendations to the commission of student assessment, the state board of education, and the superintendent of public instruction, concerning basic skill competencies and essential core competencies for K‑12 education. Basic skills for this purpose shall be reading, writing, computation, speaking, and critical thinking, essential core competencies for this purpose shall be English, math, science/technology, history, geography, and critical thinking. The board shall monitor the development of and provide advice concerning secondary curriculum which integrates vocational and academic education;

((~~(18)~~)) (19) Establish and administer programs for marketing and outreach to businesses and potential program participants;

((~~(19)~~)) (20) Facilitate the location of support services, including but not limited to, child care, financial aid, career counseling, and job placement services, for students and trainees at institutions in the state training system, and advocate for support services for trainees and students in the state training system;

((~~(20)~~)) (21) Facilitate private sector assistance for the state training system, including but not limited to: Financial assistance, rotation of private and public personnel, and vocational counseling;

((~~(21)~~)) (22) Facilitate the development of programs for school-to-work transition that combine classroom education and on-the-job training, including entrepreneurial education and training, in industries and occupations without a significant number of apprenticeship programs;

((~~(22)~~)) (23) Include in the planning requirements for local workforce development boards a requirement that the local workforce development boards specify how entrepreneurial training is to be offered through the one‑stop system required under the workforce innovation and opportunity act, P.L. 113-128, or its successor;

((~~(23)~~)) (24) Encourage and assess progress for the equitable representation of racial and ethnic minorities, women, and people with disabilities among the students, teachers, and administrators of the state training system. Equitable, for this purpose, shall mean substantially proportional to their percentage of the state population in the geographic area served. This function of the board shall in no way lessen more stringent state or federal requirements for representation of racial and ethnic minorities, women, and people with disabilities;

((~~(24)~~)) (25) Participate in the planning and policy development of governor set-aside grants under P.L. 97‑300, as amended;

((~~(25)~~)) (26) Administer veterans' programs, licensure of private vocational schools, the job skills program, and the Washington award for vocational excellence;

((~~(26)~~)) (27) Allocate funding from the state job training trust fund;

((~~(27)~~)) (28) Work with the director of commerce to ensure coordination among workforce training priorities and economic development and entrepreneurial development efforts, including but not limited to assistance to industry clusters;

((~~(28)~~)) (29) Conduct research into workforce development programs designed to reduce the high unemployment rate among young people between approximately eighteen and twenty-four years of age. In consultation with the operating agencies, the board shall advise the governor and legislature on policies and programs to alleviate the high unemployment rate among young people. The research shall include disaggregated demographic information and, to the extent possible, income data for adult youth. The research shall also include a comparison of the effectiveness of programs examined as a part of the research conducted in this subsection in relation to the public investment made in these programs in reducing unemployment of young adults. The board shall report to the appropriate committees of the legislature by November 15, 2008, and every two years thereafter. Where possible, the data reported to the legislative committees should be reported in numbers and in percentages;

((~~(29)~~)) (30) Adopt rules as necessary to implement this chapter.

The board may delegate to the director any of the functions of this section.

**4. WASHINGTON STATE OPPORTUNITY SCHOLARSHIP**

**Sec.**  RCW 28B.145.005 and 2018 c 209 s 5 and 2018 c 114 s 1 are each reenacted and amended to read as follows:

The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to: Help mitigate the impact of tuition increases((~~,~~)); increase the number of professional-technical certificates, professional-technical degrees, ((~~and~~)) baccalaureate degrees in high employer demand and other programs, and advanced degrees in health professions ((~~needed in service obligation areas,~~)); and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

**Sec.**  RCW 28B.145.010 and 2018 c 254 s 9, 2018 c 209 s 6, and 2018 c 114 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(4) "Eligible county" has the same meaning as "rural county" as defined in RCW 82.14.370 and also includes any county that shares a common border with Canada and has a population of over one hundred twenty-five thousand.

(5) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

(6) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.

(7) "Eligible school district" means a school district of the second class as identified in RCW 28A.300.065(2).

(8) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree;

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education;

(iii) Has been accepted at an institution of higher education into a professional-technical degree program in an eligible education program; ((~~or~~))

(iv) Has been accepted at an institution of higher education into a professional-technical certificate program in an eligible education program; or

(v) Has been accepted at an institution of higher education into an eligible advanced degree program ((~~and has agreed to the service obligation established by the board~~)) that leads to credentials in health professions;

(b) Declares an intention to obtain a professional-technical certificate, professional-technical degree, ((~~or~~)) baccalaureate degree((~~[,]~~)), or an advanced degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

(9) "Gift aid" means financial aid received from the federal Pell grant, the ((~~state need~~)) Washington college grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in chapter 28B.50 RCW, ((~~the opportunity scholarship program in this chapter,~~)) or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.

(10) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

(11) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

(12) "Private sources," "private funds," "private contributions," or "private sector contributions" means donations from private organizations, corporations, federally recognized Indian tribes, municipalities, counties, and other sources, but excludes state dollars.

(13) "Professional-technical certificate" means a program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c), that is offered by an institution of higher education.

((~~(13)~~)) (14) "Professional-technical degree" means a program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c), that is offered by an institution of higher education.

((~~(14)~~)) (15) "Program administrator" means 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.

((~~(15)~~)) (16) "Resident student" has the same meaning as provided in RCW 28B.15.012.

((~~(16)~~)) (17) "Rural jobs program" means the rural county high employer demand jobs program created in this chapter.

((~~(17) "Service obligation" means an obligation by the participant to be employed in a service obligation area in the state for a specific period to be established by the board.~~

~~(18) "Service obligation area" means a location that meets one of the following conditions:~~

~~(a) Has been designated by the council as an eligible site under the health professional conditional scholarship program established under chapter 28B.115 RCW;~~

~~(b) Serves at least forty percent uninsured or medicaid enrolled patients;~~

~~(c) Is located in a rural county as defined in RCW 82.14.370 and serves a combination of uninsured, medicaid enrolled patients, and medicare enrolled patients, equal to at least forty percent of the practice location's total patients; or~~

~~(d) Serves a public agency, nonprofit organization, or local health jurisdiction as defined in RCW 43.70.575 by providing public health services necessary to preserve, protect, and promote the health of the state's population, as determined by the board after consultation with the department of health.~~))

**Sec.**  RCW 28B.145.020 and 2018 c 254 s 2, 2018 c 209 s 7, and 2018 c 114 s 3 are each reenacted and amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the six appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health care, information technology, engineering, agriculture, and others, as well as philanthropy. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the board shall elect one of the business and industry representatives to serve as chair.

(4) Seven members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The board shall be staffed by a program administrator, under contract with the board and the council.

(6) The purpose of the board is to provide oversight and guidance for the opportunity expansion ((~~[program]~~)) program, the opportunity scholarship program((~~s [program]~~)), and the rural jobs program, in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs and eligible advanced degree programs for purposes of the opportunity scholarship program and rural jobs program. In determining eligible advanced degree programs, the board shall consider advanced degree programs that lead to credentials in health professions that include, but are not limited to, primary care, dental care, behavioral health, and public health. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program;

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high-technology research and development tax credit under RCW 82.32.800; and

(c) Whether the program should include a loan repayment or low-interest or no-interest loan component for the advanced degree portion of the program.

((~~(8) The board shall report to the governor and the appropriate committees of the legislature by December 1st of each biennium, beginning December 1, 2019, on the following:~~

~~(a) A list of the eligible advanced degree programs and service obligation areas;~~

~~(b) The number of participants in eligible advanced degree programs, the number of participants completing their service obligations in a service obligation area, and the number of participants who have completed their service obligation; and~~

~~(c) The number of participants who did not complete their service obligation who now owe a repayment obligation and the reasons why the participants did not complete their service obligations.~~))

**Sec.**  RCW 28B.145.030 and 2018 c 209 s 8, 2018 c 204 s 2, and 2018 c 114 s 4 are each reenacted and amended to read as follows:

(1) The program administrator shall provide administrative support to execute the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage ((~~three separate~~)) the specified accounts created in (b) of this subsection, into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into any of the ((~~three~~)) specified accounts created in this subsection (2)(b) upon the direction of the donor and in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed for baccalaureate programs beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every October 1st thereafter;

(ii) The "student support pathways account," whose principal may be invaded, and from which scholarships may be disbursed for professional-technical certificate or degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iii) The "advanced degrees pathways account," whose principal may be invaded, and from which scholarships may be disbursed for eligible advanced degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iv) The "endowment account," from which scholarship moneys may be disbursed for baccalaureate programs from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account; and

(B) The state appropriations for the ((~~state need~~)) Washington college grant program under chapter 28B.92 RCW ((~~28B.92.010~~)) meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for ((~~state need~~)) Washington college grant recipients is at least seventy percent of state median family income;

(v) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the scholarship account, after which time the private donors may designate whether their contributions must be deposited to the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account((~~s~~)). The board and the program administrator must work to maximize private sector contributions to ((~~the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account,~~)) these accounts to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the ((~~scholarship, the student support pathways, the advanced degrees pathways, and the endowment~~)) accounts in the case of undesignated grants and contributions, taking into account the need for a long‑term funding mechanism and the short‑term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the ((~~three~~)) specified accounts created in this subsection (2)(b) in equal proportion to the private funds deposited in each account, except that no more than one million dollars in state match shall be deposited into the advanced degrees pathways account in a single fiscal biennium; and

(vi) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account are not considered state money, common cash, or revenue to the state;

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account((~~s~~));

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs and eligible advanced degree programs identified by the board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Ensure that if the private source is from a federally recognized Indian tribe, municipality, or county, an amount at least equal to the value of the private source plus the state match is awarded to participants within that federally recognized Indian tribe, municipality, or county according to the federally recognized Indian tribe's, municipality's, or county's program rules;

(h) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in professional-technical certificate programs, professional-technical degree programs, ((~~or~~)) baccalaureate degree programs, or eligible advanced degree programs identified by the board;

((~~(h)~~)) (i) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed as long as the participant annually submits documentation of filing both a free application for federal student aid (FAFSA) and for available federal education tax credits including, but not limited to, the American opportunity tax credit, or if ineligible to apply for federal student aid, the participant annually submits documentation of filing a state financial aid application as approved by the office of student financial assistance; and until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first;

((~~(i)~~)) (j) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility; and

((~~(j) Establish a required service obligation~~)) (k) For participants enrolled in an eligible advanced degree program, ((~~and establish a process for verifying a~~)) document each participant's employment ((~~in a service obligation area; and~~

~~(k) Establish a repayment obligation and appeals process for participants who serve less than the required service obligation, unless the program administrator determines the circumstances are beyond the participant's control. If the participant is unable to pay the repayment obligation in full, the participant may enter into payment arrangements with the program administrator. The program administrator is responsible for the collection of repayment obligations on behalf of participants who fail to complete their service obligation~~)) following graduation.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the board in developing and implementing an application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

**Sec.**  RCW 28B.145.040 and 2018 c 209 s 9 and 2018 c 114 s 5 are each reenacted and amended to read as follows:

(1) The opportunity scholarship program is established.

(2) The purpose of this scholarship program is to provide scholarships that will help low and middle-income Washington residents earn professional-technical certificates, professional-technical degrees, ((~~or~~)) baccalaureate degrees in high employer demand and other programs of study, and advanced degrees in health professions ((~~needed in service obligation areas~~)), and encourage them to remain in the state to work. The program must be designed for students starting professional-technical certificate or degree programs, students starting at two-year institutions of higher education and intending to transfer to four-year institutions of higher education, students starting at four-year institutions of higher education, and students enrolled in ((~~an~~)) eligible advanced degree programs.

(3) The opportunity scholarship board shall determine which programs of study, including but not limited to high employer demand programs, are eligible for purposes of the opportunity scholarship. For eligible advanced degree programs, the board shall limit scholarships to eligible students enrolling in programs that lead to credentials in health professions ((~~needed in service obligation areas~~)).

(4)(a) The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after June 6, 2011.

(b) The state match must be based on donations and pledges received as of the date each official state caseload forecast is submitted by the caseload forecast council to the legislative fiscal committees, as provided under RCW 43.88C.020. The purpose of this subsection (4)(b) is to ensure the predictable treatment of the program in the budget process by clarifying the calculation process of the state match required by this section and ensuring the program is budgeted at maintenance level.

(c) A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014, or January 1st next following the end of the fiscal year in which collections of state retail sales and use tax, state business and occupation tax, and state public utility tax exceed, by ten percent the amounts collected from these tax resources in the fiscal year that ended June 30, 2008, as determined by the department of revenue.

**Sec.**  RCW 28B.145.090 and 2018 c 254 s 3, 2018 c 209 s 10, and 2018 c 114 s 6 are each reenacted and amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account described under RCW 28B.145.030(2)(b). If the board so elects, the state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in ((~~the three~~)) these accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board in subsection (1) of this section, disbursements from the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account shall be made only on the authorization of the opportunity scholarship board or its designee, and moneys in the accounts may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the board on the investment policy, earnings of the accounts, and related needs of the program.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.145 RCW to read as follows:

The office of student financial assistance and the institutions of higher education may not consider awards made under the opportunity scholarship program to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

**5. WORKING CONNECTIONS CHILD CARE PROGRAM**

NEW SECTION. **Sec.**  (1) The legislature recognizes the following:

(a) In Washington, over forty-six thousand community and technical college students, which represents twenty-three percent of all community and technical college students in the state, are parents of dependent children. Student parents represent more than one-quarter of community and technical college students in Washington who receive financial aid. Financial assistance however, does not sufficiently cover many student parents' college expenses.

(b) Caregiving demands affect student parents' ability to devote the time needed to succeed in school. Nearly three-quarters of women community college students living with dependents report spending over twenty hours per week caring for dependents. Many of these students report that care demands are likely to lead them to drop out: Forty-three percent of women and thirty-seven percent of men at two-year institutions who live with children say they are likely or very likely to withdraw from college to care for dependents.

(c) In addition, child care costs represent a large financial burden for parents who are in college. The annual cost of full-time, center-based infant care averages over thirteen thousand dollars in Washington. Given the financial pressures experienced by student parents, both married and single, assistance with paying for quality child care services could dramatically improve their ability to make ends meet and complete their higher education programs.

(d) Work requirements imposed on student parents as a condition for receiving child care assistance can have negative consequences for parents in education or job training. Students working more than fifteen hours per week achieve significantly lower college attainment compared with those who work fewer hours. Nationally, fifty-eight percent of community college student parents who work fifteen or more hours per week leave school without earning a credential within six years of enrollment, compared with forty-eight percent who work less than fifteen hours per week.

(2) Therefore, the legislature intends to improve access and completion rates of student parents enrolled in community and technical colleges by reducing existing restrictions to subsidized child care.

**Sec.**  RCW 43.216.135 and 2018 c 52 s 6 are each amended to read as follows:

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures established by the department and the standards established in this section intended to promote stability, quality, and continuity of early care and education programming.

(2) As recommended by Public Law 113-186, authorizations for the working connections child care subsidy shall be effective for twelve months beginning July 1, 2016, unless an earlier date is provided in the omnibus appropriations act.

(3) Existing child care providers serving nonschool-age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:

(a) Enroll in the early achievers program by August 1, 2016;

(b) Complete level 2 activities in the early achievers program by August 1, 2017; and

(c) Rate at a level 3 or higher in the early achievers program by December 31, 2019. If a child care provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with the department, and rate at a level 3 or higher no later than June 30, 2020.

(4) Effective July 1, 2016, a new child care provider serving nonschool-age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:

(a) Enroll in the early achievers program within thirty days of receiving the initial state subsidy payment;

(b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and

(c) Rate at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider rates below a level 3 within thirty months from enrollment into the early achievers program, the provider must complete remedial activities with the department, and rate at a level 3 or higher within six months of beginning remedial activities.

(5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.

(6) If a child care provider serving nonschool-age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

(7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

(8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

(9)(a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:

(i) In the last six months have:

(A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;

(B) Received child welfare services as defined and used by chapter 74.13 RCW; or

(C) Received services through a family assessment response as defined and used by chapter 26.44 RCW;

(ii) Have been referred for child care as part of the family's case management as defined by RCW 74.13.020; and

(iii) Are residing with a biological parent or guardian.

(b) Children who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization. The department of social and health services' involvement with the family referred for working connections child care ends when the family's child protective services, child welfare services, or family assessment response case is closed.

(10)(a) Beginning August 1, 2020, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is:

(i) A single parent;

(ii) A full-time student of a community, technical, or tribal college; and

(iii) Pursuing vocational education that leads to a degree or certificate in a specific occupation, not to result in a bachelor's or advanced degree.

(b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. The student must maintain passing grades and be in good standing pursuant to college attendance requirements.

(c) Nothing in this subsection is intended to change how applicants or consumers are prioritized when applicants or consumers are placed on a wait list for working connections child care benefits.

**Sec.**  RCW 43.216.135 and 2019 c ... (Second Substitute House Bill No. 1303) s 2 are each amended to read as follows:

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures established by the department and the standards established in this section intended to promote stability, quality, and continuity of early care and education programming.

(2) As recommended by Public Law 113-186, authorizations for the working connections child care subsidy shall be effective for twelve months beginning July 1, 2016, unless an earlier date is provided in the omnibus appropriations act.

(3) Existing child care providers serving nonschool-age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:

(a) Enroll in the early achievers program by August 1, 2016;

(b) Complete level 2 activities in the early achievers program by August 1, 2017; and

(c) Rate at a level 3 or higher in the early achievers program by December 31, 2019. If a child care provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with the department, and rate at a level 3 or higher no later than June 30, 2020.

(4) Effective July 1, 2016, a new child care provider serving nonschool-age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:

(a) Enroll in the early achievers program within thirty days of receiving the initial state subsidy payment;

(b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and

(c) Rate at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider rates below a level 3 within thirty months from enrollment into the early achievers program, the provider must complete remedial activities with the department, and rate at a level 3 or higher within six months of beginning remedial activities.

(5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.

(6) If a child care provider serving nonschool-age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

(7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

(8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

(9)(a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:

(i) In the last six months have:

(A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;

(B) Received child welfare services as defined and used by chapter 74.13 RCW; or

(C) Received services through a family assessment response as defined and used by chapter 26.44 RCW;

(ii) Have been referred for child care as part of the family's case management as defined by RCW 74.13.020; and

(iii) Are residing with a biological parent or guardian.

(b) Children who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization. The department of social and health services' involvement with the family referred for working connections child care ends when the family's child protective services, child welfare services, or family assessment response case is closed.

(10)(a) Beginning August 1, 2020, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is:

(i) A single parent;

(ii) A full-time student of a community, technical, or tribal college; and

((~~(ii)~~)) (iii) Pursuing ((~~a certificate in nursing, early childhood education, a mental health profession, or paraeducation~~)) vocational education that leads to a degree or certificate in a specific occupation, not to result in a bachelor's or advanced degree.

(b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. The student must ((~~be maintaining~~)) maintain passing grades and be in good standing pursuant to college attendance requirements.

(c) Nothing in this subsection is intended to change how applicants or consumers are prioritized when applicants or consumers are placed on a wait list for working connections child care benefits.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.50 RCW to read as follows:

Nothing in RCW 43.216.135 requires a community or technical college to expand any of its existing child care facilities. Any additional child care services provided by a community or technical college as a result of RCW 43.216.135 must be provided within existing resources and existing facilities.

**PART V**

**WORKFORCE EDUCATION INVESTMENT ASSESSMENT**

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

The legislature intends the provisions of this act to be applied broadly in favor of application of the surcharges. To achieve this intent, any provision within this act that is deemed to be ambiguous by a court of competent jurisdiction, the board of tax appeals, or any other judicial or administrative body, should be construed in favor of application of the surcharges.

(1) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of twenty percent.

(2) For the purposes of this section, "specified person" means a person who is not subject to the surcharge under subsection (4) of this section and who is primarily engaged within this state in any combination of the following activities:

(a) Computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only. These establishments may publish and distribute software remotely through subscriptions and downloads;

(b) Conducting original investigation undertaken on a systematic basis to gain new knowledge or the application of research findings or other scientific knowledge for the creation of new or significantly improved products or processes. Techniques may include modeling and simulation. The industries within this industry group are defined on the basis of the domain of research and on scientific expertise of the establishment;

(c) Putting capital at risk in the process of underwriting securities issues or in making markets for securities and commodities and those acting as agents or brokers between buyers and sellers of securities and commodities, usually charging a commission;

(d) Providing expertise in the field of information technologies through one or more of the following activities: (i) Writing, modifying, testing, and supporting computer software to meet the needs of a particular customer; (ii) planning and designing computer systems that integrate computer hardware, computer software, and communication technologies; (iii) on-site management and operation of clients' computer systems and data processing facilities; or (iv) other professional and technical computer-related advice and services;

(e) Performing central banking functions, such as issuing currency, managing the nation's money supply and international reserves, holding deposits that represent the reserves of other banks and other central banks, and acting as a fiscal agent for the central government;

(f)(i) Purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services, except satellite, to businesses and households; (ii) providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation; (iii) providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems; or (iv) providing internet access services or voice over internet protocol services via client-supplied telecommunications connections. Establishments in this industry do not operate as telecommunications carriers. Mobile virtual network operators are included in this industry;

(g)(i) Acting as principals in buying or selling financial contracts, except investment bankers, securities dealers, and commodity contracts dealers; (ii) acting as agents or brokers, except securities brokerages and commodity contracts brokerages, in buying or selling financial contracts; or (iii) providing other investment services except securities and commodity exchanges, such as portfolio management, investment advice, and trust, fiduciary, and custody services;

(h) Supplying information, such as news reports, articles, pictures, and features, to the news media. This industry comprises establishments primarily engaged in providing library or archive services. These establishments are engaged in maintaining collections of documents and facilitating the use of these documents as required to meet the informational, research, educational, or recreational needs of their user. These establishments may also acquire, research, store, preserve, and generally make accessible to the public historical documents, photographs, maps, audio material, audiovisual material, and other archival material of historical interest. All or portions of these collections may be accessible electronically. This industry comprises establishments engaged in: (i) Publishing and broadcasting content on the internet exclusively; or (ii) operating web sites that use a search engine to generate and maintain extensive databases of internet addresses and content in an easily searchable format, known as web search portals. The publishing and broadcasting establishments in this industry do not provide traditional versions of the content they publish or broadcast. They provide textual, audio, or video content of general or specific interest on the internet exclusively. Establishments known as web search portals often provide additional internet services, such as email, connections to other web sites, auctions, news, and other limited content, and serve as a home base for internet users. This industry comprises establishments primarily engaged in providing other information services, except news syndicates, libraries, archives, internet publishing and broadcasting, and web search portals;

(i) Architectural, engineering, and related services, such as drafting services, building inspection services, geophysical surveying and mapping services, surveying and mapping, except geophysical services and testing services;

(j) Retailing all types of merchandise using nonstore means, such as catalogs, toll-free telephone numbers, electronic media, such as interactive television or the internet, or selling directly to consumers in a nonretail, physical environment. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses;

(k) Providing advice and assistance to businesses and other organizations on management, environmental, scientific, and technical issues;

(l) Providing infrastructure for hosting or data processing services. These establishments may provide specialized hosting activities, such as web hosting, streaming services, or application hosting, or they may provide general time-share mainframe facilities to clients. Data processing establishments provide complete processing and specialized reports from data supplied by clients or provide automated data processing and data entry services;

(m) Facilitating credit intermediation by performing activities, such as arranging loans by bringing borrowers and lenders together and clearing checks and credit card transactions;

(n) Offering legal services, such as those offered by offices of lawyers, offices of notaries, and title abstract and settlement offices, and paralegal services;

(o) Operating or providing access to transmission facilities and infrastructure that they own or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including voice over internet protocol services, wired audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry;

(p) Providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications;

(q) Operating and maintaining switching and transmission facilities to provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular phone services, paging services, wireless internet access, and wireless video services;

(r) Extending credit or lending funds raised by credit market borrowing, such as issuing commercial paper or other debt instruments or by borrowing from other financial intermediaries;

(s) Underwriting annuities and insurance policies and investing premiums to build up a portfolio of financial assets to be used against future claims. Direct insurance carriers are establishments that are primarily engaged in initially underwriting and assuming the risk of annuities and insurance policies. Reinsurance carriers are establishments that are primarily engaged in assuming all or part of the risk associated with an existing insurance policy originally underwritten by another insurance carrier. Industries are defined in terms of the type of risk being insured against, such as death, loss of employment because of age or disability, or property damage. Contributions and premiums are set on the basis of actuarial calculations of probable payouts based on risk factors from experience tables and expected investment returns on reserves;

(t) Merchant wholesale distribution of photographic equipment and supplies and office, computer, and computer peripheral equipment and medical, dental, hospital, ophthalmic, and other commercial and professional equipment and supplies;

(u) Operating studios and facilities for the broadcasting of programs on a subscription or fee basis. The broadcast programming is typically narrowcast in nature. These establishments produce programming in their own facilities or acquire programming from external sources. The programming material is usually delivered to a third party, such as cable systems or direct-to-home satellite systems, for transmission to viewers;

(v) Publishing newspapers, magazines, other periodicals, books, directories and mailing lists, and other works, such as calendars, greeting cards, and maps. These works are characterized by the intellectual creativity required in their development and are usually protected by copyright. Publishers distribute or arrange for the distribution of these works. Publishing establishments may create the works in-house, or contract for, purchase, or compile works that were originally created by others. These works may be published in one or more formats, such as print or electronic form, including proprietary electronic networks. Establishments in this industry may print, reproduce, or offer direct access to the works themselves or may arrange with others to carry out such functions. Establishments that both print and publish may fill excess capacity with commercial or job printing. However, the publishing activity is still considered to be the primary activity of these establishments;

(w) Generating, transmitting, or distributing electric power. Establishments in this industry group may perform one or more of the following activities: (i) Operate generation facilities that produce electric energy; (ii) operate transmission systems that convey the electricity from the generation facility to the distribution system; or (iii) operate distribution systems that convey electric power received from the generation facility or the transmission system to the final consumer;

(x) Providing specialized design services including interior design, industrial design, graphic design, and others, but not including architectural, engineering, and computer systems design;

(y) Assigning rights to assets, such as patents, trademarks, brand names, or franchise agreements, for which a royalty payment or licensing fee is paid to the asset holder;

(z) Acting as agents in selling annuities and insurance policies or providing other employee benefits and insurance related services, such as claims adjustment and third-party administration;

(aa) Business-to-business electronic markets that bring together buyers and sellers of goods using the internet or other electronic means and generally receive a commission or fee for the service. Business-to-business electronic markets for durable and nondurable goods are included in this industry. This industry comprises wholesale trade agents and brokers acting on behalf of buyers or sellers in the wholesale distribution of goods. Agents and brokers do not take title to the goods being sold but rather receive a commission or fee for their service. Agents and brokers for all durable and nondurable goods are included in this industry;

(bb) Accepting deposits or share deposits and in lending funds from these deposits. Within this group, industries are defined on the basis of differences in the types of deposit liabilities assumed and in the nature of the credit extended;

(cc)(i) Manufacturing complete aircraft, missiles, or space vehicles; (ii) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (iii) developing and making prototypes of aerospace products; (iv) aircraft conversion; or (v) complete aircraft or propulsion systems overhaul and rebuilding;

(dd) Advertising, public relations, and related services, such as media buying, independent media representation, outdoor advertising, direct mail advertising, advertising material distribution services, and other services related to advertising;

(ee) Providing services, such as auditing of accounting records, designing accounting systems, preparing financial statements, developing budgets, preparing tax returns, processing payrolls, bookkeeping, and billing;

(ff) The independent practice of general or specialized medicine or surgery by businesses comprised of one or more health practitioners having the degree of doctor of medicine or doctor of osteopathy. These practitioners operate private or group practices in their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers;

(gg) Providing a range of outpatient services, such as family planning, diagnosis and treatment of mental health disorders and alcohol and other substance abuse, and other general or specialized outpatient care by businesses with medical staff;

(hh) Pooling securities or other assets, except insurance and employee benefit funds, on behalf of shareholders, unit holders, or beneficiaries, by legal entities such as investment pools or funds;

(ii) Promoting the interests of an organization's members, except religious organizations, social advocacy organizations, and civic and social organizations. Examples of establishments in this industry are business associations, professional organizations, labor unions, and political organizations;

(jj)(i) Operating water treatment plants or water supply systems; (ii) operating sewer systems or sewage treatment facilities; or (iii) providing steam, heated air, or cooled air;

(kk) Holding the securities of or other equity interests in companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or businesses that administer, oversee, and manage other establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise;

(ll) For medical and diagnostic laboratories, providing analytic or diagnostic services, including body fluid analysis and diagnostic imaging, generally to the medical profession or to the patient on referral from a health practitioner;

(mm) Serving as offices of chief executives and their advisory committees and commissions. This industry includes offices of the president, governors, and mayors, in addition to executive advisory commissions. This industry comprises government establishments serving as legislative bodies and their advisory committees and commissions. Included in this industry are legislative bodies, such as congress, state legislatures, and advisory and study legislative commissions. This industry comprises government establishments primarily engaged in public finance, taxation, and monetary policy. Included are financial administration activities, such as monetary policy, tax administration and collection, custody and disbursement of funds, debt and investment administration, auditing activities, and government employee retirement trust fund administration. This industry comprises government establishments serving as councils and boards of commissioners or supervisors and such bodies where the chief executive is a member of the legislative body itself. This industry comprises American Indian and Alaska Native governing bodies. Establishments in this industry perform legislative, judicial, and administrative functions for their American Indian and Alaska Native lands. Included in this industry are American Indian and Alaska Native councils, courts, and law enforcement bodies. This industry comprises government establishments primarily engaged in providing general support for government. Such support services include personnel services, election boards, and other general government support establishments that are not classified elsewhere in public administration;

(nn) Providing a range of office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics, for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business;

(oo) Providing professional, scientific, or technical services including marketing research, public opinion polling, photographic services, translation and interpretation services, and veterinary services. This category does not include legal services, accounting, tax preparation, bookkeeping, architectural, engineering, and related services, specialized design services, computer systems design, management, scientific and technical consulting services, scientific research and development services, or advertising services;

(pp) The independent practice of general or specialized dentistry or dental surgery by businesses comprised of one or more health practitioners having the degree of doctor of dental medicine, doctor of dental surgery, or doctor of dental science. These practitioners operate private or group practices in their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers. They may provide either comprehensive preventive, cosmetic, or emergency care, or specialize in a single field of dentistry;

(qq) The independent practice of general or specialized medicine or surgery, or general or specialized dentistry or dental surgery, by businesses comprised of one or more independent health practitioners, other than physicians and dentists;

(rr) Providing ambulatory health care services.

(3)(a)(i) For the purposes of this section, a person is primarily engaged within this state in any combination of the activities described in subsection (2) of this section if more than fifty percent of the person's cumulative gross amount reportable under this chapter during the entire current or immediately preceding calendar year was generated from engaging in any one or more of the activities described in subsection (2) of this section. For purposes of this subsection, "gross amount reportable" means the total value of products, gross proceeds of sales, and gross income of the business, reportable to the department before application of any tax deductions.

(ii) If a person was not primarily engaged within this state in any combination of the activities described in subsection (2) of this section during the immediately preceding year, and the person is unsure whether the person will be subject to the workforce investment surcharge for the current calendar year until the close of the current calendar year, the person must, if necessary, file corrected returns with the department of revenue to pay any additional tax due under this section for the current calendar year. Payment of additional tax, along with corrected returns, is due and payable when the person's last return for the calendar year during which the tax liability accrued is due and payable. Additional tax due under this section is subject to penalties and interest as provided under chapter 82.32 RCW only if the tax is not paid in full by the date due as provided in this subsection (3)(a)(ii).

(b) The entire amount of gross income of the business received by a person pursuant to a contract under which the person is obligated to perform any activity described under subsection (2) of this section is deemed to be generated from engaging in any one or more of the activities described in subsection (2) of this section.

(4) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on select advanced computing businesses as follows:

(a) For an affiliated group that has worldwide gross revenue of more than twenty-five billion dollars, but not more than one hundred billion dollars, during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of thirty-three and one-third percent.

(b) For an affiliated group that has worldwide gross revenue of more than one hundred billion dollars during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of sixty-six and two-thirds percent.

(c) For the purposes of this subsection (4):

(i) "Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search engine, or online social networking platform;

(ii) "Affiliate" and "affiliated" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(iii) "Affiliated group" means a group of two or more persons that are affiliated with each other;

(iv) "Cloud computing services" means on-demand delivery of computing resources, such as networks, servers, storage, applications, and services, over the internet;

(v) "Control" means the possession, directly or indirectly, of more than fifty percent of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise; and

(vi) "Select advanced computing business" means a person who is a member of an affiliated group with at least one member of the affiliated group engaging in the business of advanced computing, and the affiliated group has worldwide gross revenue of more than twenty-five billion dollars during the entire current or immediately preceding calendar year.

(5) The workforce education investment surcharge under this section does not apply to any hospital as defined in RCW 70.41.020, including any hospital that comes within the scope of chapter 71.12 RCW if the hospital is also licensed under chapter 70.41 RCW.

(6) Revenues from the surcharges under this section must be deposited directly into the workforce education investment account established in section 2 of this act.

(7) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharges imposed in this section. The department's determination is presumed to be correct unless the person shows by clear, cogent, and convincing evidence that the department's determination was incorrect.

**PART VI**

**MISCELLANEOUS PROVISIONS**

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  Sections 45 through 51 of this act constitute a new chapter in Title 28B RCW.

NEW SECTION. **Sec.**  Sections 52 through 58 of this act constitute a new chapter in Title 28C RCW.

NEW SECTION. **Sec.**  Section 72 of this act takes effect January 1, 2020.

NEW SECTION. **Sec.**  (1) Section 70 of this act takes effect only if chapter . . . (Second Substitute House Bill No. 1303), Laws of 2019 is enacted by the effective date of this section.

(2) Section 69 of this act takes effect only if section 70 of this act does not take effect by the effective date of this section.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 28B.92.010 (State need grant program established—Purpose) and 2014 c 1 s 1, 2004 c 275 s 34, 1999 c 345 s 2, 1993 sp.s. c 18 s 2, & 1969 ex.s. c 222 s 7;

(2)RCW 28B.92.020 (State need grant program—Findings—Intent) and 2011 1st sp.s. c 11 s 158, 2003 c 19 s 11, & 1999 c 345 s 1;

(3)RCW 28B.92.050 (Powers and duties of office) and 2011 1st sp.s. c 11 s 161, 1999 c 345 s 4, 1989 c 254 s 3, & 1969 ex.s. c 222 s 11;

(4)RCW 28B.92.060 (State need grant awards) and 2012 c 229 s 558;

(5)RCW 28B.92.080 (Eligibility for state need grant) and 2015 c 121 s 1, 2012 c 229 s 605, 2009 c 238 s 9, 2007 c 404 s 1, 2004 c 275 s 39, 1999 c 345 s 6, 1989 c 254 s 5, & 1969 ex.s. c 222 s 13;

(6)RCW 28B.92.082 (Enhanced need grants—Eligibility) and 2012 c 229 s 560 & 2009 c 215 s 3;

(7)RCW 28B.92.084 (Eligibility of opportunity internship graduates) and 2011 1st sp.s. c 11 s 163 & 2009 c 238 s 8;

(8)RCW 28B.97.010 (Washington higher education loan program) and 2011 1st sp.s. c 11 s 174 & 2009 c 215 s 13;

(9)RCW 28B.97.020 (Definitions) and 2012 c 229 s 561, 2011 1st sp.s. c 11 s 175, & 2009 c 215 s 14;

(10)RCW 28B.119.005 (Intent—Finding) and 2002 c 204 s 1;

(11)RCW 28B.119.010 (Program design—Parameters) and 2013 c 39 s 12, 2011 1st sp.s. c 11 s 231, 2004 c 275 s 60, 2003 c 233 s 5, & 2002 c 204 s 2;

(12)RCW 28B.119.020 (Implementation and administration) and 2011 1st sp.s. c 11 s 232 & 2002 c 204 s 3;

(13)RCW 28B.119.030 (Funding for state need grant program not impaired) and 2011 1st sp.s. c 11 s 233, 2004 c 275 s 71, & 2002 c 204 s 4;

(14)RCW 28B.119.040 (Requirements for students receiving home-based instruction not affected) and 2002 c 204 s 5;

(15)RCW 28B.119.050 (Washington promise scholarship account) and 2011 1st sp.s. c 11 s 234 & 2002 c 204 s 6; and

(16)RCW 28B.119.900 (Effective date—2002 c 204) and 2002 c 204 s 9.

NEW SECTION. **Sec.**  This act may be known and cited as the workforce education investment act.

**--- END ---**