
SUBSTITUTE HOUSE BILL 2302

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Carlson, Jacobsen, Mason and Patterson)

Read first time 01/30/96.

1 AN ACT Relating to the Washington state student scholarship
2 partnership program; adding a new chapter to Title 28B RCW; and making
3 an appropriation.

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

5 NEW SECTION. **Sec. 1.** The Washington state student scholarship
6 partnership program is established. The purpose of the program is to
7 assist Washington's accredited public and independent colleges,
8 universities, and career schools to raise private funds to assist needy
9 and meritorious Washington residents attending in-state institutions of
10 higher education.

11 NEW SECTION. **Sec. 2.** Unless the context clearly requires
12 otherwise, the definitions in this section apply throughout this
13 chapter.

14 (1) "Eligible needy student" means a student who: (a) Meets the
15 residency requirements of RCW 28B.15.012(2), as demonstrated in RCW
16 28B.15.013; (b) is needy, as defined in RCW 28B.10.802(3); (c) is
17 meritorious, as defined by the institution of higher education that the

1 student attends; and (d) is enrolled in an institution of higher
2 education.

3 (2) "Board" means the higher education coordinating board.

4 (3) "Institution of higher education" means a public or independent
5 institution of higher education or private career school or college,
6 that: (a) Is located in the state of Washington; (b) is accredited by
7 an accrediting association recognized by the board for the purposes of
8 this program; (c) meets conditions adopted by the board for the
9 program; and (d) is accepted by the board for participation in the
10 program.

11 (4) "Foundation" means a private, nonprofit corporation that: (a)
12 Is registered under Title 24 RCW and qualifies as a tax-exempt entity
13 under section 501(c)(3) of the federal internal revenue code; (b)
14 exists solely for the benefit of one or more institutions of higher
15 education located in the state of Washington; and (c) is registered
16 with the attorney general's office under the charitable trust act,
17 chapter 11.110 RCW.

18 NEW SECTION. **Sec. 3.** The Washington state student scholarship
19 partnership program shall be administered by the board, in consultation
20 with institutions of higher education. In its administration of the
21 program, the board's duties may include, but need not be limited to:

22 (1) The adoption of rules, deadlines, and procedures. The rules
23 shall encourage scholarship recipients to repay the scholarship in
24 order to help other needy students, when the recipient's financial
25 circumstances permit such repayment;

26 (2) When the conditions of section 5 of this act are met, the
27 release of state matching funds to eligible needy students attending
28 independent institutions of higher education or private career schools
29 and colleges;

30 (3) When the conditions of section 5 of this act are met, the
31 release of state matching funds to participating public institutions of
32 higher education or their foundations for distribution to eligible
33 needy students;

34 (4) The determination of minimum and maximum scholarship amounts
35 per needy eligible student;

36 (5) The adoption of an annual allocation system based on factors
37 that may include, but need not be limited to: The amount of money
38 available in the trust fund; the characteristics of potential

1 participating institutions including the numbers of eligible needy
2 students enrolled in each such institution, adjusted by each eligible
3 needy student's rate of enrollment; the amount of private cash
4 donations that each potential participating institution commits to
5 raise annually for the program; and the amount of money previously
6 received by each participating institution or its foundation;

7 (6) The adoption of annual minimum matching amounts;

8 (7) The adoption of contracts with participating institutions and
9 foundations. The contracts may include any conditions required of
10 participants by the board, including but not limited to requirements to
11 maintain records on the disposition of state and private matching funds
12 and to provide an accounting of students assisted through the program;

13 (8) The adoption of policies that maximize the distribution of
14 trust fund and matching moneys to eligible needy students;

15 (9) The adoption of a mechanism to reallocate unused funds to
16 institutions of higher education or eligible needy students attending
17 such institutions if the institutions have used their annual allotment
18 of state matching moneys and have raised additional private donations
19 for which the state matching funds were not available; and

20 (10) The preparation and distribution of an annual report on the
21 results of the program. The report shall include an accounting of the
22 students who have benefited through the program.

23 NEW SECTION. **Sec. 4.** The Washington state student scholarship
24 partnership program trust fund is established in the custody of the
25 state treasurer. Funds appropriated by the legislature for the program
26 shall be deposited into the trust fund. At the request of the board
27 and when the conditions of section 5 of this act are met, the treasurer
28 shall release state matching funds from the trust fund to any
29 institution of higher education or its foundation as designated by the
30 board or to the board for distribution to eligible needy students. No
31 appropriation is required for expenditures from the trust fund.

32 NEW SECTION. **Sec. 5.** Subject to rules adopted by the board:

33 (1) All institutions of higher education are eligible to
34 participate in the program if they meet conditions adopted by the
35 board. An institution may apply to the board for money from the trust
36 fund when the institution or its foundation can match the money in the
37 trust fund with an equal amount of cash donations from private sources.

1 (2) Institutions of higher education shall adopt a definition of
2 merit for the purposes of the program.

3 (3) Public institutions of higher education or their foundations
4 shall distribute the private donations and state matching funds to
5 eligible needy students attending the institution.

6 (4) Private and independent institutions of higher education or
7 their foundations shall distribute to eligible needy students private
8 cash donations in an amount that equals the state matching moneys
9 received by the student.

10 (5) Only moneys received by an institution of higher education or
11 its foundation after the effective date of this section shall qualify
12 as matching funds.

13 (6) Cash donations from private sources eligible for state matching
14 funds under this program must supplement and not supplant the level of
15 private gift aid awarded to students by the respective institution or
16 its foundation during the 1995-96 academic year.

17 NEW SECTION. **Sec. 6.** A foundation is not eligible to receive
18 moneys from the trust fund unless the foundation and the governing
19 board of the institution of higher education for whose benefit the
20 foundation exists have entered into a contract, approved by the
21 attorney general that: (1) Specifies the services to be provided by
22 the foundation; (2) provides for the protection of any state matching
23 funds under the foundation's control that were provided under the
24 program; and (3) provides for the institution's assumption of the
25 ownership, management, and control of program funds if the foundation
26 ceases to exist, fails to function properly, or fails to provide the
27 specified services in accordance with the contract.

28 NEW SECTION. **Sec. 7.** The sum of ten million dollars, or as much
29 thereof as may be necessary, is appropriated for the fiscal year ending
30 June 30, 1997, from the general fund to the Washington state student
31 scholarship partnership program trust fund established under section 4
32 of this act. The appropriation shall be used to match money raised
33 from private sources for scholarships for needy and meritorious
34 resident students attending eligible institutions of higher education.

1 NEW SECTION. **Sec. 8.** Sections 1 through 6 of this act shall
2 constitute a new chapter in Title 28B RCW.

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