
SUBSTITUTE HOUSE BILL 1693

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Kenney, Carlson, Tokuda, Ogden, Santos and Conway; by request of Governor Locke)

Read first time 02/03/2000. Referred to Committee on .

1 AN ACT Relating to higher education scholarships; reenacting and
2 amending RCW 43.79A.040; adding a new chapter to Title 28B RCW;
3 creating a new section; providing an expiration date; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to strengthen the
7 link between postsecondary education and K-12 education by creating the
8 Washington's promise scholarship program for academically successful
9 high school graduates from low and middle-income families. The
10 legislature finds that, increasingly, an individual's economic
11 viability is contingent on postsecondary educational opportunities, yet
12 the state's full financial obligation is eliminated after the twelfth
13 grade. Students who work hard in kindergarten through twelfth grade
14 and successfully complete high school with high academic marks may not
15 have the financial ability to attend college because they cannot obtain
16 financial aid or the financial aid is insufficient.

1 NEW SECTION. **Sec. 2.** The higher education coordinating board
2 shall design the Washington's promise scholarship program based on the
3 following parameters:

4 (1) Scholarships shall be awarded to students who graduate from
5 high school or its equivalent and who meet both academic and financial
6 eligibility criteria.

7 (a) Before the K-12 certificate of mastery is required, academic
8 eligibility criteria shall be as follows:

9 (i) Students graduating from public and approved private high
10 schools under chapter 28A.195 RCW in 2001 and 2002 must be in the top
11 fifteen percent of their graduating class;

12 (ii) Beginning with the graduating class of 2003, students
13 graduating from public and approved private high schools under chapter
14 28A.195 RCW must pass all components of the Washington assessment of
15 student learning on their first attempt when they take it in the tenth
16 grade or be in the top fifteen percent of their graduating class;

17 (iii) Students participating in home-based instruction as provided
18 in chapter 28A.200 RCW must pass all components of the Washington
19 assessment of student learning on their first attempt when they take it
20 in the tenth grade and the cost of taking the Washington assessment of
21 student learning shall be ancillary services borne by the school
22 districts in which the students reside; and

23 (iv) For students attending private schools approved under chapter
24 28A.195 RCW, the cost of the Washington assessment of student learning
25 shall be ancillary services borne by the school districts in which the
26 students reside. If a significant number of students who attend the
27 same school wish to take the Washington assessment of student learning,
28 a contractor may provide the assessments at the private school and may
29 have the private school administer the assessments. If the assessments
30 are provided at the private school, the superintendent of public
31 instruction shall pay the assessment contractor the cost of the test
32 itself, including processing the test to determine the results, for
33 each student taking the assessment under this subsection (1)(a)(iv).
34 The superintendent shall not pay for any costs the private school may
35 incur in administering the assessments at the private school, such as
36 staff or administrative costs.

37 (b) After the K-12 certificate of mastery is required, students
38 graduating from public and approved private high schools under chapter
39 28A.195 RCW, and participants in home-based instruction as provided in

1 chapter 28A.200 RCW are academically eligible if they pass all parts of
2 the certificate of mastery on their first attempt.

3 (c) To meet the financial eligibility criteria, a student's family
4 income shall not exceed one hundred thirty-five percent of the state
5 median family income adjusted for family size, except as otherwise
6 determined in subsection (2) of this section.

7 (2) Promise scholarships are not intended to supplant any
8 scholarship or tax program related to postsecondary education. If the
9 board finds that promise scholarships supplant or reduce any grant,
10 scholarship, or tax program for categories of students, then the board
11 shall adjust the financial eligibility criteria or the amount of
12 scholarship to the level necessary to avoid supplanting.

13 (3) The amount of promise scholarships shall not exceed the
14 equivalent of two years' worth of tuition at the resident, full-time,
15 community college tuition rate. Awards for the second year of the
16 scholarship shall be made only to students who successfully complete
17 their first year of postsecondary education. In determining the amount
18 of scholarships, the board shall give the highest priority to awarding
19 scholarships to the maximum number of potential eligible recipients.

20 (4) By October 15th of each year, beginning in 2001, the board
21 shall determine the amount of the scholarships, after taking into
22 consideration the availability of funds.

23 (5) The scholarships may only be used for undergraduate degrees at
24 accredited institutions of higher education in the state of Washington.

25 (6) The scholarships must be used within ten years of being
26 awarded.

27 (7) The scholarships may be used for college-related expenses,
28 including but not limited to, tuition, room and board, books, and
29 materials.

30 (8) The scholarships may not be awarded to any student who is
31 pursuing a degree in theology.

32 NEW SECTION. **Sec. 3.** (1) The higher education coordinating board,
33 with the assistance of the institutions of higher education and the
34 office of the superintendent of public instruction, shall evaluate the
35 impact and the effectiveness of the Washington's promise scholarship
36 program. The evaluation shall include, but not be limited to: (a) An
37 analysis of what other financial assistance promise scholarship
38 recipients are receiving through other federal, state, and

1 institutional programs, including grants, work study, tuition waivers,
2 tax credits, and loan programs; (b) an analysis of whether the
3 implementation of the promise scholarship has had an impact on student
4 indebtedness; (c) an evaluation of what types of students are
5 successfully completing high school but do not have the financial
6 ability to attend college because they cannot obtain financial aid or
7 the financial aid is insufficient; and (d) an analysis of the costs of
8 administering the Washington assessment of student learning to students
9 receiving home-based instruction or attending private high schools
10 approved under chapter 28A.195 RCW. By November 1, 2001, the board
11 shall report its findings and make recommendations to the governor and
12 the legislature.

13 (2) This section expires December 31, 2001.

14 NEW SECTION. **Sec. 4.** The higher education coordinating board,
15 with the assistance of the office of the superintendent of public
16 instruction, shall implement and administer the Washington's promise
17 scholarship program described in section 2 of this act as follows:

18 (1) The first scholarships shall be awarded to eligible students
19 enrolling in postsecondary education in academic year 2001-02.

20 (2) The office of the superintendent of public instruction shall
21 provide the information to the higher education coordinating board that
22 is necessary for implementation of the program.

23 (a) For students graduating from high school in the top fifteen
24 percent of their class, the office of the superintendent of public
25 instruction shall provide the higher education coordinating board with
26 student names, addresses, birth dates, and unique numeric identifiers
27 as determined by each respective high school at the completion of the
28 first term of the senior year.

29 (b) Beginning with the 2000-01 school year, the office of the
30 superintendent of public instruction shall provide the names,
31 addresses, birth dates, and unique numeric identifiers of tenth grade
32 students who pass all components of the Washington assessment of
33 student learning on their first attempt to the higher education
34 coordinating board to assist the higher education coordinating board in
35 awarding scholarships. This shall be done by October 1st of each year
36 following the receipt of assessment scores.

37 (c) All student data should be considered confidential and used
38 solely for the purposes of providing scholarships to eligible students.

1 (3) The higher education coordinating board may adopt rules to
2 implement this chapter.

3 NEW SECTION. **Sec. 5.** The Washington's promise scholarship program
4 shall not be funded at the expense of the state need grant program as
5 defined in RCW 28B.10.800 through 28B.10.824. In administering the
6 state need grant and promise scholarship programs, the higher education
7 coordinating board shall first ensure that eligibility for state need
8 grant recipients is at least sixty-five percent of state median family
9 income.

10 NEW SECTION. **Sec. 6.** (1) The Washington's promise scholarship
11 account is created in the custody of the state treasurer. The account
12 shall be a nontreasury account retaining its interest earnings in
13 accordance with RCW 43.79A.040.

14 (2) The higher education coordinating board shall deposit in the
15 account all money received for the program. The account shall be self-
16 sustaining and consist of funds appropriated by the legislature for the
17 Washington's promise scholarship program, private contributions to the
18 program, and receipts from refunds of tuition and fees.

19 (3) Expenditures from the account shall be used for scholarships to
20 eligible students.

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

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

27 (6) Disbursements from the account shall be made only on the
28 authorization of the higher education coordinating board.

29 **Sec. 7.** RCW 43.79A.040 and 1999 c 384 s 8 and 1999 c 182 s 2 are
30 each reenacted and amended to read as follows:

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

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

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

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

15 (b) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's or fund's
17 average daily balance for the period: The Washington's promise
18 scholarship account, the Washington advanced college tuition payment
19 program account, the agricultural local fund, the American Indian
20 scholarship endowment fund, the Washington international exchange
21 scholarship endowment fund, the developmental disabilities endowment
22 trust fund, the energy account, the fair fund, the game farm
23 alternative account, the grain inspection revolving fund, the juvenile
24 accountability incentive account, the rural rehabilitation account, the
25 stadium and exhibition center account, the youth athletic facility
26 grant account, the self-insurance revolving fund, the sulfur dioxide
27 abatement account, and the children's trust fund. However, the
28 earnings to be distributed shall first be reduced by the allocation to
29 the state treasurer's service fund pursuant to RCW 43.08.190.

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

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

1 NEW SECTION. **Sec. 8.** Sections 1, 2, and 4 through 6 of this act
2 constitute a new chapter in Title 28B RCW.

3 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately.

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