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**SUBSTITUTE HOUSE BILL 1244**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives Kenney, Cox, Kagi, Tokuda, Gombosky, Morell, Fromhold, Van Luven, Keiser, Benson, Quall, Delvin, Doumit, Lantz, Wood, McIntire, Cooper, Simpson, Veloria, Lovick, Conway, Kessler, D. Schmidt, Lambert, O'Brien, Schual-Berke, Edwards, Darneille, Edmonds and Haigh)

Read first time 01/31/2001. Referred to Committee on .

1 AN ACT Relating to the creation of a foster care endowed  
2 scholarship program; amending RCW 43.79A.040; adding a new chapter to  
3 Title 28B RCW; and making an appropriation.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that children who grow  
6 up in the foster care system face many financial challenges. The  
7 legislature also finds that these financial challenges can discourage  
8 or prevent these children from pursuing a higher education. The  
9 legislature further finds that access to a higher education will give  
10 children who are in foster care hope for the future. Moreover, the  
11 legislature finds that financial assistance will help these children  
12 become successful, productive, contributing citizens and avoid cycles  
13 of abuse, poverty, violence, and delinquency.

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

17 (1) "Institution of higher education" includes:

1 (a) Public institutions of higher education, as defined in RCW  
2 28B.10.016;

3 (b) Private, nonprofit educational institutions, the main campuses  
4 of which are permanently situated in the state, providing programs of  
5 education beyond the high school level, leading to a degree or  
6 certificate, and accredited by the Northwest association of schools and  
7 colleges as of the effective date of this section;

8 (c) Other institutions designated by rule adopted by the higher  
9 education coordinating board.

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

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

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

14 (c) Is a financially needy student, as defined in RCW 28B.10.802;

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

16 (e) Has entered or will enter an institution of higher education or  
17 vocational program in Washington state within three years of high  
18 school graduation or having successfully completed his or her GED;

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

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

22 (3) "Cost of attendance" means the cost associated with the  
23 attendance of the institution of higher education as determined by the  
24 higher education coordinating board, including but not limited to  
25 tuition, room, board, and books.

26 NEW SECTION. **Sec. 3.** The foster care endowed scholarship program  
27 is created. The purpose of the program is to help students who were in  
28 foster care attend an institution of higher education in the state of  
29 Washington. The foster care endowed scholarship shall be administered  
30 by the higher education coordinating board. In administering the  
31 program, the higher education coordinating board's powers and duties  
32 shall include but not be limited to:

33 (1) Work with the department of social and health services and the  
34 superintendent of public instruction to provide information about the  
35 foster care endowed scholarship program to children in foster care in  
36 the state of Washington and to students over the age of sixteen who  
37 could be eligible for this program;

38 (2) Adopt necessary rules and guidelines;

- 1 (3) Publicize the program;
- 2 (4) Administer the foster care endowed scholarship trust fund and
- 3 the foster care scholarship endowment fund;
- 4 (5) Contract with a private agency to perform outreach to the
- 5 potentially eligible students; and
- 6 (6) Establish and assist the foster care endowed scholarship
- 7 advisory board in its duties as described in section 5 of this act.

8 NEW SECTION. **Sec. 4.** (1) The higher education coordinating board  
9 may award scholarships to eligible students from the foster care  
10 scholarship endowment fund in section 7 of this act, from funds  
11 appropriated to the board for this purpose, from any private donations,  
12 or from any other funds given to the board for the program.

13 (2) The amount of the award shall be the differential between the  
14 cost of attendance at the chosen institution of higher education and  
15 aggregate of the eligible student's Pell grant and state need grant.  
16 Grants shall not exceed the cost of attendance at a state public  
17 research institution of higher education.

18 (3) The eligible student may receive a maximum of eight semesters  
19 or twelve quarters of grants for higher education in the state of  
20 Washington.

21 (4) Grants under this chapter shall not affect eligibility for the  
22 state student financial aid program.

23 (5) An eligible student may transfer among institutions of higher  
24 education in the state of Washington.

25 (6) Grants may not exceed the cost of attendance at a state public  
26 research institution of higher education.

27 NEW SECTION. **Sec. 5.** (1) The foster care endowed scholarship  
28 advisory board is created.

29 (2) The advisory board shall be composed of not more than seven  
30 members appointed by the higher education coordinating board. The  
31 advisory board should include representatives from the higher education  
32 coordinating board, the office of the superintendent of public  
33 instruction, the foster parent community, and community organizations  
34 serving the foster children and former foster children community. The  
35 advisory board membership shall be reflective of the cultural diversity  
36 of the state.

37 (3) The advisory board:

1 (a) Shall assist the higher education coordinating board in  
2 publicizing the foster care endowed scholarship program;

3 (b) Shall solicit grants and donations from public and private  
4 sources for the program;

5 (c) Shall assist the higher education coordinating board in the  
6 program development and the application screening process; and

7 (d) May assist in performing outreach to the targeted students.

8 NEW SECTION. **Sec. 6.** (1) The foster care endowed scholarship  
9 trust fund is created in the custody of the state treasurer.

10 (2) Funds appropriated by the legislature for the foster care  
11 endowed scholarship trust fund shall be deposited in the foster care  
12 endowed scholarship trust fund. When conditions in section 8 of this  
13 act are met, the higher education coordinating board shall deposit  
14 state matching moneys from the trust fund into the foster care  
15 scholarship endowment fund.

16 (3) No appropriation is required for expenditures from the trust  
17 fund.

18 NEW SECTION. **Sec. 7.** The foster care scholarship endowment fund  
19 is created in the custody of the state treasurer.

20 (1) Moneys received from the higher education coordinating board,  
21 private donations, state matching moneys, and funds received from any  
22 other source may be deposited into the foster care scholarship  
23 endowment fund. Private moneys received as a gift subject to  
24 conditions may be deposited into the endowment fund if the conditions  
25 do not violate state or federal law.

26 (2) The higher education coordinating board may disburse grants to  
27 eligible students from the foster care scholarship endowment fund. No  
28 appropriation is required for expenditures from the endowment fund.

29 (3) When notified by court order that a condition attached to a  
30 gift of private moneys from the foster care scholarship endowment fund  
31 has failed, the higher education coordinating board shall release those  
32 moneys to the donors according to the terms of the conditional gift.

33 (4) The principal of the foster care scholarship endowment fund  
34 shall not be invaded. For the purposes of this section, only the first  
35 twenty-five thousand dollars deposited into the foster care scholarship  
36 endowment fund shall be considered the principal. The release of

1 moneys under subsection (3) of this section shall not constitute an  
2 invasion of the corpus.

3 (5) The foster care scholarship endowment fund shall be used solely  
4 for the purposes in this chapter, except when the conditional gift of  
5 private moneys in the endowment fund require a portion of the earnings  
6 on such moneys be reinvested in the endowment fund.

7 NEW SECTION. **Sec. 8.** (1) The higher education coordinating board  
8 may deposit twenty-five thousand dollars of state matching funds into  
9 the foster care scholarship endowment fund when the board can match  
10 state funds with an equal amount of private cash donations.

11 (2) After the initial match of twenty-five thousand dollars, state  
12 matching funds from the foster care endowed scholarship trust fund  
13 shall be released to the foster care scholarship endowment fund  
14 semiannually so long as there are funds available in the foster care  
15 endowed scholarship trust fund.

16 NEW SECTION. **Sec. 9.** The administrative staff for the foster care  
17 endowed scholarship program shall not exceed one-quarter full-time  
18 equivalent.

19 **Sec. 10.** RCW 43.79A.040 and 2000 c 79 s 45 are each amended to  
20 read as follows:

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

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

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

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

4 (b) The following accounts and funds shall receive their  
5 proportionate share of earnings based upon each account's or fund's  
6 average daily balance for the period: The Washington advanced college  
7 tuition payment program account, the agricultural local fund, the  
8 American Indian scholarship endowment fund, the foster care scholarship  
9 endowment fund, the foster care endowed scholarship trust fund, the  
10 basic health plan self-insurance reserve account, the Washington  
11 international exchange scholarship endowment fund, the developmental  
12 disabilities endowment trust fund, the energy account, the fair fund,  
13 the game farm alternative account, the grain inspection revolving fund,  
14 the juvenile accountability incentive account, the rural rehabilitation  
15 account, the stadium and exhibition center account, the youth athletic  
16 facility ((grant)) account, the self-insurance revolving fund, the  
17 sulfur dioxide abatement account, and the children's trust fund.  
18 However, the earnings to be distributed shall first be reduced by the  
19 allocation to the state treasurer's service fund pursuant to RCW  
20 43.08.190.

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

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

31 NEW SECTION. **Sec. 11.** Sections 1 through 9 of this act constitute  
32 a new chapter in Title 28B RCW.

33 NEW SECTION. **Sec. 12.** The sum of one hundred fifty thousand  
34 dollars, or as much thereof as may be necessary, is appropriated from  
35 the general fund to the higher education coordinating board for the

1 fiscal year ending June 30, 2002, to carry out the purposes of this  
2 act.

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