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HOUSE BILL 2807

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Kenney, Cox, Fromhold and Rockefeller; by request of Governor Locke

Read first time 01/29/2002. Referred to Committee on Higher Education.

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

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

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

16 NEW SECTION. **Sec. 2.** The higher education coordinating board  
17 shall design the Washington promise scholarship program based on the  
18 following parameters:

1 (1) Scholarships shall be awarded to students graduating from  
2 public and approved private high schools under chapter 28A.195 RCW and  
3 students participating in home-based instruction as provided in chapter  
4 28A.200 RCW who meet both an academic and a financial eligibility  
5 criteria.

6 (a) Academic eligibility criteria shall be defined as follows:

7 (i) Students graduating from public and approved private high  
8 schools under chapter 28A.195 RCW must be in the top fifteen percent of  
9 their graduating class, as identified by each respective high school at  
10 the completion of the first term of the student's senior year; or

11 (ii) Students graduating from public high schools, approved private  
12 high schools under chapter 28A.195 RCW, and students participating in  
13 home-based instruction as provided in chapter 28A.200 RCW must equal or  
14 exceed a cumulative scholastic aptitude test score of twelve hundred on  
15 their first attempt.

16 (b) To meet the financial eligibility criteria, a student's family  
17 income shall not exceed one hundred thirty-five percent of the state  
18 median family income adjusted for family size, as determined by the  
19 higher education coordinating board for each graduating class.  
20 Students not meeting the eligibility requirements for the first year of  
21 scholarship benefits may reapply for the second year of benefits, but  
22 must still meet the income standard set by the board for the student's  
23 graduating class.

24 (2) Promise scholarships are not intended to supplant any grant,  
25 scholarship, or tax program related to postsecondary education. If the  
26 board finds that promise scholarships supplant or reduce any grant,  
27 scholarship, or tax program for categories of students, then the board  
28 shall adjust the financial eligibility criteria or the amount of  
29 scholarship to the level necessary to avoid supplanting.

30 (3) Within available funds, each qualifying student shall receive  
31 two consecutive annual awards, the value of each not to exceed the  
32 full-time annual resident tuition rates charged by Washington's  
33 community colleges. The higher education coordinating board shall  
34 award scholarships to as many students as possible from among those  
35 qualifying under this section.

36 (4) By October 15th of each year, the board shall determine the  
37 award amount of the scholarships, after taking into consideration the  
38 availability of funds.

1 (5) The scholarships may only be used for undergraduate coursework  
2 at accredited institutions of higher education in the state of  
3 Washington.

4 (6) The scholarships may be used for college-related expenses,  
5 including but not limited to, tuition, room and board, books, and  
6 materials.

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

9 (8) The higher education coordinating board may establish  
10 satisfactory progress standards for the continued receipt of the  
11 promise scholarship.

12 (9) The higher education coordinating board shall establish the  
13 time frame within which the student must use the scholarship.

14 NEW SECTION. **Sec. 3.** 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 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 the 2002-03 academic year.

20 (2) The office of the superintendent of public instruction shall  
21 provide information to the higher education coordinating board that is  
22 necessary for implementation of the program. The higher education  
23 coordinating board and the office of the superintendent of public  
24 instruction shall jointly establish a timeline and procedures necessary  
25 for accurate and timely data reporting.

26 (a) For students meeting the academic eligibility criteria as  
27 provided in section 2(1)(a) of this act, the office of the  
28 superintendent of public instruction shall provide the higher education  
29 coordinating board with student names, addresses, birth dates, and  
30 unique numeric identifiers.

31 (b) Public and approved private high schools under chapter 28A.195  
32 RCW shall provide requested information necessary for implementation of  
33 the program to the office of the superintendent of public instruction  
34 within the established timeline.

35 (c) All student data is confidential and may be used solely for the  
36 purposes of providing scholarships to eligible students.

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

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

8        NEW SECTION.    **Sec. 5.**    This chapter shall not be construed to  
9 change current state requirements for students who received home-based  
10 instruction under chapter 28A.200 RCW.

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

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

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

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

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

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

30        **Sec. 7.**    RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 are  
31 each reenacted and amended to read as follows:

32        (1) Money in the treasurer's trust fund may be deposited, invested,  
33 and reinvested by the state treasurer in accordance with RCW 43.84.080  
34 in the same manner and to the same extent as if the money were in the  
35 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 promise  
18 scholarship account, the college savings program account, the  
19 Washington advanced college tuition payment program account, the  
20 agricultural local fund, the American Indian scholarship endowment  
21 fund, the basic health plan self-insurance reserve account, the  
22 Washington international exchange scholarship endowment fund, the  
23 developmental disabilities endowment trust fund, the energy account,  
24 the fair fund, the game farm alternative account, the grain inspection  
25 revolving fund, the juvenile accountability incentive account, the  
26 rural rehabilitation account, the stadium and exhibition center  
27 account, the youth athletic facility account, the self-insurance  
28 revolving fund, the sulfur dioxide abatement account, and the  
29 children's trust fund. However, the earnings to be distributed shall  
30 first be reduced by the allocation to the state treasurer's service  
31 fund pursuant to RCW 43.08.190.

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

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

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

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

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