
SENATE BILL 5404

State of Washington

57th Legislature

2001 Regular Session

By Senators Kohl-Welles, Eide, McAuliffe, Shin, Patterson, Regala, Costa, Finkbeiner, Haugen and Rasmussen; by request of Governor Locke

Read first time 01/22/2001. Referred to Committee on Higher Education.

1 AN ACT Relating to higher education scholarships; amending RCW
2 43.79A.040; adding a new chapter to Title 28B RCW; and declaring an
3 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 2001-02 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 sixty-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 2000 c 79 s 45 are each amended to read
31 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 Washington advanced college tuition payment
19 program account, the agricultural local fund, the American Indian
20 scholarship endowment fund, the basic health plan self-insurance
21 reserve account, the Washington international exchange scholarship
22 endowment fund, the developmental disabilities endowment trust fund,
23 the energy account, the fair fund, the game farm alternative account,
24 the grain inspection revolving fund, the juvenile accountability
25 incentive account, the rural rehabilitation account, the stadium and
26 exhibition center account, the youth athletic facility ((grant))
27 account, the self-insurance revolving fund, the sulfur dioxide
28 abatement account, and the children's trust fund. However, the
29 earnings to be distributed shall first be reduced by the allocation to
30 the state treasurer's service fund pursuant to RCW 43.08.190.

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

--- END ---