

CERTIFICATION OF ENROLLMENT  
**SECOND SUBSTITUTE HOUSE BILL 1050**

Chapter 215, Laws of 2005

(partial veto)

59th Legislature  
2005 Regular Session

FOSTER CARE SCHOLARSHIPS

EFFECTIVE DATE: 7/24/05

Passed by the House March 3, 2005  
Yeas 96 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate April 13, 2005  
Yeas 44 Nays 0

BRAD OWEN

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**President of the Senate**

Approved April 28, 2005, with the  
exception of section 9, which is vetoed.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1050** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

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**Chief Clerk**

FILED

April 28, 2005 - 3:31 p.m.

**Secretary of State  
State of Washington**

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SECOND SUBSTITUTE HOUSE BILL 1050

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Passed Legislature - 2005 Regular Session

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Kenney, Hinkle, Kagi, Dunn, Quall, Clements, Morrell, McIntire, Schual-Berke, Haigh, Simpson, Linville, Santos and Chase)

READ FIRST TIME 02/23/05.

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

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" means a college or university

1 in the state of Washington that is accredited by an accrediting  
2 association recognized as such by rule of the higher education  
3 coordinating board.

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

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

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

8 (c) Is a financially needy student, as defined in RCW 28B.92.030;

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

10 (e) Has entered or will enter an institution of higher education in  
11 Washington state within three years of high school graduation or having  
12 successfully completed his or her GED;

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

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

16 (3) "Cost of attendance" means the cost associated with the  
17 attendance of the institution of higher education as determined by the  
18 higher education coordinating board, including but not limited to  
19 tuition, room, board, and books.

20 NEW SECTION. **Sec. 3.** (1) The foster care endowed scholarship  
21 program is created. The purpose of the program is to help students who  
22 were in foster care attend an institution of higher education in the  
23 state of Washington. The foster care endowed scholarship program shall  
24 be administered by the higher education coordinating board.

25 (2) In administering the program, the higher education coordinating  
26 board's powers and duties shall include but not be limited to:

27 (a) Adopting necessary rules and guidelines;

28 (b) Administering the foster care endowed scholarship trust fund  
29 and the foster care scholarship endowment fund; and

30 (c) Establishing and assisting the foster care endowed scholarship  
31 advisory board in its duties as described in section 5 of this act.

32 (3) In administering the program, the higher education coordinating  
33 board's powers and duties may include but not be limited to:

34 (a) Working with the department of social and health services and  
35 the superintendent of public instruction to provide information about  
36 the foster care endowed scholarship program to children in foster care

1 in the state of Washington and to students over the age of sixteen who  
2 could be eligible for this program;

3 (b) Publicizing the program; and

4 (c) Contracting with a private agency to perform outreach to the  
5 potentially eligible students.

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

11 (2) The board may award scholarships to eligible students from  
12 moneys earned from the foster care scholarship endowment fund created  
13 in section 7 of this act, or from funds appropriated to the board for  
14 this purpose, or from any private donations, or from any other funds  
15 given to the board for this program. For an undergraduate student, the  
16 amount of the scholarship shall not exceed the student's demonstrated  
17 financial need. For a graduate student, the amount of the scholarship  
18 shall not exceed the student's demonstrated need; or the stipend of a  
19 teaching assistant, including tuition, at the University of Washington;  
20 whichever is higher. In calculating a student's need, the board shall  
21 consider the student's costs for tuition, fees, books, supplies,  
22 transportation, room, board, personal expenses, and child care. The  
23 student's scholarship awarded under this chapter shall not exceed the  
24 amount received by a student attending a state research university. A  
25 student is eligible to receive a scholarship for a maximum of five  
26 years. However, the length of the scholarship shall be determined at  
27 the discretion of the board.

28 (3) Grants under this chapter shall not affect eligibility for the  
29 state student financial aid program.

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

32 (2) The advisory board shall be composed of not more than seven  
33 members appointed by the higher education coordinating board. The  
34 advisory board should include representatives from the higher education  
35 coordinating board, the office of the superintendent of public  
36 instruction, the foster parent community, and community organizations

1 serving the foster children and former foster children community. The  
2 advisory board membership shall be reflective of the cultural diversity  
3 of the state.

4 (3) The advisory board:

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

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

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

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

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

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

20 (3) No appropriation is required for expenditures from the trust  
21 fund.

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

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

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

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

1 (4) The principal of the foster care scholarship endowment fund  
2 shall not be invaded. For the purposes of this section, only the first  
3 twenty-five thousand dollars deposited into the foster care scholarship  
4 endowment fund shall be considered the principal. The release of  
5 moneys under subsection (3) of this section shall not constitute an  
6 invasion of the corpus.

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

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

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

20 ***\*NEW SECTION. Sec. 9. The administrative staff for the foster care***  
21 ***endowed scholarship program shall not exceed one-quarter full-time***  
22 ***equivalent.***

*\*Sec. 9 was vetoed. See message at end of chapter.*

23 **Sec. 10.** RCW 43.79A.040 and 2004 c 246 s 8 and 2004 c 58 s 10 are  
24 each reenacted and amended to read as follows:

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

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

32 (3) The investment income account may be utilized for the payment  
33 of purchased banking services on behalf of treasurer's trust funds  
34 including, but not limited to, depository, safekeeping, and  
35 disbursement functions for the state treasurer or affected state

1 agencies. The investment income account is subject in all respects to  
2 chapter 43.88 RCW, but no appropriation is required for payments to  
3 financial institutions. Payments shall occur prior to distribution of  
4 earnings set forth in subsection (4) of this section.

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

8 (b) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's or fund's  
10 average daily balance for the period: The Washington promise  
11 scholarship account, the college savings program account, the  
12 Washington advanced college tuition payment program account, the  
13 agricultural local fund, the American Indian scholarship endowment  
14 fund, the foster care scholarship endowment fund, the foster care  
15 endowed scholarship trust fund, the students with dependents grant  
16 account, the basic health plan self-insurance reserve account, the  
17 contract harvesting revolving account, the Washington state combined  
18 fund drive account, the Washington international exchange scholarship  
19 endowment fund, the developmental disabilities endowment trust fund,  
20 the energy account, the fair fund, the fruit and vegetable inspection  
21 account, the future teachers conditional scholarship account, the game  
22 farm alternative account, the grain inspection revolving fund, the  
23 juvenile accountability incentive account, the law enforcement  
24 officers' and fire fighters' plan 2 expense fund, the local tourism  
25 promotion account, the produce railcar pool account, the rural  
26 rehabilitation account, the stadium and exhibition center account, the  
27 youth athletic facility account, the self-insurance revolving fund, the  
28 sulfur dioxide abatement account, the children's trust fund, the  
29 Washington horse racing commission Washington bred owners' bonus fund  
30 account, the Washington horse racing commission class C purse fund  
31 account, and the Washington horse racing commission operating account  
32 (earnings from the Washington horse racing commission operating account  
33 must be credited to the Washington horse racing commission class C  
34 purse fund account). However, the earnings to be distributed shall  
35 first be reduced by the allocation to the state treasurer's service  
36 fund pursuant to RCW 43.08.190.

37 (c) The following accounts and funds shall receive eighty percent  
38 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The advanced right of way  
2 revolving fund, the advanced environmental mitigation revolving  
3 account, the city and county advance right-of-way revolving fund, the  
4 federal narcotics asset forfeitures account, the high occupancy vehicle  
5 account, the local rail service assistance account, and the  
6 miscellaneous transportation programs account.

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

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

Passed by the House March 3, 2005.

Passed by the Senate April 13, 2005.

Approved by the Governor April 28, 2005, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State April 28, 2005.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Section 9, Second  
Substitute House Bill 1050 entitled:

"AN ACT Relating to the creation of a foster care endowed  
scholarship program"

This bill and the Board creates scholarships for foster youth. I am  
vetoing Section 9, however, as it would limit the administrative  
support for the foster youth scholarship program to one-quarter full-  
time equivalent employee (FTE). Any money allocated for the foster  
youth scholarship program should go directly to that purpose. But  
FTE targets or limitations are properly addressed through the budget  
process.

For these reasons, I have vetoed Section 9 of Second Substitute House  
Bill 1050.

With the exception of sections Section 9, Second Substitute House  
Bill 1050 is approved."