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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1512

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State of Washington

65th Legislature

2017 Regular Session

**By** House Appropriations (originally sponsored by Representatives Bergquist, Stambaugh, McBride, Gregerson, Slatter, Frame, Macri, Peterson, Hudgins, Pollet, Orwall, Doglio, Appleton, Fitzgibbon, Goodman, Farrell, and Stanford)

READ FIRST TIME 02/24/17.

1 AN ACT Relating to expanding college bound scholarship  
2 eligibility; amending RCW 28B.118.010, 28B.118.040, 28B.118.090, and  
3 28B.92.060; and creating a new section.

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

5 **Sec. 1.** RCW 28B.118.010 and 2015 3rd sp.s. c 36 s 8 are each  
6 amended to read as follows:

7 The office of student financial assistance shall design the  
8 Washington college bound scholarship program in accordance with this  
9 section and in alignment with the state need grant program in chapter  
10 28B.92 RCW unless otherwise provided in this section.

11 (1) "Eligible students" are those students who:

12 (a) Qualify for free or reduced-price lunches.

13 (i) If a student qualifies in the seventh or eighth grade, the  
14 student remains eligible even if the student does not receive free or  
15 reduced-price lunches thereafter;

16 (ii) Beginning in the 2017-18 academic year, if a student  
17 qualifies for free or reduced-price lunches in the ninth grade and  
18 was previously ineligible during the seventh or eighth grade while he  
19 or she was a student in Washington, the student is eligible for the  
20 college bound scholarship program; or

1 (iii) Beginning in the 2018-19 academic year, if a student  
2 qualifies for free or reduced-price lunches in the tenth grade and  
3 was previously ineligible during the seventh or eighth grade while he  
4 or she was a student in Washington, the student is eligible for the  
5 college bound scholarship program; or

6 (b) Are dependent pursuant to chapter 13.34 RCW and:

7 (i) In grade seven through twelve; or

8 (ii) Are between the ages of eighteen and twenty-one and have not  
9 graduated from high school.

10 (2) Eligible students shall be notified of their eligibility for  
11 the Washington college bound scholarship program (~~(beginning)~~) in  
12 their seventh, eighth, ninth, and tenth grade years. Students shall  
13 also be notified of the requirements for award of the scholarship.

14 (3)(a) To be eligible for a Washington college bound scholarship,  
15 a student eligible under subsection (1)(a)(i) of this section must  
16 sign a pledge during seventh or eighth grade (~~(that includes)~~) or a  
17 student eligible under subsection (1)(a)(ii) or (1)(a)(iii) of this  
18 section must sign a pledge during ninth or tenth grade. The pledge  
19 must include a commitment to graduate from high school with at least  
20 a C average and with no felony convictions. The pledge must be  
21 witnessed by a parent or guardian and forwarded to the office of  
22 student financial assistance by mail or electronically, as indicated  
23 on the pledge form.

24 (b) A student eligible under subsection (1)(b) of this section  
25 shall be automatically enrolled, with no action necessary by the  
26 student or the student's family, and the enrollment form must be  
27 forwarded by the department of social and health services to the  
28 (~~(higher education coordinating board or its successor)~~) student  
29 achievement council by mail or electronically, as indicated on the  
30 form.

31 (4)(a) Scholarships shall be awarded to eligible students  
32 graduating from public high schools, approved private high schools  
33 under chapter 28A.195 RCW, or who received home-based instruction  
34 under chapter 28A.200 RCW.

35 (b)(i) To receive the Washington college bound scholarship, a  
36 student must graduate with at least a "C" average from a public high  
37 school or an approved private high school under chapter 28A.195 RCW  
38 in Washington or have received home-based instruction under chapter  
39 28A.200 RCW, must have no felony convictions, and must be a resident  
40 student as defined in RCW 28B.15.012(2) (a) through (d).

1 (ii) For a student who does not meet the "C" average requirement,  
2 and who completes fewer than two quarters in the running start  
3 program, under chapter 28A.600 RCW, the student's first quarter of  
4 running start course grades must be excluded from the student's  
5 overall grade point average for purposes of determining their  
6 eligibility to receive the scholarship.

7 (5) A student's family income will be assessed upon graduation  
8 before awarding the scholarship.

9 (6) If at graduation from high school the student's family income  
10 does not exceed sixty-five percent of the state median family income,  
11 scholarship award amounts shall be as provided in this section.

12 (a) For students attending two or four-year institutions of  
13 higher education as defined in RCW 28B.10.016, the value of the award  
14 shall be (i) the difference between the student's tuition and  
15 required fees, less the value of any state-funded grant, scholarship,  
16 or waiver assistance the student receives; (ii) plus five hundred  
17 dollars for books and materials.

18 (b) For students attending private four-year institutions of  
19 higher education in Washington, the award amount shall be the  
20 representative average of awards granted to students in public  
21 research universities in Washington or the representative average of  
22 awards granted to students in public research universities in  
23 Washington in the 2014-15 academic year, whichever is greater.

24 (c) For students attending private vocational schools in  
25 Washington, the award amount shall be the representative average of  
26 awards granted to students in public community and technical colleges  
27 in Washington or the representative average of awards granted to  
28 students in public community and technical colleges in Washington in  
29 the 2014-15 academic year, whichever is greater.

30 (7) Recipients may receive no more than four full-time years'  
31 worth of scholarship awards.

32 (8) Institutions of higher education shall award the student all  
33 need-based and merit-based financial aid for which the student would  
34 otherwise qualify. The Washington college bound scholarship is  
35 intended to replace unmet need, loans, and, at the student's option,  
36 work-study award before any other grants or scholarships are reduced.

37 (9) The first scholarships shall be awarded to students  
38 graduating in 2012.

39 (10) The state of Washington retains legal ownership of tuition  
40 units awarded as scholarships under this chapter until the tuition

1 units are redeemed. These tuition units shall remain separately held  
2 from any tuition units owned under chapter 28B.95 RCW by a Washington  
3 college bound scholarship recipient.

4 (11) The scholarship award must be used within five years of  
5 receipt. Any unused scholarship tuition units revert to the  
6 Washington college bound scholarship account.

7 (12) Should the recipient terminate his or her enrollment for any  
8 reason during the academic year, the unused portion of the  
9 scholarship tuition units shall revert to the Washington college  
10 bound scholarship account.

11 **Sec. 2.** RCW 28B.118.040 and 2015 c 244 s 4 are each amended to  
12 read as follows:

13 The office of student financial assistance shall:

14 (1) With the assistance of the office of the superintendent of  
15 public instruction, implement and administer the Washington college  
16 bound scholarship program;

17 (2) Develop and distribute, to all schools with students enrolled  
18 in grades seven (~~or eight~~) through ten, a pledge form that can be  
19 completed and returned electronically or by mail by the student or  
20 the school to the office of student financial assistance;

21 (3) Develop and implement a student application, selection, and  
22 notification process for scholarships, which includes working with  
23 other state agencies, law enforcement, or the court system to verify  
24 that eligible students do not have felony convictions;

25 (4) Annually in March, with the assistance of the office of the  
26 superintendent of public instruction, distribute to tenth grade  
27 college bound scholarship students and their families: (a)  
28 Notification that, to qualify for the scholarship, a student's family  
29 income may not exceed sixty-five percent of the state median family  
30 income at graduation from high school; (b) the current year's value  
31 for sixty-five percent of the state median family income; and (c) a  
32 statement that a student should consult their school counselor if  
33 their family makes, or is projected to make, more than this value  
34 before the student graduates;

35 (5) Develop comprehensive social media outreach with grade-level  
36 specific information designed to keep students on track to graduate  
37 and leverage current tools such as the high school and beyond plan  
38 required by the state board of education and the ready set grad web  
39 site maintained by the student achievement council;

1 (6) Track scholarship recipients to ensure continued eligibility  
2 and determine student compliance for awarding of scholarships;

3 (7) Within existing resources, collaborate with college access  
4 providers and K-12, postsecondary, and youth-serving organizations to  
5 map and coordinate mentoring and advising resources across the state;

6 (8) Subject to appropriation, deposit funds into the state  
7 educational trust fund;

8 (9) Purchase tuition units under the advanced college tuition  
9 payment program in chapter 28B.95 RCW to be owned and held in trust  
10 by the (~~board~~) student achievement council, for the purpose of  
11 scholarship awards as provided for in this section; and

12 (10) Distribute scholarship funds, in the form of tuition units  
13 purchased under the advanced college tuition payment program in  
14 chapter 28B.95 RCW or through direct payments from the state  
15 educational trust fund, to institutions of higher education on behalf  
16 of scholarship recipients identified by the office, as long as  
17 recipients maintain satisfactory academic progress.

18 **Sec. 3.** RCW 28B.118.090 and 2015 c 244 s 6 are each amended to  
19 read as follows:

20 (1) Beginning January 1, 2015, and at a minimum every year  
21 thereafter, the student achievement council and all institutions of  
22 higher education eligible to participate in the college bound  
23 scholarship program shall ensure data needed to analyze and evaluate  
24 the effectiveness of the college bound scholarship program is  
25 promptly transmitted to the education data center created in RCW  
26 43.41.400 so that it is available and easily accessible. The data to  
27 be reported should include but not be limited to:

28 (a) The number of students who sign up for the college bound  
29 scholarship program in seventh or eighth grade, or in ninth or tenth  
30 grade;

31 (b) The number of college bound scholarship students who graduate  
32 from high school;

33 (c) The number of college bound scholarship students who enroll  
34 in postsecondary education;

35 (d) Persistence and completion rates of college bound scholarship  
36 recipients disaggregated by institutions of higher education;

37 (e) College bound scholarship recipient grade point averages;

38 (f) The number of college bound scholarship recipients who did  
39 not remain eligible and reasons for ineligibility;

1 (g) College bound scholarship program costs; and

2 (h) Impacts to the state need grant program.

3 (2) Beginning May 12, 2015, and at a minimum every December 1st  
4 thereafter, the student achievement council shall submit student unit  
5 record data for the college bound scholarship program applicants and  
6 recipients to the education data center.

7 **Sec. 4.** RCW 28B.92.060 and 2012 c 229 s 558 are each amended to  
8 read as follows:

9 In awarding need grants, the office shall proceed substantially  
10 as follows: PROVIDED, That nothing contained herein shall be  
11 construed to prevent the office, in the exercise of its sound  
12 discretion, from following another procedure when the best interest  
13 of the program so dictates:

14 (1) The office shall annually select the financial aid award  
15 recipients from among Washington residents applying for student  
16 financial aid who have been ranked according to:

17 (a) Financial need as determined by the amount of the family  
18 contribution; (~~and~~)

19 (b) College bound scholarship eligibility, in which students who  
20 are eligible for the college bound scholarship and whose family  
21 incomes are in the zero to seventy percent median family income range  
22 shall be prioritized and awarded the maximum state need grant for  
23 which they are eligible under state policies and may not be denied  
24 maximum state need grant funding due to institutional policies or  
25 delayed awarding of college bound scholarship students; and

26 (c) Other considerations, such as whether the student is a former  
27 foster youth, or is a placebound student who has completed an  
28 associate of arts or associate of science degree or its equivalent.

29 (2) The financial need of the highest ranked students shall be  
30 met by grants depending upon the evaluation of financial need until  
31 the total allocation has been disbursed. Funds from grants which are  
32 declined, forfeited or otherwise unused shall be reawarded until  
33 disbursed, except that eligible former foster youth shall be assured  
34 receipt of a grant. The office, in consultation with four-year  
35 institutions of higher education, the council, and the state board  
36 for community and technical colleges, shall develop award criteria  
37 and methods of disbursement based on level of need, and not solely  
38 rely on a first-come, first-served basis.

1 (3) A student shall be eligible to receive a state need grant for  
2 up to five years, or the credit or clock hour equivalent of five  
3 years, or up to one hundred twenty-five percent of the published  
4 length of time of the student's program. A student may not start a  
5 new associate degree program as a state need grant recipient until at  
6 least five years have elapsed since earning an associate degree as a  
7 need grant recipient, except that a student may earn two associate  
8 degrees concurrently. Qualifications for renewal will include  
9 maintaining satisfactory academic progress toward completion of an  
10 eligible program as determined by the office. Should the recipient  
11 terminate his or her enrollment for any reason during the academic  
12 year, the unused portion of the grant shall be returned to the state  
13 educational grant fund by the institution according to the  
14 institution's own policy for issuing refunds, except as provided in  
15 RCW 28B.92.070.

16 (4) In computing financial need, the office shall determine a  
17 maximum student expense budget allowance, not to exceed an amount  
18 equal to the total maximum student expense budget at the public  
19 institutions plus the current average state appropriation per student  
20 for operating expense in the public institutions. Any child support  
21 payments received by students who are parents attending less than  
22 half-time shall not be used in computing financial need.

23 (5)(a) A student who is enrolled in three to six credit-bearing  
24 quarter credits, or the equivalent semester credits, may receive a  
25 grant for up to one academic year before beginning a program that  
26 leads to a degree or certificate.

27 (b) An eligible student enrolled on a less-than-full-time basis  
28 shall receive a prorated portion of his or her state need grant for  
29 any academic period in which he or she is enrolled on a less-than-  
30 full-time basis, as long as funds are available.

31 (c) An institution of higher education may award a state need  
32 grant to an eligible student enrolled in three to six credit-bearing  
33 quarter credits, or the semester equivalent, on a provisional basis  
34 if:

35 (i) The student has not previously received a state need grant  
36 from that institution;

37 (ii) The student completes the required free application for  
38 federal student aid;

39 (iii) The institution has reviewed the student's financial  
40 condition, and the financial condition of the student's family if the

1 student is a dependent student, and has determined that the student  
2 is likely eligible for a state need grant; and

3 (iv) The student has signed a document attesting to the fact that  
4 the financial information provided on the free application for  
5 federal student aid and any additional financial information provided  
6 directly to the institution is accurate and complete, and that the  
7 student agrees to repay the institution for the grant amount if the  
8 student submitted false or incomplete information.

9 (6) As used in this section, "former foster youth" means a person  
10 who is at least eighteen years of age, but not more than twenty-four  
11 years of age, who was a dependent of the department of social and  
12 health services at the time he or she attained the age of eighteen.

13 NEW SECTION. **Sec. 5.** If specific funding for the purposes of  
14 this act, referencing this act by bill or chapter number, is not  
15 provided by June 30, 2017, in the omnibus appropriations act, this  
16 act is null and void.

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