

2 **E2SSB 5598** - H COMM AMD
3 By Committee on Higher Education

4

5 Strike everything after the enacting clause and insert the
6 following:

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

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

21 (1) Scholarships shall be awarded to students who graduate from
22 high school or its equivalent and who meet both academic and financial
23 eligibility criteria.

24 (a) The academic eligibility criteria shall be as follows: (i)
25 Students graduating from public high schools in the years 1999, 2000,
26 2001, and 2002 must be in the top fifteen percent of their graduating
27 class; (ii) beginning with the graduating class of 2003, students must
28 pass all parts of the Washington assessment of student learning on
29 their first attempt when they take it as tenth graders; (iii) beginning
30 with the graduating class of 2001, the board shall outline criteria
31 extending eligibility for scholarships to graduates of private high
32 schools approved under chapter 28A.195 RCW and participants in home-
33 based instruction as provided for in chapter 28A.200 RCW.

34 (b) To meet the financial eligibility criteria, a student's family
35 income shall not exceed one hundred thirty-five percent of the state

1 median family income adjusted for family size, except as otherwise
2 determined in subsection (2) of this section.

3 (2) Promise scholarships are not intended to supplant any
4 scholarship or tax program related to postsecondary education. If the
5 board finds that promise scholarships supplant any federal scholarship
6 or tax program, then the board shall adjust the financial eligibility
7 criteria to the level necessary to avoid supplanting.

8 (3) The amount of promise scholarships shall be determined by the
9 availability of funds, but should not exceed the equivalent of two
10 years' worth of tuition at the resident, full-time, community college
11 tuition rate. Awards for the second year of the scholarship shall be
12 made only to students who successfully complete their first year of
13 postsecondary education. In determining the amount of scholarships,
14 the board shall give the highest priority to awarding scholarships to
15 the maximum number of potential eligible recipients.

16 (4) By July 15th of each year, beginning in 1999, the board shall
17 determine the amount of the scholarships, after taking into
18 consideration the availability of funds.

19 (5) The form of the scholarships shall be as follows:

20 (a) For eligible students graduating from high school in the years
21 1999, 2000, 2001, and 2002, the scholarships shall be in the form of
22 grants;

23 (b) Beginning with the graduating class of 2003, the scholarships
24 shall be in the form of tuition units purchased through the advanced
25 college tuition payment program under chapter 28B.95 RCW. In addition
26 to the provisions in chapter 28B.95 RCW, tuition units granted to
27 students by the higher education coordinating board for the Washington
28 promise scholarship program are subject to the following additional
29 restrictions: (i) The units may not be transferred to another
30 individual or family member under RCW 28B.95.030; (ii) the units may
31 not be used to pay tuition at an out-of-state institution of higher
32 education under RCW 28B.95.050; and (iii) refunds for units shall not
33 be provided to scholarship recipients under RCW 28B.95.090 or
34 28B.95.110.

35 (6) The scholarships may only be used at accredited institutions of
36 higher education in the state of Washington.

37 (7) The scholarships must be used within ten years of being
38 awarded.

1 (8) The scholarships may be used for college-related expenses,
2 including but not limited to, tuition, room and board, books, and
3 materials.

4 NEW SECTION. **Sec. 3.** (1) The higher education coordinating board,
5 with the assistance of the institutions of higher education and the
6 office of the superintendent of public instruction, shall evaluate the
7 impact and the effectiveness of the Washington promise scholarship
8 program. The evaluation shall include, but not be limited to: (a) An
9 analysis of what other financial assistance promise scholarship
10 recipients are receiving through other federal, state, and
11 institutional programs, including grants, work study, tuition waivers,
12 tax credits, and loan programs; (b) an analysis of whether the
13 implementation of the promise scholarship has had an impact on student
14 indebtedness; and (c) an evaluation of what types of students are
15 successfully completing high school but do not have the financial
16 ability to attend college because they cannot obtain financial aid or
17 the financial aid is insufficient. By November 1, 2000, the board
18 shall report its findings and make recommendations to the governor and
19 the legislature.

20 (2) This section expires December 31, 2000.

21 NEW SECTION. **Sec. 4.** The scholarships will be awarded only in
22 those academic years for which the higher education coordinating board
23 verifies that the financial aid program in RCW 28B.10.800 through
24 28B.10.824 has been funded to reach the goal of providing financial aid
25 to all eligible students up to sixty-five percent of median family
26 income.

27 NEW SECTION. **Sec. 5.** The higher education coordinating board,
28 with the assistance of the office of the superintendent of public
29 instruction, shall implement and administer the Washington promise
30 scholarship program described in section 2 of this act as follows:

31 (1) The first scholarships shall be awarded to eligible students
32 enrolling in postsecondary education in academic year 1999-2000.

33 (2) The office of the superintendent of public instruction shall
34 provide the information to the higher education coordinating board that
35 is necessary for implementation of the program.

1 (a) For students graduating from high school in the years 1999,
2 2000, 2001, and 2002, the office of the superintendent of public
3 instruction shall provide the higher education coordinating board with
4 the names, addresses, and unique numeric identifiers for students in
5 the top fifteen percent of each respective high school graduating class
6 in Washington state. This shall be done by June 30th of each year.

7 (b) Beginning with the 2000-01 school year, the office of the
8 superintendent of public instruction shall provide the names of tenth
9 grade students who pass the Washington assessment of student learning
10 on their first attempt to the higher education coordinating board to
11 assist the higher education coordinating board in awarding
12 scholarships. This shall be done by July 15th of each summer following
13 the receipt of assessment scores to enable students to use the
14 scholarship upon completion of twelfth grade.

15 (c) All student data should be considered confidential and used
16 solely for the purposes of providing scholarships to eligible students.

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

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

23 (2) The higher education coordinating board shall deposit in the
24 account all money received for the program. The account shall be self-
25 sustaining and consist of funds appropriated by the legislature for the
26 Washington promise scholarship program, private contributions to the
27 program, and receipts from refunds of tuition and fees.

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

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

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

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

1 **Sec. 7.** RCW 43.79A.040 and 1998 c 268 s 1 are each amended to read
2 as follows:

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

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

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

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

21 (b) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's or fund's
23 average daily balance for the period: The Washington promise
24 scholarship account, the Washington advanced college tuition payment
25 program account, the agricultural local fund, the American Indian
26 scholarship endowment fund, the Washington international exchange
27 scholarship endowment fund, the energy account, the fair fund, the game
28 farm alternative account, the grain inspection revolving fund, the
29 rural rehabilitation account, the stadium and exhibition center
30 account, the youth athletic facility grant account, the self-insurance
31 revolving fund, the sulfur dioxide abatement account, and the
32 children's trust fund. However, the earnings to be distributed shall
33 first be reduced by the allocation to the state treasurer's service
34 fund pursuant to RCW 43.08.190.

35 (c) The following accounts and funds shall receive eighty percent
36 of their proportionate share of earnings based upon each account's or
37 fund's average daily balance for the period: The advanced right of way
38 revolving fund, the advanced environmental mitigation revolving
39 account, the federal narcotics asset forfeitures account, the high

1 occupancy vehicle account, the local rail service assistance account,
2 and the miscellaneous transportation programs account.

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

6 **Sec. 8.** RCW 28B.95.040 and 1997 c 289 s 4 are each amended to read
7 as follows:

8 (1)(a) The governing body may, at its discretion, allow an
9 organization to purchase tuition units for future use as scholarships.
10 Such organizations electing to purchase tuition units for this purpose
11 must enter into a contract with the governing body which, at a minimum,
12 ensures that the scholarship shall be freely given by the purchaser to
13 a scholarship recipient. For such purchases, the purchaser need not
14 name a beneficiary until four months before the date when the tuition
15 units are first expected to be used.

16 (b) The governing body shall formulate and adopt such rules as are
17 necessary to determine which organizations may qualify to purchase
18 tuition units for scholarships under this section. The governing body
19 also may consider additional rules for the use of tuition units if
20 purchased as scholarships.

21 (c) The governing body may establish a scholarship fund with moneys
22 from the Washington advanced college tuition payment program account.
23 A scholarship fund established under this authority shall be
24 administered by the higher education coordinating board and shall be
25 provided to students who demonstrate financial need. Financial need is
26 not a criterion that any other organization need consider when using
27 tuition units as scholarships. The board also may establish its own
28 corporate-sponsored scholarship fund under this chapter.

29 (2) Tuition units purchased by the higher education coordinating
30 board for the Washington promise scholarship program under chapter
31 28B.-- RCW (sections 1, 2, and 4 through 6 of this act) are subject to
32 the following additional rules:

33 (a) The units may not be transferred to another individual or
34 family member under RCW 28B.95.030;

35 (b) The units may not be used to pay tuition at an out-of-state
36 institution of higher education under RCW 28B.95.050; and

37 (c) Refunds for units shall not be provided to scholarship
38 recipients under RCW 28B.95.090 or 28B.95.110.

1 NEW SECTION. **Sec. 9.** Sections 1, 2, and 4 through 6 of this act
2 constitute a new chapter in Title 28B RCW.

3 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately."

7 Correct the title.

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