

1 2807-S AMS S4917.1

2 **SHB 2807** - S AMD 900

3 By Senator Kohl-Welles, Jacobsen, Carlson, Shin, Finkbeiner and
4 Sheahan

5 ADOPTED 03/14/02

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

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

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

22 (1) Scholarships shall be awarded to students graduating from
23 public and approved private high schools under chapter 28A.195 RCW and
24 students participating in home-based instruction as provided in chapter
25 28A.200 RCW who meet both an academic and a financial eligibility
26 criteria.

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

28 (i) Beginning with the graduating class of 2002, students
29 graduating from public and approved private high schools under chapter
30 28A.195 RCW must be in the top fifteen percent of their graduating
31 class, as identified by each respective high school at the completion
32 of the first term of the student's senior year; or

33 (ii) Students graduating from public high schools, approved private
34 high schools under chapter 28A.195 RCW, and students participating in
35 home-based instruction as provided in chapter 28A.200 RCW must equal or

1 exceed a cumulative scholastic assessment test I score of twelve
2 hundred on their first attempt or must equal or exceed a composite
3 American college test score of twenty-seven on their first attempt.

4 (b) To meet the financial eligibility criteria, a student's family
5 income shall not exceed one hundred thirty-five percent of the state
6 median family income adjusted for family size, as determined by the
7 higher education coordinating board for each graduating class.
8 Students not meeting the eligibility requirements for the first year of
9 scholarship benefits may reapply for the second year of benefits, but
10 must still meet the income standard set by the board for the student's
11 graduating class.

12 (2) Promise scholarships are not intended to supplant any grant,
13 scholarship, or tax program related to postsecondary education. If the
14 board finds that promise scholarships supplant or reduce any grant,
15 scholarship, or tax program for categories of students, then the board
16 shall adjust the financial eligibility criteria or the amount of
17 scholarship to the level necessary to avoid supplanting.

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

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

27 (5) The scholarships may only be used for undergraduate coursework
28 at accredited institutions of higher education in the state of
29 Washington.

30 (6) The scholarships may be used for undergraduate coursework at
31 Oregon institutions of higher education that are part of the border
32 county higher education opportunity project in RCW 28B.80.806 when
33 those institutions offer programs not available at accredited
34 institutions of higher education in Washington state.

35 (7) The scholarships may be used for college-related expenses,
36 including but not limited to, tuition, room and board, books, and
37 materials.

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

1 (9) The higher education coordinating board may establish
2 satisfactory progress standards for the continued receipt of the
3 promise scholarship.

4 (10) The higher education coordinating board shall establish the
5 time frame within which the student must use the scholarship.

6 NEW SECTION. **Sec. 3.** The higher education coordinating board,
7 with the assistance of the office of the superintendent of public
8 instruction, shall implement and administer the Washington promise
9 scholarship program described in section 2 of this act as follows:

10 (1) The first scholarships shall be awarded to eligible students
11 enrolling in postsecondary education in the 2002-03 academic year.

12 (2) The office of the superintendent of public instruction shall
13 provide information to the higher education coordinating board that is
14 necessary for implementation of the program. The higher education
15 coordinating board and the office of the superintendent of public
16 instruction shall jointly establish a timeline and procedures necessary
17 for accurate and timely data reporting.

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

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

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

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

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

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

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

8 (2) The higher education coordinating board shall deposit in the
9 account all money received for the program. The account shall be self-
10 sustaining and consist of funds appropriated by the legislature for the
11 Washington promise scholarship program, private contributions to the
12 program, and refunds of Washington promise scholarships.

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

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

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

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

23 **Sec. 7.** RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 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
36 agencies. The investment income account is subject in all respects to
37 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

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

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington promise
9 scholarship account, the college savings program account, the
10 Washington advanced college tuition payment program account, the
11 agricultural local fund, the American Indian scholarship endowment
12 fund, the basic health plan self-insurance reserve account, the
13 Washington international exchange scholarship endowment fund, the
14 developmental disabilities endowment trust fund, the energy account,
15 the fair fund, the game farm alternative account, the grain inspection
16 revolving fund, the juvenile accountability incentive account, the
17 rural rehabilitation account, the stadium and exhibition center
18 account, the youth athletic facility account, the self-insurance
19 revolving fund, the sulfur dioxide abatement account, and the
20 children's trust fund. However, the earnings to be distributed shall
21 first be reduced by the allocation to the state treasurer's service
22 fund pursuant to RCW 43.08.190.

23 (c) The following accounts and funds shall receive eighty percent
24 of their proportionate share of earnings based upon each account's or
25 fund's average daily balance for the period: The advanced right of way
26 revolving fund, the advanced environmental mitigation revolving
27 account, the city and county advance right-of-way revolving fund, the
28 federal narcotics asset forfeitures account, the high occupancy vehicle
29 account, the local rail service assistance account, and the
30 miscellaneous transportation programs account.

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

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

36 NEW SECTION. Sec. 9. This act is necessary for the immediate
37 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately."

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7 On page 1, line 1 of the title, after "scholarships;" strike the
8 remainder of the title and insert "reenacting and amending RCW
9 43.79A.040; adding a new chapter to Title 28B RCW; and declaring an
10 emergency."

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