

**E2SHB 2177** - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/02/2018

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that:

4 (a) According to research from Georgetown University, by the year  
5 2020, seventy percent of jobs in Washington state will require at  
6 least some education and training beyond high school, which aligns  
7 with Washington's educational attainment goals established under RCW  
8 28B.77.020; and

9 (b) Research by the state board for community and technical  
10 colleges and other entities has found that attending college for at  
11 least one year and earning a credential results in a substantial  
12 boost in earnings for adults who enter a community college with a  
13 high school diploma or less.

14 (2) In addition, the legislature finds that:

15 (a) Rural counties face unique challenges to achieving full  
16 economic and community development in the face of societal trends  
17 that concentrate job and population growth in larger metropolitan  
18 areas. For example, seventy-five percent of the job growth in  
19 Washington by 2018 is projected to be confined to just five large  
20 counties. In addition, two-thirds of the state's recent population  
21 growth has occurred in the three largest counties and seven counties  
22 have actually lost population in recent years.

23 (b) One barrier to economic growth and investment in many rural  
24 counties is the lack of a trained, qualified workforce for the  
25 opportunities present in rural areas, particularly in science,  
26 technology, engineering, and mathematics (STEM) and health care  
27 fields of study. These opportunities often require specialized skills  
28 tailored for specific, regional employer needs. In many cases,  
29 employment opportunities are available in rural communities; however,  
30 some assistance is needed to help local residents acquire the skills  
31 necessary to access the opportunities in their own backyards.

1 (3) The legislature declares that opportunity, community  
2 vitality, quality of life, and prosperity are essential for all  
3 Washington communities. Therefore, the legislature intends to create  
4 a program to assist rural communities in growing the workforce the  
5 community needs to meet its specific industry sector demands.

6 **Sec. 2.** RCW 28B.145.020 and 2014 c 208 s 2 are each amended to  
7 read as follows:

8 (1) The opportunity scholarship board is created. The board  
9 consists of eleven members:

10 (a) Six members appointed by the governor. For three of the six  
11 appointments, the governor shall consider names from a list provided  
12 by the president of the senate and the speaker of the house of  
13 representatives; and

14 (b) Five foundation or business and industry representatives  
15 appointed by the governor from among the state's most productive  
16 industries such as aerospace, manufacturing, health care, information  
17 technology, engineering, agriculture, and others, as well as  
18 philanthropy. The foundation or business and industry representatives  
19 shall be selected from among nominations provided by the private  
20 sector donors to the opportunity scholarship and opportunity  
21 expansion programs. However, the governor may request, and the  
22 private sector donors shall provide, an additional list or lists from  
23 which the governor shall select these representatives.

24 (2) Board members shall hold their offices for a term of four  
25 years from the first day of September and until their successors are  
26 appointed. No more than the terms of two members may expire  
27 simultaneously on the last day of August in any one year.

28 (3) The members of the board shall elect one of the business and  
29 industry representatives to serve as chair.

30 (4) Seven members of the board constitute a quorum for the  
31 transaction of business. In case of a vacancy, or when an appointment  
32 is made after the date of expiration of the term, the governor or the  
33 president of the senate or the speaker of the house of  
34 representatives, depending upon which made the initial appointment to  
35 that position, shall fill the vacancy for the remainder of the term  
36 of the board member whose office has become vacant or expired.

37 (5) The board shall be staffed by the program administrator.

38 (6) The purpose of the board is to provide oversight and guidance  
39 for the opportunity expansion (~~and~~), the opportunity scholarship

1 programs, and the rural jobs program, in light of established  
2 legislative priorities and to fulfill the duties and responsibilities  
3 under this chapter, including but not limited to determining eligible  
4 education programs for purposes of the opportunity scholarship  
5 program and rural jobs program. Duties, exercised jointly with the  
6 program administrator, include soliciting funds and setting annual  
7 fund-raising goals.

8 (7) The board may report to the governor and the appropriate  
9 committees of the legislature with recommendations as to:

10 (a) Whether some or all of the scholarships should be changed to  
11 conditional scholarships that must be repaid in the event the  
12 participant does not complete the eligible education program; and

13 (b) A source or sources of funds for the opportunity expansion  
14 program in addition to the voluntary contributions of the high-  
15 technology research and development tax credit under RCW 82.32.800.

16 **Sec. 3.** RCW 28B.145.090 and 2014 c 208 s 4 are each amended to  
17 read as follows:

18 (1) The board may elect to have the state investment board invest  
19 the funds in the student support pathways account and the scholarship  
20 account and endowment account described under RCW 28B.145.030(2)(b).  
21 If the board so elects, the state investment board has the full power  
22 to invest, reinvest, manage, contract, sell, or exchange investment  
23 money in the (~~two~~) three accounts. All investment and operating  
24 costs associated with the investment of money shall be paid under RCW  
25 43.33A.160 and 43.84.160. With the exception of these expenses, the  
26 earnings from the investment of the money shall be retained by the  
27 accounts.

28 (2) All investments made by the state investment board shall be  
29 made with the exercise of that degree of judgment and care under RCW  
30 43.33A.140 and the investment policy established by the state  
31 investment board.

32 (3) As deemed appropriate by the state investment board, money in  
33 the student support pathways account, scholarship account, and  
34 endowment (~~accounts~~) account may be commingled for investment with  
35 other funds subject to investment by the state investment board.

36 (4) Members of the state investment board shall not be considered  
37 an insurer of the funds or assets and are not liable for any action  
38 or inaction.

1 (5) Members of the state investment board are not liable to the  
2 state, to the fund, or to any other person as a result of their  
3 activities as members, whether ministerial or discretionary, except  
4 for willful dishonesty or intentional violations of law. The state  
5 investment board in its discretion may purchase liability insurance  
6 for members.

7 (6) The authority to establish all policies relating to the  
8 student support pathways account, scholarship account, and ((the))  
9 endowment account, other than the investment policies as provided in  
10 subsections (1) through (3) of this section, resides with the board  
11 and program administrator acting in accordance with the principles  
12 set forth in this chapter. With the exception of expenses of the  
13 state investment board in subsection (1) of this section,  
14 disbursements from the student support pathways account, scholarship  
15 account, and endowment account shall be made only on the  
16 authorization of the opportunity scholarship board or its designee,  
17 and moneys in the accounts may be spent only for the purposes  
18 specified in this chapter.

19 (7) The state investment board shall routinely consult and  
20 communicate with the board on the investment policy, earnings of the  
21 accounts, and related needs of the program.

22 NEW SECTION. Sec. 4. A new section is added to chapter 28B.145  
23 RCW to read as follows:

24 (1)(a) The rural county high employer demand jobs program is  
25 created to meet the workforce needs of business and industry in rural  
26 counties by assisting students in earning certificates, associate  
27 degrees, or other industry-recognized credentials necessary for  
28 employment in high employer demand fields.

29 (b) Subject to the requirements of this section, the rural jobs  
30 program provides selected students scholarship funds and support  
31 services, as determined by the board, to help students meet their  
32 eligible expenses when they enroll in a community or technical  
33 college program that prepares them for high employer demand fields.

34 (c) The source of funds for the rural jobs program shall be a  
35 combination of private donations, grants, and contributions and state  
36 matching funds.

37 (2) The program administrator has the duties and responsibilities  
38 provided under this section, including but not limited to:

1 (a) Publicizing the rural jobs program and conducting outreach to  
2 eligible counties;

3 (b) In consultation with the state board for community and  
4 technical colleges, any interested community or technical college  
5 located in an eligible county, and the county's workforce development  
6 council, identify high employer demand fields within the eligible  
7 counties. When identifying high employer demand fields, the board  
8 must consider:

9 (i) County-specific employer demand reports issued by the  
10 employment security department or the list of statewide high-demand  
11 programs for secondary career and technical education established  
12 under RCW 28A.700.020; and

13 (ii) The ability and capacity of the community and technical  
14 college to meet the needs of qualifying students and industry in the  
15 eligible county;

16 (c) Develop and implement an application, selection, and  
17 notification process for awarding rural jobs program scholarship  
18 funds. In making determinations on scholarship recipients, the board  
19 shall use county-specific employer high-demand data;

20 (d) Determine the annual scholarship fund amounts to be awarded  
21 to selected students;

22 (e) Distribute funds to selected students;

23 (f) Notify institutions of higher education of the rural jobs  
24 program recipients who will attend their institutions of higher  
25 education and inform them of the scholarship fund amounts and terms  
26 of the awards; and

27 (g) Establish and manage an account as provided under section 5  
28 of this act to receive donations, grants, contributions from private  
29 sources, and state matching funds, and from which to disburse  
30 scholarship funds to selected students.

31 (3) To be eligible for scholarship funds under the rural jobs  
32 program, a student must:

33 (a) Be a resident of an eligible county or have attended and  
34 graduated from a school in an eligible school district;

35 (b) Be a resident student as defined in RCW 28B.15.012;

36 (c) Be enrolled in a community or technical college established  
37 under chapter 28B.50 RCW located in an eligible county;

38 (d) Be in a certificate, degree, or other industry-recognized  
39 credential or training program that has been identified by the board  
40 as a program that prepares students for a high employer demand field;

1 (e) Have a family income that does not exceed seventy percent of  
2 the state median family income adjusted for family size; and

3 (f) Demonstrate financial need according to the free application  
4 for federal student aid or the Washington application for state  
5 financial aid.

6 (4) To remain eligible for scholarship funds under the rural jobs  
7 program, the student must maintain a cumulative grade point average  
8 of 2.0.

9 (5) A scholarship award under the rural jobs program may not  
10 result in a reduction of any gift aid. Nothing in this section  
11 creates any right or entitlement.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.145  
13 RCW to read as follows:

14 (1) For the purposes of the rural jobs program, the program  
15 administrator shall:

16 (a) Jointly with the board, solicit and accept donations, grants,  
17 and contributions from private sources via direct payment, pledge  
18 agreement, or escrow account, for deposit into the student support  
19 pathways account created in this section, and set annual fund-raising  
20 goals;

21 (b) Establish and manage the student support pathways account to  
22 receive grants, contributions from private sources, and state  
23 matching funds, and from which to disburse scholarship funds to  
24 selected students; and

25 (c) Provide proof of receipt of grants and contributions from  
26 private sources to the council, identifying the amounts received by  
27 the name of the private source and date received, and whether the  
28 amounts received were deposited into the student support pathways  
29 account.

30 (2) The student support pathways account, whose principal may be  
31 invaded, must be created by the board from which scholarship funds  
32 will be disbursed beginning no later than the fall term of the 2020  
33 academic year, if by that date, state matching funds have been  
34 received. Thereafter, scholarship funds shall be disbursed on an  
35 annual basis.

36 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.145  
37 RCW to read as follows:

1 (1) The rural jobs program match transfer account is created in  
2 the custody of the state treasurer as a nonappropriated account to be  
3 used solely and exclusively for the rural jobs program created in  
4 section 4 of this act. The purpose of the rural jobs program match  
5 transfer account is to provide state matching funds for the rural  
6 jobs program.

7 (2) Revenues to the rural jobs program match transfer account  
8 shall consist of appropriations by the legislature into the rural  
9 jobs program match transfer account.

10 (3) No expenditures from the rural jobs program match transfer  
11 account may be made except upon receipt of proof, by the executive  
12 director of the council from the program administrator, of private  
13 contributions to the rural jobs program. Expenditures, in the form of  
14 matching funds, may not exceed the total amount of private  
15 contributions.

16 (4) Only the executive director of the council or the executive  
17 director's designee may authorize expenditures from the rural jobs  
18 program match transfer account. Such authorization must be made as  
19 soon as practicable following receipt of proof as required under this  
20 section.

21 (5)(a) The council shall enter into an appropriate agreement with  
22 the program administrator to demonstrate exchange of consideration  
23 for the matching funds.

24 (b) Once moneys in the rural jobs program match transfer account  
25 are subject to an agreement under this subsection and are deposited  
26 in the student support pathways account, the state acts in a  
27 fiduciary rather than ownership capacity with regard to those assets.  
28 Assets in the student support pathways account are not considered  
29 state money, common cash, or revenue to the state.

30 (6) The state match must not exceed one million dollars in a  
31 single fiscal biennium and must be based on donations and pledges  
32 received by the rural jobs program as of the date each official state  
33 caseload forecast is submitted by the caseload forecast council to  
34 the legislative fiscal committees, as provided under RCW 43.88C.020.  
35 Nothing in this section expands or modifies the responsibilities of  
36 the caseload forecast council.

37 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.145  
38 RCW to read as follows:

1 The total amount of state matching funds for the rural jobs  
2 program shall not exceed one million dollars in a single fiscal  
3 biennium.

4 **Sec. 8.** RCW 28B.145.070 and 2014 c 208 s 7 are each amended to  
5 read as follows:

6 (1) Annually each December 1st, the board, together with the  
7 program administrator, shall report to the council, the governor, and  
8 the appropriate committees of the legislature regarding the rural  
9 jobs program and opportunity scholarship and opportunity expansion  
10 programs, including but not limited to:

11 (a) Which education programs the board determined were eligible  
12 for purposes of the opportunity scholarship and which high employer  
13 demand fields within eligible counties were identified for purposes  
14 of the rural jobs program;

15 (b) The number of applicants for the opportunity scholarship and  
16 rural jobs program, disaggregated, to the extent possible, by race,  
17 ethnicity, gender, county of origin, age, and median family income;

18 (c) The number of participants in the opportunity scholarship  
19 program and rural jobs program, disaggregated, to the extent  
20 possible, by race, ethnicity, gender, county of origin, age, and  
21 median family income;

22 (d) The number and amount of the scholarships actually awarded,  
23 (~~and~~) whether the scholarships were paid from the student support  
24 pathways account, the scholarship account, or the endowment account,  
25 and the number and amount of scholarships actually awarded under the  
26 rural jobs program;

27 (e) The institutions and eligible education programs in which  
28 opportunity scholarship participants enrolled, together with data  
29 regarding participants' completion and graduation, and the  
30 institutions and programs in which recipients of the rural jobs  
31 program scholarship enrolled, together with recipients' data on  
32 completion and graduation;

33 (f) The total amount of private contributions and state match  
34 moneys received for the rural jobs program and the opportunity  
35 scholarship program, how the funds under the opportunity scholarship  
36 program were distributed between the student support pathways  
37 account, the scholarship account, and the endowment account((s)), the  
38 interest or other earnings on all the accounts created under this



1 chapter, and the amount of any administrative fee paid to the program  
2 administrator; and

3 (g) Identification of the programs the board selected to receive  
4 opportunity expansion awards and the amount of such awards.

5 (2) In the next succeeding legislative session following receipt  
6 of a report required under subsection (1) of this section, the  
7 appropriate committees of the legislature shall review the report and  
8 consider whether any legislative action is necessary with respect to  
9 (~~either~~) the rural jobs program, the opportunity scholarship  
10 program, or the opportunity expansion program, including but not  
11 limited to consideration of whether any legislative action is  
12 necessary with respect to the nature and level of focus on high  
13 employer demand fields and the number and amount of scholarships.

14 **Sec. 9.** RCW 28B.145.010 and 2014 c 208 s 1 are each amended to  
15 read as follows:

16 The definitions in this section apply throughout this chapter  
17 unless the context clearly requires otherwise.

18 (1) "Board" means the opportunity scholarship board.

19 (2) "Council" means the student achievement council.

20 (3) "Eligible county" has the same meaning as "rural county" as  
21 defined in RCW 82.14.370 and also includes any county that shares a  
22 common border with Canada and has a population of over one hundred  
23 twenty-five thousand.

24 (4) "Eligible education programs" means high employer demand and  
25 other programs of study as determined by the board.

26 (~~(4)~~) (5) "Eligible expenses" means reasonable expenses  
27 associated with the costs of acquiring an education such as tuition,  
28 books, equipment, fees, room and board, and other expenses as  
29 determined by the program administrator in consultation with the  
30 council and the state board for community and technical colleges.

31 (~~(5)~~) (6) "Eligible school district" means a school district of  
32 the second class as identified in RCW 28A.300.065(2).

33 (7) "Eligible student" means a resident student who received his  
34 or her high school diploma or high school equivalency certificate as  
35 provided in RCW 28B.50.536 in Washington and who:

36 (a)(i) Has been accepted at a four-year institution of higher  
37 education into an eligible education program leading to a  
38 baccalaureate degree; or

1 (ii) Will attend a two-year institution of higher education and  
2 intends to transfer to an eligible education program at a four-year  
3 institution of higher education;

4 (b) Declares an intention to obtain a baccalaureate degree; and

5 (c) Has a family income at or below one hundred twenty-five  
6 percent of the state median family income at the time the student  
7 applies for an opportunity scholarship.

8 ~~((+6))~~ (8) "Gift aid" means financial aid received from the  
9 federal Pell grant, the state need grant program in chapter 28B.92  
10 RCW, the college bound scholarship program in chapter 28B.118 RCW,  
11 the opportunity grant program in chapter 28B.50 RCW, the opportunity  
12 scholarship program in this chapter, or any other state grant,  
13 scholarship, or worker retraining program that provides funds for  
14 educational purposes with no obligation of repayment. "Gift aid" does  
15 not include student loans, work-study programs, the basic food  
16 employment and training program administered by the department of  
17 social and health services, or other employment assistance programs  
18 that provide job readiness opportunities and support beyond the costs  
19 of tuition, books, and fees.

20 (9) "High employer demand program of study" has the same meaning  
21 as provided in RCW 28B.50.030.

22 ~~((+7))~~ (10) "Participant" means an eligible student who has  
23 received a scholarship under the opportunity scholarship program.

24 ~~((+8))~~ (11) "Program administrator" means a college scholarship  
25 organization that is a private nonprofit corporation registered under  
26 Title 24 RCW and qualified as a tax-exempt entity under section  
27 501(c)(3) of the federal internal revenue code, with expertise in  
28 managing scholarships and college advising.

29 ~~((+9))~~ (12) "Resident student" has the same meaning as provided  
30 in RCW 28B.15.012.

31 (13) "Rural jobs program" means the rural county high employer  
32 demand jobs program created in this chapter."

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**ADOPTED 03/02/2018**

33 On page 1, line 2 of the title, after "program;" strike the  
34 remainder of the title and insert "amending RCW 28B.145.020,

1 28B.145.090, 28B.145.070, and 28B.145.010; adding new sections to  
2 chapter 28B.145 RCW; and creating a new section."

--- END ---