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SECOND SUBSTITUTE HOUSE BILL 1488

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State of Washington

65th Legislature

2017 Regular Session

**By** House Appropriations (originally sponsored by Representatives Hansen, Haler, Stokesbary, Ortiz-Self, Gregerson, Tarleton, Slatter, and Hudgins)

READ FIRST TIME 02/24/17.

1 AN ACT Relating to expanding higher education opportunities for  
2 certain students; amending RCW 28B.118.010 and 28B.145.030; and  
3 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. If a student  
13 qualifies in the seventh grade, the student remains eligible even if  
14 the student does not receive free or reduced-price lunches  
15 thereafter; or

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

17 (i) In grade seven through twelve; or

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

20 (2) Eligible students shall be notified of their eligibility for  
21 the Washington college bound scholarship program beginning in their

1 seventh grade year. Students shall also be notified of the  
2 requirements for award of the scholarship.

3 (3)(a) To be eligible for a Washington college bound scholarship,  
4 a student eligible under subsection (1)(a) of this section must sign  
5 a pledge during seventh or eighth grade that includes a commitment to  
6 graduate from high school with at least a C average and with no  
7 felony convictions. The pledge must be witnessed by a parent or  
8 guardian and forwarded to the office of student financial assistance  
9 by mail or electronically, as indicated on the pledge form.

10 (b) A student eligible under subsection (1)(b) of this section  
11 shall be automatically enrolled, with no action necessary by the  
12 student or the student's family, and the enrollment form must be  
13 forwarded by the department of social and health services to the  
14 higher education coordinating board or its successor by mail or  
15 electronically, as indicated on the form.

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

20 (b)(i) To receive the Washington college bound scholarship, a  
21 student must graduate with at least a "C" average from a public high  
22 school or an approved private high school under chapter 28A.195 RCW  
23 in Washington or have received home-based instruction under chapter  
24 28A.200 RCW, must have no felony convictions, and must be a resident  
25 student as defined in RCW 28B.15.012(2) (a) through ~~((d))~~ (e). A  
26 student who is eligible to receive the Washington college bound  
27 scholarship because the student is a resident student under RCW  
28 28B.15.012(2)(e) must provide the institution, as defined in RCW  
29 28B.15.012, an affidavit indicating that the individual will file an  
30 application to become a permanent resident at the earliest  
31 opportunity the individual is eligible to do so and a willingness to  
32 engage in any other activities necessary to acquire citizenship,  
33 including but not limited to citizenship or civics review courses.

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

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

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

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

12 (b) For students attending private four-year institutions of  
13 higher education in Washington, the award amount shall be the  
14 representative average of awards granted to students in public  
15 research universities in Washington or the representative average of  
16 awards granted to students in public research universities in  
17 Washington in the 2014-15 academic year, whichever is greater.

18 (c) For students attending private vocational schools in  
19 Washington, the award amount shall be the representative average of  
20 awards granted to students in public community and technical colleges  
21 in Washington or the representative average of awards granted to  
22 students in public community and technical colleges in Washington in  
23 the 2014-15 academic year, whichever is greater.

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

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

31 (9) The first scholarships shall be awarded to students  
32 graduating in 2012.

33 (10) The state of Washington retains legal ownership of tuition  
34 units awarded as scholarships under this chapter until the tuition  
35 units are redeemed. These tuition units shall remain separately held  
36 from any tuition units owned under chapter 28B.95 RCW by a Washington  
37 college bound scholarship recipient.

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

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

5 **Sec. 2.** RCW 28B.145.030 and 2014 c 208 s 3 are each amended to  
6 read as follows:

7 (1) The program administrator, under contract with the council,  
8 shall staff the board and shall have the duties and responsibilities  
9 provided in this chapter, including but not limited to publicizing  
10 the program, selecting participants for the opportunity scholarship  
11 award, distributing opportunity scholarship awards, and achieving the  
12 maximum possible rate of return on investment of the accounts in  
13 subsection (2) of this section, while ensuring transparency in the  
14 investment decisions and processes. Duties, exercised jointly with  
15 the board, include soliciting funds and setting annual fund-raising  
16 goals. The program administrator shall be paid an administrative fee  
17 as determined by the board.

18 (2) With respect to the opportunity scholarship program, the  
19 program administrator shall:

20 (a) Establish and manage two separate accounts into which to  
21 receive grants and contributions from private sources as well as  
22 state matching funds, and from which to disburse scholarship funds to  
23 participants;

24 (b) Solicit and accept grants and contributions from private  
25 sources, via direct payment, pledge agreement, or escrow account, of  
26 private sources for deposit into one or both of the two accounts  
27 created in this subsection (2)(b) in accordance with this subsection  
28 (2)(b):

29 (i) The "scholarship account," whose principal may be invaded,  
30 and from which scholarships must be disbursed beginning no later than  
31 December 1, 2011, if, by that date, state matching funds in the  
32 amount of five million dollars or more have been received.  
33 Thereafter, scholarships shall be disbursed on an annual basis  
34 beginning no later than May 1, 2012, and every October 1st  
35 thereafter;

36 (ii) The "endowment account," from which scholarship moneys may  
37 be disbursed from earnings only in years when:

38 (A) The state match has been made into both the scholarship and  
39 the endowment account;

1 (B) The state appropriations for the state need grant under RCW  
2 28B.92.010 meet or exceed state appropriations for the state need  
3 grant made in the 2011-2013 biennium, adjusted for inflation, and  
4 eligibility for state need grant recipients is at least seventy  
5 percent of state median family income; and

6 (C) The state has demonstrated progress toward the goal of total  
7 per-student funding levels, from state appropriations plus tuition  
8 and fees, of at least the sixtieth percentile of total per-student  
9 funding at similar public institutions of higher education in the  
10 global challenge states, as defined, measured, and reported in RCW  
11 28B.15.068. In any year in which the office of financial management  
12 reports that the state has not made progress toward this goal, no new  
13 scholarships may be awarded. In any year in which the office of  
14 financial management reports that the percentile of total per-student  
15 funding is less than the sixtieth percentile and at least five  
16 percent less than the prior year, pledges of future grants and  
17 contributions may, at the request of the donor, be released and  
18 grants and contributions already received refunded to the extent that  
19 opportunity scholarship awards already made can be fulfilled from the  
20 funds remaining in the endowment account. In fulfilling the  
21 requirements of this subsection, the office of financial management  
22 shall use resources that facilitate measurement and comparisons of  
23 the most recently completed academic year. These resources may  
24 include, but are not limited to, the data provided in a uniform  
25 dashboard format under RCW 28B.77.090 as the statewide public four-  
26 year dashboard and academic year reports prepared by the state board  
27 for community and technical colleges;

28 (iii) An amount equal to at least fifty percent of all grants and  
29 contributions must be deposited into the scholarship account until  
30 such time as twenty million dollars have been deposited into the  
31 account, after which time the private donors may designate whether  
32 their contributions must be deposited to the scholarship or the  
33 endowment account. The board and the program administrator must work  
34 to maximize private sector contributions to both the scholarship  
35 account and the endowment account, to maintain a robust scholarship  
36 program while simultaneously building the endowment, and to determine  
37 the division between the two accounts in the case of undesignated  
38 grants and contributions, taking into account the need for a  
39 long-term funding mechanism and the short-term needs of families and  
40 students in Washington. The first five million dollars in state

1 match, as provided in RCW 28B.145.040, shall be deposited into the  
2 scholarship account and thereafter the state match shall be deposited  
3 into the two accounts in equal proportion to the private funds  
4 deposited in each account; and

5 (iv) Once moneys in the opportunity scholarship match transfer  
6 account are subject to an agreement under RCW 28B.145.050(5) and are  
7 deposited in the scholarship account or endowment account under this  
8 section, the state acts in a fiduciary rather than ownership capacity  
9 with regard to those assets. Assets in the scholarship account and  
10 endowment account are not considered state money, common cash, or  
11 revenue to the state;

12 (c) Provide proof of receipt of grants and contributions from  
13 private sources to the council, identifying the amounts received by  
14 name of private source and date, and whether the amounts received  
15 were deposited into the scholarship or the endowment account;

16 (d) In consultation with the council and the state board for  
17 community and technical colleges, make an assessment of the  
18 reasonable annual eligible expenses associated with eligible  
19 education programs identified by the board;

20 (e) Determine the dollar difference between tuition fees charged  
21 by institutions of higher education in the 2008-09 academic year and  
22 the academic year for which an opportunity scholarship is being  
23 distributed;

24 (f) Develop and implement an application, selection, and  
25 notification process for awarding opportunity scholarships;

26 (g) Determine the annual amount of the opportunity scholarship  
27 for each selected participant. The annual amount shall be at least  
28 one thousand dollars or the amount determined under (e) of this  
29 subsection, but may be increased on an income-based, sliding scale  
30 basis up to the amount necessary to cover all reasonable annual  
31 eligible expenses as assessed pursuant to (d) of this subsection, or  
32 to encourage participation in baccalaureate degree programs  
33 identified by the board;

34 (h) Distribute scholarship funds to selected participants. Once  
35 awarded, and to the extent funds are available for distribution, an  
36 opportunity scholarship shall be automatically renewed as long as the  
37 participant annually submits documentation of filing both a free  
38 application for federal student aid and for available federal  
39 education tax credits, including but not limited to the American  
40 opportunity tax credit, or if ineligible to apply for federal student

1 aid, the participant annually submits documentation of filing a state  
2 financial aid application as approved by the office of student  
3 financial assistance; and until the participant withdraws from or is  
4 no longer attending the program, completes the program, or has taken  
5 the credit or clock hour equivalent of one hundred twenty-five  
6 percent of the published length of time of the participant's program,  
7 whichever occurs first(~~(, and as long as the participant annually~~  
8 ~~submits documentation of filing both a free application for federal~~  
9 ~~student aid and for available federal education tax credits,~~  
10 ~~including but not limited to the American opportunity tax credit));~~  
11 and

12 (i) Notify institutions of scholarship recipients who will attend  
13 their institutions and inform them of the terms of the students'  
14 eligibility.

15 (3) With respect to the opportunity expansion program, the  
16 program administrator shall:

17 (a) Assist the board in developing and implementing an  
18 application, selection, and notification process for making  
19 opportunity expansion awards; and

20 (b) Solicit and accept grants and contributions from private  
21 sources for opportunity expansion awards.

22 **Sec. 3.** RCW 28B.15.012 and 2015 3rd sp.s. c 8 s 1 are each  
23 amended to read as follows:

24 Whenever used in this chapter:

25 (1) The term "institution" shall mean a public university,  
26 college, or community or technical college within the state of  
27 Washington.

28 (2) The term "resident student" shall mean:

29 (a) A financially independent student who has had a domicile in  
30 the state of Washington for the period of one year immediately prior  
31 to the time of commencement of the first day of the semester or  
32 quarter for which the student has registered at any institution and  
33 has in fact established a bona fide domicile in this state primarily  
34 for purposes other than educational;

35 (b) A dependent student, if one or both of the student's parents  
36 or legal guardians have maintained a bona fide domicile in the state  
37 of Washington for at least one year immediately prior to commencement  
38 of the semester or quarter for which the student has registered at  
39 any institution;

1 (c) A student classified as a resident based upon domicile by an  
2 institution on or before May 31, 1982, who was enrolled at a state  
3 institution during any term of the 1982-1983 academic year, so long  
4 as such student's enrollment (excepting summer sessions) at an  
5 institution in this state is continuous;

6 (d) Any student who has spent at least seventy-five percent of  
7 both his or her junior and senior years in high schools in this  
8 state, whose parents or legal guardians have been domiciled in the  
9 state for a period of at least one year within the five-year period  
10 before the student graduates from high school, and who enrolls in a  
11 public institution of higher education within six months of leaving  
12 high school, for as long as the student remains continuously enrolled  
13 for three quarters or two semesters in any calendar year;

14 (e) Any person who has completed the full senior year of high  
15 school and obtained a high school diploma, both at a Washington  
16 public high school or private high school approved under chapter  
17 28A.195 RCW, or a person who has received the equivalent of a  
18 diploma; who has lived in Washington for at least three years  
19 immediately prior to receiving the diploma or its equivalent; who has  
20 continuously lived in the state of Washington after receiving the  
21 diploma or its equivalent and until such time as the individual is  
22 admitted to an institution of higher education under subsection (1)  
23 of this section; and who provides to the institution an affidavit  
24 indicating that the individual will file an application to become a  
25 permanent resident at the earliest opportunity the individual is  
26 eligible to do so and a willingness to engage in any other activities  
27 necessary to acquire citizenship, including but not limited to  
28 citizenship or civics review courses;

29 (f) Any person who has lived in Washington, primarily for  
30 purposes other than educational, for at least one year immediately  
31 before the date on which the person has enrolled in an institution,  
32 and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec.  
33 (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful nonimmigrant  
34 status as the spouse or child of a person having nonimmigrant status  
35 under one of those subsections, or who, holding or having previously  
36 held such lawful nonimmigrant status as a principal or derivative,  
37 has filed an application for adjustment of status pursuant to 8  
38 U.S.C. Sec. 1255(a);

39 (g) A student who is on active military duty stationed in the  
40 state or who is a member of the Washington national guard;



1 (h) A student who is on active military duty or a member of the  
2 national guard who entered service as a Washington resident and who  
3 has maintained Washington as his or her domicile but is not stationed  
4 in the state;

5 (i) A student who is the spouse or a dependent of a person who is  
6 on active military duty or a member of the national guard who entered  
7 service as a Washington resident and who has maintained Washington as  
8 his or her domicile but is not stationed in the state. If the person  
9 on active military duty is reassigned out-of-state, the student  
10 maintains the status as a resident student so long as the student is  
11 continuously enrolled in a degree program;

12 (j) A student who resides in the state of Washington and is the  
13 spouse or a dependent of a person who is a member of the Washington  
14 national guard;

15 (k) A student who has separated from the uniformed services with  
16 any period of honorable service after at least ninety days of active  
17 duty service; is eligible for benefits under the federal all-  
18 volunteer force educational assistance program (38 U.S.C. Sec. 3001  
19 et seq.), the federal post-9/11 veterans educational assistance act  
20 of 2008 (38 U.S.C. Sec. 3301 et seq.), or any other federal law  
21 authorizing educational assistance benefits for veterans; and enters  
22 an institution of higher education in Washington within three years  
23 of the date of separation;

24 (l) A student who is entitled to veterans administration  
25 educational assistance benefits based on the student's relationship  
26 as a spouse, former spouse, or child to an individual who has  
27 separated from the uniformed services with any period of honorable  
28 service after at least ninety days of active duty service, and who  
29 enters an institution of higher education in Washington within three  
30 years of the service member's date of separation;

31 (m) A student who is entitled to veterans administration  
32 educational assistance benefits based on the student's relationship  
33 with a deceased member of the uniformed services who completed at  
34 least ninety days of active duty service and died in the line of  
35 duty, and the student enters an institution of higher education in  
36 Washington within three years of the service member's death;

37 (n) A student of an out-of-state institution of higher education  
38 who is attending a Washington state institution of higher education  
39 pursuant to a home tuition agreement as described in RCW 28B.15.725;

1 (o) A student who meets the requirements of RCW 28B.15.0131 or  
2 28B.15.0139: PROVIDED, That a nonresident student enrolled for more  
3 than six hours per semester or quarter shall be considered as  
4 attending for primarily educational purposes, and for tuition and fee  
5 paying purposes only such period of enrollment shall not be counted  
6 toward the establishment of a bona fide domicile of one year in this  
7 state unless such student proves that the student has in fact  
8 established a bona fide domicile in this state primarily for purposes  
9 other than educational;

10 (p) A student who resides in Washington and is on active military  
11 duty stationed in the Oregon counties of Columbia, Gilliam, Hood  
12 River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla,  
13 Union, Wallowa, Wasco, or Washington; or

14 (q) A student who resides in Washington and is the spouse or a  
15 dependent of a person who resides in Washington and is on active  
16 military duty stationed in the Oregon counties of Columbia, Gilliam,  
17 Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla,  
18 Union, Wallowa, Wasco, or Washington. If the person on active  
19 military duty moves from Washington or is reassigned out of the  
20 Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop,  
21 Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or  
22 Washington, the student maintains the status as a resident student so  
23 long as the student resides in Washington and is continuously  
24 enrolled in a degree program.

25 (3)(a) A student who qualifies under subsection (2)(k), (l), or  
26 (m) of this section and who remains continuously enrolled at an  
27 institution of higher education shall retain resident student status.

28 (b) Nothing in subsection (2)(k), (l), or (m) of this section  
29 applies to students who have a dishonorable discharge from the  
30 uniformed services, or to students who are the spouse or child of an  
31 individual who has had a dishonorable discharge from the uniformed  
32 services, unless the student is receiving veterans administration  
33 educational assistance benefits.

34 (4) The term "nonresident student" shall mean any student who  
35 does not qualify as a "resident student" under the provisions of this  
36 section and RCW 28B.15.013. Except for students qualifying under  
37 subsection (2)(e) or (n) of this section, a nonresident student shall  
38 include:

39 (a) A student attending an institution with the aid of financial  
40 assistance provided by another state or governmental unit or agency

1 thereof, such nonresidency continuing for one year after the  
2 completion of such semester or quarter. This condition shall not  
3 apply to students from Columbia, Multnomah, Clatsop, Clackamas, or  
4 Washington county, Oregon participating in the border county pilot  
5 project under RCW 28B.76.685, 28B.76.690, and 28B.15.0139.

6 (b) A person who is not a citizen of the United States of America  
7 who does not have permanent or temporary resident status or does not  
8 hold "Refugee-Parolee" or "Conditional Entrant" status or U or T  
9 nonimmigrant status with the United States citizenship immigration  
10 services or is not otherwise permanently residing in the United  
11 States under color of law, including deferred action status, and who  
12 does not also meet and comply with all the applicable requirements in  
13 this section and RCW 28B.15.013.

14 (5) The term "domicile" shall denote a person's true, fixed and  
15 permanent home and place of habitation. It is the place where the  
16 student intends to remain, and to which the student expects to return  
17 when the student leaves without intending to establish a new domicile  
18 elsewhere. The burden of proof that a student, parent or guardian has  
19 established a domicile in the state of Washington primarily for  
20 purposes other than educational lies with the student.

21 (6) The term "dependent" shall mean a person who is not  
22 financially independent. Factors to be considered in determining  
23 whether a person is financially independent shall be set forth in  
24 rules adopted by the student achievement council and shall include,  
25 but not be limited to, the state and federal income tax returns of  
26 the person and/or the student's parents or legal guardian filed for  
27 the calendar year prior to the year in which application is made and  
28 such other evidence as the council may require.

29 (7) The term "active military duty" means the person is serving  
30 on active duty in:

31 (a) The armed forces of the United States government; or

32 (b) The Washington national guard; or

33 (c) The coast guard, merchant mariners, or other nonmilitary  
34 organization when such service is recognized by the United States  
35 government as equivalent to service in the armed forces.

36 (8) The term "active duty service" means full-time duty, other  
37 than active duty for training, as a member of the uniformed services  
38 of the United States. Active duty service as a national guard member  
39 under Title 32 U.S.C. for the purpose of organizing, administering,  
40 recruiting, instructing, or training and active service under 32

1 U.S.C. Sec. 502(f) for the purpose of responding to a national  
2 emergency is recognized as active duty service.

3 (9) The term "uniformed services" is defined by Title 10 U.S.C.;  
4 subsequently structured and organized by Titles 14, 33, and 42  
5 U.S.C.; consisting of the United States army, United States marine  
6 corps, United States navy, United States air force, United States  
7 coast guard, United States public health service commissioned corps,  
8 and the national oceanic and atmospheric administration commissioned  
9 officer corps.

10 NEW SECTION. **Sec. 4.** If specific funding for the purposes of  
11 this act, referencing this act by bill or chapter number, is not  
12 provided by June 30, 2017, in the omnibus appropriations act, this  
13 act is null and void.

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