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**SENATE BILL 5288**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators Lias, Short, Conway, Das, Frockt, Hunt, Lovelett, Nguyen, Nobles, Randall, Saldaña, and Wilson, C.

Read first time 01/19/21. Referred to Committee on Higher Education & Workforce Development.

1 AN ACT Relating to increasing access to the Washington  
2 opportunity scholarship program; and amending RCW 28B.145.010,  
3 28B.145.030, 28B.145.040, and 28B.145.100.

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

5 **Sec. 1.** RCW 28B.145.010 and 2019 c 406 s 63 are each amended to  
6 read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

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

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

11 (3) "Eligible advanced degree program" means a health  
12 professional degree program beyond the baccalaureate level and  
13 includes graduate and professional degree programs.

14 (4) "Eligible county" has the same meaning as "rural county" as  
15 defined in RCW 82.14.370 and also includes any county that shares a  
16 common border with Canada and has a population of over one hundred  
17 twenty-five thousand.

18 (5) "Eligible education programs" means high employer demand and  
19 other programs of study as determined by the board.

20 (6) "Eligible expenses" means reasonable expenses associated with  
21 the costs of acquiring an education such as tuition, books,

1 equipment, fees, room and board, and other expenses as determined by  
2 the program administrator in consultation with the council and the  
3 state board for community and technical colleges.

4 (7) "Eligible school district" means a school district of the  
5 second class as identified in RCW 28A.300.065(2).

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

9 (a) (i) (~~Has~~) Received his or her high school diploma or high  
10 school equivalency certificate as provided in RCW 28B.50.536 in  
11 Washington and who has been accepted at a four-year institution of  
12 higher education into an eligible education program leading to a  
13 baccalaureate degree;

14 (ii) (~~Will~~) Received his or her high school diploma or high  
15 school equivalency certificate as provided in RCW 28B.50.536 in  
16 Washington and who will attend a two-year institution of higher  
17 education and intends to transfer to an eligible education program at  
18 a four-year institution of higher education;

19 (iii) Has been accepted at an institution of higher education  
20 into a professional-technical degree program in an eligible education  
21 program;

22 (iv) Has been accepted at an institution of higher education into  
23 a professional-technical certificate program or industry-recognized  
24 credential program in an eligible education program; or

25 (v) Has been accepted at an institution of higher education into  
26 an eligible advanced degree program that leads to credentials in  
27 health professions;

28 (b) Declares an intention to obtain (~~a~~) an industry-recognized  
29 credential, professional-technical certificate, professional-  
30 technical degree, baccalaureate degree, or an advanced degree; and

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

34 (9) "Gift aid" means financial aid received from the federal Pell  
35 grant, the Washington college grant program in chapter 28B.92 RCW,  
36 the college bound scholarship program in chapter 28B.118 RCW, the  
37 opportunity grant program in chapter 28B.50 RCW, or any other state  
38 grant, scholarship, or worker retraining program that provides funds  
39 for educational purposes with no obligation of repayment. "Gift aid"  
40 does not include student loans, work-study programs, the basic food

1 employment and training program administered by the department of  
2 social and health services, or other employment assistance programs  
3 that provide job readiness opportunities and support beyond the costs  
4 of tuition, books, and fees.

5 (10) "High employer demand program of study" has the same meaning  
6 as provided in RCW 28B.50.030.

7 (11) "Industry-recognized credential" means a noncredit program  
8 as offered by the state board for community and technical colleges  
9 under RCW 28B.50.090(7)(c) that provides a license or professional  
10 certification recognized by employers as necessary to employment.

11 (12) "Participant" means an eligible student who has received a  
12 scholarship under the opportunity scholarship program.

13 (~~(12)~~) (13) "Private sources," "private funds," "private  
14 contributions," or "private sector contributions" means donations  
15 from private organizations, corporations, federally recognized Indian  
16 tribes, municipalities, counties, and other sources, but excludes  
17 state dollars.

18 (~~(13)~~) (14) "Professional-technical certificate" means a  
19 program as approved by the state board for community and technical  
20 colleges under RCW 28B.50.090(7)(c), that is offered by an  
21 institution of higher education.

22 (~~(14)~~) (15) "Professional-technical degree" means a program as  
23 approved by the state board for community and technical colleges  
24 under RCW 28B.50.090(7)(c), that is offered by an institution of  
25 higher education.

26 (~~(15)~~) (16) "Program administrator" means a private nonprofit  
27 corporation registered under Title 24 RCW and qualified as a tax-  
28 exempt entity under section 501(c)(3) of the federal internal revenue  
29 code.

30 (~~(16)~~) (17) "Resident student" has the same meaning as provided  
31 in RCW 28B.15.012.

32 (~~(17)~~) (18) "Rural jobs program" means the rural county high  
33 employer demand jobs program created in this chapter.

34 **Sec. 2.** RCW 28B.145.030 and 2019 c 406 s 65 are each amended to  
35 read as follows:

36 (1) The program administrator shall provide administrative  
37 support to execute the duties and responsibilities provided in this  
38 chapter, including but not limited to publicizing the program,  
39 selecting participants for the opportunity scholarship award,

1 distributing opportunity scholarship awards, and achieving the  
2 maximum possible rate of return on investment of the accounts in  
3 subsection (2) of this section, while ensuring transparency in the  
4 investment decisions and processes. Duties, exercised jointly with  
5 the board, include soliciting funds and setting annual fund-raising  
6 goals. The program administrator shall be paid an administrative fee  
7 as determined by the board.

8 (2) With respect to the opportunity scholarship program, the  
9 program administrator shall:

10 (a) Establish and manage the specified accounts created in (b) of  
11 this subsection, into which to receive grants and contributions from  
12 private sources as well as state matching funds, and from which to  
13 disburse scholarship funds to participants;

14 (b) Solicit and accept grants and contributions from private  
15 sources, via direct payment, pledge agreement, or escrow account, of  
16 private sources for deposit into any of the specified accounts  
17 created in this subsection (2)(b) upon the direction of the donor and  
18 in accordance with this subsection (2)(b):

19 (i) The "scholarship account," whose principal may be invaded,  
20 and from which scholarships must be disbursed for baccalaureate  
21 programs beginning no later than December 1, 2011, if, by that date,  
22 state matching funds in the amount of five million dollars or more  
23 have been received. Thereafter, scholarships shall be disbursed on an  
24 annual basis beginning no later than May 1, 2012, and every October  
25 1st thereafter;

26 (ii) The "student support pathways account," whose principal may  
27 be invaded, and from which scholarships may be disbursed for  
28 professional-technical certificate or degree programs or industry-  
29 recognized credential programs in the fiscal year following  
30 appropriations of state matching funds. Thereafter, scholarships  
31 shall be disbursed on an annual basis;

32 (iii) The "advanced degrees pathways account," whose principal  
33 may be invaded, and from which scholarships may be disbursed for  
34 eligible advanced degree programs in the fiscal year following  
35 appropriations of state matching funds. Thereafter, scholarships  
36 shall be disbursed on an annual basis;

37 (iv) The "endowment account," from which scholarship moneys may  
38 be disbursed for baccalaureate programs from earnings only in years  
39 when:

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

3 (B) The state appropriations for the Washington college grant  
4 program under chapter 28B.92 RCW meet or exceed state appropriations  
5 for the state need grant made in the 2011-2013 biennium, adjusted for  
6 inflation, and eligibility for Washington college grant recipients is  
7 at least seventy percent of state median family income;

8 (v) An amount equal to at least fifty percent of all grants and  
9 contributions must be deposited into the scholarship account until  
10 such time as twenty million dollars have been deposited into the  
11 scholarship account, after which time the private donors may  
12 designate whether their contributions must be deposited to the  
13 scholarship account, the student support pathways account, the  
14 advanced degrees pathways account, or the endowment account. The  
15 board and the program administrator must work to maximize private  
16 sector contributions to these accounts to maintain a robust  
17 scholarship program while simultaneously building the endowment, and  
18 to determine the division between the accounts in the case of  
19 undesignated grants and contributions, taking into account the need  
20 for a long-term funding mechanism and the short-term needs of  
21 families and students in Washington. The first five million dollars  
22 in state match, as provided in RCW 28B.145.040, shall be deposited  
23 into the scholarship account and thereafter the state match shall be  
24 deposited into the specified accounts created in this subsection  
25 (2)(b) in equal proportion to the private funds deposited in each  
26 account, except that no more than one million dollars in state match  
27 shall be deposited into the advanced degrees pathways account in a  
28 single fiscal biennium; and

29 (vi) Once moneys in the opportunity scholarship match transfer  
30 account are subject to an agreement under RCW 28B.145.050(5) and are  
31 deposited in the scholarship account, the student support pathways  
32 account, the advanced degrees pathways account, or the endowment  
33 account under this section, the state acts in a fiduciary rather than  
34 ownership capacity with regard to those assets. Assets in the  
35 scholarship account, the student support pathways account, the  
36 advanced degrees pathways account, and the endowment account are not  
37 considered state money, common cash, or revenue to the state;

38 (c) Provide proof of receipt of grants and contributions from  
39 private sources to the council, identifying the amounts received by  
40 name of private source and date, and whether the amounts received

1 were deposited into the scholarship account, the student support  
2 pathways account, the advanced degrees pathways account, or the  
3 endowment account;

4 (d) In consultation with the council and the state board for  
5 community and technical colleges, make an assessment of the  
6 reasonable annual eligible expenses associated with eligible  
7 education programs and eligible advanced degree programs identified  
8 by the board;

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

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

15 (g) Ensure that if the private source is from a federally  
16 recognized Indian tribe, municipality, or county, an amount at least  
17 equal to the value of the private source plus the state match is  
18 awarded to participants within that federally recognized Indian  
19 tribe, municipality, or county according to the federally recognized  
20 Indian tribe's, municipality's, or county's program rules;

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

31 (i) Distribute scholarship funds to selected participants. Once  
32 awarded, and to the extent funds are available for distribution, an  
33 opportunity scholarship shall be automatically renewed as long as the  
34 participant annually submits documentation of filing both a free  
35 application for federal student aid (FAFSA) and for available federal  
36 education tax credits including, but not limited to, the American  
37 opportunity tax credit, or if ineligible to apply for federal student  
38 aid, the participant annually submits documentation of filing a state  
39 financial aid application as approved by the office of student  
40 financial assistance; and until the participant withdraws from or is

1 no longer attending the program, completes the program, or has taken  
2 the credit or clock hour equivalent of one hundred twenty-five  
3 percent of the published length of time of the participant's program,  
4 whichever occurs first;

5 (j) Notify institutions of scholarship recipients who will attend  
6 their institutions and inform them of the terms of the students'  
7 eligibility; and

8 (k) For participants enrolled in an eligible advanced degree  
9 program, document each participant's employment following graduation.

10 (3) With respect to the opportunity expansion program, the  
11 program administrator shall:

12 (a) Assist the board in developing and implementing an  
13 application, selection, and notification process for making  
14 opportunity expansion awards; and

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

17 **Sec. 3.** RCW 28B.145.040 and 2019 c 406 s 66 are each amended to  
18 read as follows:

19 (1) The opportunity scholarship program is established.

20 (2) The purpose of this scholarship program is to provide  
21 scholarships that will help low and middle-income Washington  
22 residents earn industry-recognized credentials, professional-  
23 technical certificates, professional-technical degrees, baccalaureate  
24 degrees in high employer demand and other programs of study, and  
25 advanced degrees in health professions, and encourage them to remain  
26 in the state to work. The program must be designed for students  
27 starting industry-recognized credentials, professional-technical  
28 certificate or degree programs, students starting at two-year  
29 institutions of higher education and intending to transfer to four-  
30 year institutions of higher education, students starting at four-year  
31 institutions of higher education, and students enrolled in eligible  
32 advanced degree programs.

33 (3) The opportunity scholarship board shall determine which  
34 programs of study, including but not limited to high employer demand  
35 programs, are eligible for purposes of the opportunity scholarship.  
36 For eligible advanced degree programs, the board shall limit  
37 scholarships to eligible students enrolling in programs that lead to  
38 credentials in health professions.

1 (4) (a) The source of funds for the program shall be a combination  
2 of private grants and contributions and state matching funds. A state  
3 match may be earned under this section for private contributions made  
4 on or after June 6, 2011.

5 (b) The state match must be based on donations and pledges  
6 received as of the date each official state caseload forecast is  
7 submitted by the caseload forecast council to the legislative fiscal  
8 committees, as provided under RCW 43.88C.020. The purpose of this  
9 subsection (4)(b) is to ensure the predictable treatment of the  
10 program in the budget process by clarifying the calculation process  
11 of the state match required by this section and ensuring the program  
12 is budgeted at maintenance level.

13 (c) A state match, up to a maximum of fifty million dollars  
14 annually, shall be provided beginning the later of January 1, 2014,  
15 or January 1st next following the end of the fiscal year in which  
16 collections of state retail sales and use tax, state business and  
17 occupation tax, and state public utility tax exceed, by ten percent  
18 the amounts collected from these tax resources in the fiscal year  
19 that ended June 30, 2008, as determined by the department of revenue.

20 **Sec. 4.** RCW 28B.145.100 and 2018 c 254 s 4 are each amended to  
21 read as follows:

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

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

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

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

37 (a) (~~Publicizing~~) Publicize the rural jobs program and  
38 conducting outreach to eligible counties;



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

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

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

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

18 (d) Determine the annual scholarship fund amounts to be awarded  
19 to selected students;

20 (e) Distribute funds to selected students;

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

25 (g) Establish and manage an account as provided under RCW  
26 28B.145.110 to receive donations, grants, contributions from private  
27 sources, and state matching funds, and from which to disburse  
28 scholarship funds to selected students.

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

31 (a) Either:

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

34 (ii) Have earned a high school diploma or its equivalent from a  
35 school in an eligible school district and enroll in a community or  
36 technical college located in an eligible county;

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

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

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

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

6           (f) Demonstrate financial need according to the free application  
7 for federal student aid or the Washington application for state  
8 financial aid.

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

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

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