
SENATE BILL 5157

State of Washington 56th Legislature 1999 Regular Session

By Senators Rasmussen, Gardner, Jacobsen, Eide and Winsley

Read first time 01/14/1999. Referred to Committee on Higher Education.

1 AN ACT Relating to the community scholarship partnership program;
2 and adding a new chapter to Title 28B RCW.

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

4 NEW SECTION. **Sec. 1.** The community scholarship partnership
5 program is established. The board shall administer the program. The
6 purpose of the program is to encourage the development of local
7 organizations dedicated to help students achieve a higher education.

8 NEW SECTION. **Sec. 2.** The definitions in this section apply
9 throughout this chapter unless the context clearly requires otherwise.

10 (1) "Affiliate scholarship foundation" is an affiliate of the
11 qualified organization that receives funding from the qualified
12 organization to provide scholarships under this chapter.

13 (2) "Board" means the higher education coordinating board.

14 (3) "Local scholarship foundation" means an organization that:

15 (a) Is either a nonprofit organization under section 501(c)(3) of
16 the internal revenue code, 26 U.S.C. Sec. 501(c)(3), and is exempt from
17 taxation under section 501(a) of the internal revenue code or is

1 affiliated with a state, regional, or national organization that meets
2 this criteria;

3 (b) Is formed to provide scholarships for students to attend
4 institutions of higher education. The foundation may provide academic
5 support for residents of the community served by the foundation;

6 (c) Has broad-based community support;

7 (d) Represents the community where it is located including
8 volunteers representative of the community;

9 (e) Has a board of directors that includes both leaders from
10 community organizations and residents of the community;

11 (f) Awards scholarships to students to attend institutions of
12 higher education without regard to a recipient's age, sex, marital
13 status, race, creed, color, religion, national origin, or disability;
14 and

15 (g) Meets other criteria established by the board.

16 (4) "Qualified local foundation" means a local scholarship
17 foundation designated to receive grants under this chapter.

18 (5) "Qualified organization" means the state-wide community
19 scholarship organization that is designated to receive a grant under
20 this chapter.

21 (6) "State-wide community scholarship organization" means an
22 organization that:

23 (a) Operates in fifty or more communities throughout the state;

24 (b) Helps create and support affiliate scholarship foundations and
25 provides training and other support programs to affiliate scholarship
26 foundations;

27 (c) Is a nonprofit organization under section 501(c)(3) of the
28 internal revenue code, 26 U.S.C. Sec. 501(c)(3), and is exempt from
29 taxation under section 501(a) of the internal revenue code;

30 (d) Is a publicly supported organization under section
31 170(b)(1)(a)(vi) of the internal revenue code;

32 (e) Certifies each affiliate local scholarship foundation as
33 meeting the criteria for participation under this chapter;

34 (f) Has a program for and experience in cooperating with secondary
35 and higher education institutions in carrying out the organization's
36 scholarship and academic support activities; and

37 (g) Meets other criteria established by the board.

38 NEW SECTION. **Sec. 3.** The board shall:

1 (1) Solicit and analyze competitive proposals from state-wide
2 community organizations seeking to be designated as the qualified
3 organization and select one state-wide community organization as the
4 qualified organization. Only one state-wide community organization may
5 be designated as a qualified organization at a time, however the board
6 may adopt rules regarding changes in designation;

7 (2) Beginning July 1, 2000, distribute funds, to the extent funds
8 are available, to the qualified organization. The board may distribute
9 funds in whole or in part whenever the qualified organization has
10 raised a portion equal to one hundred thousand dollars or more of the
11 required qualifying match;

12 (3) Designate local scholarship foundations that meet the criteria
13 under this chapter as qualified foundations;

14 (4) Beginning July 1, 2000, make grants to qualified local
15 foundations from money appropriated to the board for these grants; and

16 (5) Adopt rules as necessary to carry out the purposes of this
17 chapter.

18 NEW SECTION. **Sec. 4.** The qualified organization or a qualified
19 local foundation receiving a grant under this chapter shall:

20 (1) Match the grant on a dollar-for-dollar basis with money raised
21 from private sources within the state;

22 (2) Use the funds to either:

23 (a) Establish a permanent endowment fund and place both the private
24 funds and the funds from the state grant in the fund and use the
25 interest and income received from the investment of the permanent
26 endowment fund under this section to support the purposes and general
27 operations of the qualified organization or a qualified local
28 foundation; or

29 (b) Use the fund to provide scholarships.

30 NEW SECTION. **Sec. 5.** The qualified organization or a qualified
31 local foundation receiving funds under this chapter to be placed in a
32 permanent endowment fund shall return the money received under this
33 chapter to the state general fund if it:

34 (1) Loses its status as a public charitable organization;

35 (2) Is liquidated; or

36 (3) Violates a provision of this chapter.

1 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
2 a new chapter in Title 28B RCW.

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