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**SUBSTITUTE SENATE BILL 5598**

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**State of Washington**

**56th Legislature**

**1999 Regular Session**

**By** Senate Committee on Higher Education (originally sponsored by Senators McAuliffe, Finkbeiner, West, Jacobsen, Long, Kline, Costa, Snyder, Eide, Patterson, Hale and Winsley; by request of Governor Locke)

Read first time 03/03/1999.

1 AN ACT Relating to higher education scholarships; amending RCW  
2 43.79A.040; 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 legislature intends to strengthen the  
5 link between postsecondary education and K-12 education by creating the  
6 Washington's promise scholarship program for academically successful  
7 high school graduates. The legislature finds that, increasingly, an  
8 individual's economic viability is contingent on postsecondary  
9 educational opportunities, yet the state's full financial obligation is  
10 eliminated after the twelfth grade. Students who work hard in  
11 kindergarten through twelfth grade and successfully complete high  
12 school with high academic marks may not have the financial ability to  
13 attend college because they cannot obtain financial aid or the  
14 financial aid is insufficient. The legislature finds that  
15 postsecondary education is quickly becoming a right, not a privilege.  
16 The legislature intends to support this right by providing scholarships  
17 for postsecondary education.

1        NEW SECTION.    **Sec. 2.**    (1) To qualify for a Washington's promise  
2 scholarship, a student must meet both the academic and financial  
3 requirements in this section.

4        (2)(a) Beginning with the graduating class of 2001 and ending with  
5 the graduating class of 2002, students in the top fifteen percent of  
6 each high school graduating class meet the academic requirement for the  
7 scholarship.

8        (b) Beginning with the tenth grade class taking the Washington  
9 assessment of student learning during the 2000-01 school year, students  
10 who pass all subjects on their first attempt meet the academic  
11 requirement for the scholarship.

12        (3) Students must graduate from a public high school or its  
13 equivalent.

14        (4) To meet the financial requirement of the scholarship, the  
15 student's family income must not exceed one hundred thirty-five percent  
16 of the state median family income.

17        NEW SECTION.    **Sec. 3.**    (1) The Washington's promise scholarship  
18 program shall be administered by the higher education coordinating  
19 board.

20        (2) The office of the superintendent of public instruction shall  
21 provide data on class ranking and Washington assessment of student  
22 learning scores to the higher education coordinating board to assist  
23 the higher education coordinating board in awarding scholarships. All  
24 student data should be considered confidential and used solely for the  
25 purposes of providing scholarships to eligible students.

26        (3)(a) For students eligible under section 2(2)(a) of this act, the  
27 office of the superintendent of public instruction shall provide the  
28 higher education coordinating board with the names, addresses, and  
29 unique numeric identifiers of students in the top fifteen percent of  
30 each respective high school graduating class in Washington state. This  
31 shall be done by July 15th in the summer following completion of the  
32 twelfth grade to enable students to use the Washington's promise  
33 scholarship upon completion of twelfth grade. The higher education  
34 coordinating board shall make annual awards to qualifying students in  
35 an amount equal to the cost of seventy-five percent of a full-time  
36 class load at a public community college for two years.

37        (b) For students eligible under section 2(2)(b) of this act, the  
38 office of the superintendent of public instruction shall provide the

1 higher education coordinating board with the names of tenth grade  
2 students who passed all subjects of the Washington assessment of  
3 student learning on their first attempt. This shall be done by July  
4 15th of the summer following receipt of assessment scores to enable  
5 students to use the Washington's promise scholarship upon completion of  
6 twelfth grade. The higher education coordinating board shall purchase  
7 units from the advanced college tuition payment program for students,  
8 beginning in the year 2001 and place in the account annual tuition  
9 units at seventy-five percent of the full-time community college rate  
10 for qualifying students, as provided for in chapter 28B.95 RCW.

11 (4) The scholarship may only be used at accredited institutions of  
12 higher education in the state of Washington.

13 (5) Scholarships may not be transferred.

14 (6) Scholarships may not be refunded to students. Scholarships may  
15 only be returned to the higher education coordinating board.

16 (7) Scholarships awarded under this section may be used for  
17 college-related expenses, including but not limited to, tuition, room  
18 and board, books, materials, and transportation.

19 (8) The Washington's promise scholarship program is not intended to  
20 supplant any scholarship or tax program related to postsecondary  
21 education.

22 (9)(a) The Washington's promise scholarship account is created in  
23 the custody of the state treasurer. The account shall be a discrete  
24 nontreasury account retaining its interest earnings in accordance with  
25 RCW 43.79A.040.

26 (b) The higher education coordinating board shall deposit in the  
27 account all money received for the program. The account shall be self-  
28 sustaining and consist of funds appropriated by the legislature for the  
29 Washington's promise scholarship program, private contributions to the  
30 program, and receipts from refunds of tuition and fees.

31 (c) Expenditures from the account shall be used for scholarships to  
32 eligible students.

33 (d) With the exception of the operating costs associated with the  
34 management of the account by the treasurer's office as authorized in  
35 chapter 43.79A RCW, the account shall be credited with all investment  
36 income earned by the account.

37 (e) Disbursements from the account are exempt from appropriations  
38 and the allotment provisions of chapter 43.88 RCW.

1 (f) Disbursements from the account shall be made only on the  
2 authorization of the higher education coordinating board.

3 (10) The higher education coordinating board may adopt rules to  
4 implement this section.

5 **Sec. 4.** RCW 43.79A.040 and 1998 c 268 s 1 are each amended to read  
6 as follows:

7 (1) Money in the treasurer's trust fund may be deposited, invested,  
8 and reinvested by the state treasurer in accordance with RCW 43.84.080  
9 in the same manner and to the same extent as if the money were in the  
10 state treasury.

11 (2) All income received from investment of the treasurer's trust  
12 fund shall be set aside in an account in the treasury trust fund to be  
13 known as the investment income account.

14 (3) The investment income account may be utilized for the payment  
15 of purchased banking services on behalf of treasurer's trust funds  
16 including, but not limited to, depository, safekeeping, and  
17 disbursement functions for the state treasurer or affected state  
18 agencies. The investment income account is subject in all respects to  
19 chapter 43.88 RCW, but no appropriation is required for payments to  
20 financial institutions. Payments shall occur prior to distribution of  
21 earnings set forth in subsection (4) of this section.

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

25 (b) The following accounts and funds shall receive their  
26 proportionate share of earnings based upon each account's or fund's  
27 average daily balance for the period: The Washington's promise  
28 scholarship account, the Washington advanced college tuition payment  
29 program account, the agricultural local fund, the American Indian  
30 scholarship endowment fund, the Washington international exchange  
31 scholarship endowment fund, the energy account, the fair fund, the game  
32 farm alternative account, the grain inspection revolving fund, the  
33 rural rehabilitation account, the stadium and exhibition center  
34 account, the youth athletic facility grant account, the self-insurance  
35 revolving fund, the sulfur dioxide abatement account, and the  
36 children's trust fund. However, the earnings to be distributed shall  
37 first be reduced by the allocation to the state treasurer's service  
38 fund pursuant to RCW 43.08.190.

1 (c) The following accounts and funds shall receive eighty percent  
2 of their proportionate share of earnings based upon each account's or  
3 fund's average daily balance for the period: The advanced right of way  
4 revolving fund, the advanced environmental mitigation revolving  
5 account, the federal narcotics asset forfeitures account, the high  
6 occupancy vehicle account, the local rail service assistance account,  
7 and the miscellaneous transportation programs account.

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

11 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute  
12 a new chapter in Title 28B RCW.

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