
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5598

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (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 03/08/1999.

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.

15 NEW SECTION. **Sec. 2.** (1) The higher education coordinating board
16 shall design and implement a Washington promise scholarship program
17 that incorporates both academic and financial requirements, and shall
18 give the highest priority to designing and implementing the

1 Washington's promise scholarship program in a way that awards
2 scholarships to the maximum number of potential recipients who qualify
3 under this section. In designing the program, the board shall evaluate
4 student debt burden, the state's financial aid programs, and the
5 financial aid programs of its institutions of higher education in light
6 of federal tax policies. Gaps in college opportunity and options or
7 addressing them should be identified. To the extent possible, tax
8 return data after April 1999 should be used to analyze which students
9 and families benefit from the tax credits and the amounts they claim,
10 and changes in claims over time.

11 (2) Beginning with the 10th grade class taking the Washington
12 assessment of student learning during the 2000-2001 school year,
13 students who pass all subjects on their first attempt meet the academic
14 requirement for the scholarship.

15 (3) By the 2000-2001 school year, the higher education coordinating
16 board's plan under this section shall be complete. The plan shall
17 outline criteria extending eligibility for the promise scholarship to
18 graduates of approved private high schools as defined in RCW 28A.195
19 and participants in home-based instruction as defined in RCW 28A.200.

20 (4) To meet the financial requirements of the scholarship, the
21 student's family income must not exceed one hundred thirty-five percent
22 of the state median family income.

23 (5) Within available funds, for each student qualifying for a
24 scholarship under this section, the higher education coordinating board
25 shall purchase from the advanced college tuition payment program
26 tuition units up to an annual amount no greater than those equivalent
27 to the full-time annual resident tuition at community college rates, as
28 provided for in chapter 28B.95 RCW.

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

32 (2) The office of the superintendent of public instruction shall
33 provide the names of tenth grade students who pass the Washington
34 assessment of student learning on their first attempt to the higher
35 education coordinating board to assist the higher education
36 coordinating board in awarding scholarships. This shall be done by
37 July 15th of each summer following the receipt of assessment scores to
38 enable students to use the scholarship upon completion of twelfth

1 grade. All student data should be considered confidential and used
2 solely for the purposes of providing scholarships to eligible students.

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

5 (4) Scholarships may not be transferred.

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

8 (6) Scholarships awarded under this section may be used for
9 college-related expenses, including but not limited to, tuition, room
10 and board, books, materials, and transportation.

11 (7) The Washington's promise scholarship program is not intended to
12 supplant any scholarship or tax program related to postsecondary
13 education.

14 (8)(a) The Washington's promise scholarship account is created in
15 the custody of the state treasurer. The account shall be a discrete
16 nontreasury account retaining its interest earnings in accordance with
17 RCW 43.79A.040.

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

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

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

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

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

33 (9) The higher education coordinating board may adopt rules to
34 implement this section.

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

37 (1) Money in the treasurer's trust fund may be deposited, invested,
38 and reinvested by the state treasurer in accordance with RCW 43.84.080

1 in the same manner and to the same extent as if the money were in the
2 state treasury.

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

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

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

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

31 (c) The following accounts and funds shall receive eighty percent
32 of their proportionate share of earnings based upon each account's or
33 fund's average daily balance for the period: The advanced right of way
34 revolving fund, the advanced environmental mitigation revolving
35 account, the federal narcotics asset forfeitures account, the high
36 occupancy vehicle account, the local rail service assistance account,
37 and the miscellaneous transportation programs account.

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

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

--- END ---