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

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

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

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

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

31 (2) The office of the superintendent of public instruction shall
32 provide the names of tenth grade students who pass the Washington
33 assessment of student learning on their first attempt to the higher
34 education coordinating board to assist the higher education
35 coordinating board in awarding scholarships. This shall be done by
36 July 15th of each summer following the receipt of assessment scores to
37 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)(a) For students eligible under section 2(2)(a) of this act, the
4 office of the superintendent of public instruction shall provide the
5 higher education coordinating board with the names, addresses, and
6 unique numeric identifiers of students in the top fifteen percent of
7 each respective high school graduating class in Washington state. This
8 shall be done by July 15th in the summer following completion of the
9 twelfth grade to enable students to use the Washington's promise
10 scholarship upon completion of twelfth grade. The higher education
11 coordinating board shall make annual awards to qualifying students in
12 an amount equal to the cost of seventy-five percent of a full-time
13 class load at a public community college for two years.

14 (b) For students eligible under section 2(2)(b) of this act, the
15 office of the superintendent of public instruction shall provide the
16 higher education coordinating board with the names of tenth grade
17 students who passed all subjects of the Washington assessment of
18 student learning on their first attempt. This shall be done by July
19 15th of the summer following receipt of assessment scores to enable
20 students to use the Washington's promise scholarship upon completion of
21 twelfth grade. The higher education coordinating board shall purchase
22 units from the advanced college tuition payment program for students,
23 beginning in the year 2001 and place in the account annual tuition
24 units at seventy-five percent of the full-time community college rate
25 for qualifying students, as provided for in chapter 28B.95 RCW.

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

28 (5) Scholarships may not be transferred.

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

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

34 (8) The Washington's promise scholarship program is not intended to
35 supplant any scholarship or tax program related to postsecondary
36 education.

37 (9)(a) The Washington's promise scholarship account is created in
38 the custody of the state treasurer. The account shall be a discrete

1 nontreasury account retaining its interest earnings in accordance with
2 RCW 43.79A.040.

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

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

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

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

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

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

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

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

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

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

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

4 (b) The following accounts and funds shall receive their
5 proportionate share of earnings based upon each account's or fund's
6 average daily balance for the period: The Washington's promise
7 scholarship account, the Washington advanced college tuition payment
8 program account, the agricultural local fund, the American Indian
9 scholarship endowment fund, the Washington international exchange
10 scholarship endowment fund, the energy account, the fair fund, the game
11 farm alternative account, the grain inspection revolving fund, the
12 rural rehabilitation account, the stadium and exhibition center
13 account, the youth athletic facility grant account, the self-insurance
14 revolving fund, the sulfur dioxide abatement account, and the
15 children's trust fund. However, the earnings to be distributed shall
16 first be reduced by the allocation to the state treasurer's service
17 fund pursuant to RCW 43.08.190.

18 (c) The following accounts and funds shall receive eighty percent
19 of their proportionate share of earnings based upon each account's or
20 fund's average daily balance for the period: The advanced right of way
21 revolving fund, the advanced environmental mitigation revolving
22 account, the federal narcotics asset forfeitures account, the high
23 occupancy vehicle account, the local rail service assistance account,
24 and the miscellaneous transportation programs account.

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

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

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