
ENGROSSED THIRD SUBSTITUTE SENATE BILL 5598

State of Washington

56th Legislature

2000 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 01/27/2000.

1 AN ACT Relating to higher education scholarships; reenacting and
2 amending RCW 43.79A.040; adding a new chapter to Title 28B RCW;
3 creating a new section; providing an expiration date; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to strengthen the
7 link between postsecondary education and K-12 education by creating the
8 Washington's promise scholarship program for academically successful
9 high school graduates from low and middle-income families. The
10 legislature finds that, increasingly, an individual's economic
11 viability is contingent on postsecondary educational opportunities, yet
12 the state's full financial obligation is eliminated after the twelfth
13 grade. Students who work hard in kindergarten through twelfth grade
14 and successfully complete high school with high academic marks may not
15 have the financial ability to attend college because they cannot obtain
16 financial aid or the financial aid is insufficient.

1 NEW SECTION. **Sec. 2.** The higher education coordinating board
2 shall design the Washington's promise scholarship program based on the
3 following parameters:

4 (1) Scholarships shall be awarded to students who graduate from
5 high school or its equivalent and who meet both academic and financial
6 eligibility criteria.

7 (a) Before the K-12 certificate of mastery is required, academic
8 eligibility criteria shall be as follows: (i) Students graduating from
9 public and approved private high schools under chapter 28A.195 RCW in
10 2001 and 2002 must be in the top fifteen percent of their graduating
11 class; (ii) beginning with the graduating class of 2003, students must
12 pass all components of the Washington assessment of student learning
13 that are required to be administered by school districts in accordance
14 with RCW 28A.655.060 on their first attempt when they take it in the
15 tenth grade or be in the top fifteen percent of their graduating class;
16 (iii) students participating in home-based instruction as provided in
17 chapter 28A.200 RCW must pass all components of the Washington
18 assessment of student learning on their first attempt when they take it
19 in the tenth grade; or (iv) students graduating from public high
20 school, approved private high schools under chapter 28A.195 RCW and
21 students participating in home-based instruction as provided in chapter
22 28A.200 RCW must equal or exceed a cumulative Scholastic Achievement
23 Test score of 1200 on their first attempt.

24 (b) After the K-12 certificate of mastery is required, students
25 graduating from public and approved private high schools under chapter
26 28A.195 RCW, and participants in home-based instruction as provided in
27 chapter 28A.200 RCW are academically eligible if they pass all parts of
28 the certificate of mastery on their first attempt in the tenth grade or
29 those students who on their first attempt during their high school
30 years achieve a cumulative Scholastic Achievement Test state percentile
31 ranking equivalent to or above the corresponding percentage of students
32 that passed the certificate of mastery. This determination shall be
33 made by the superintendent of public instruction who shall provide the
34 methodology by which the determination is made.

35 (c) To meet the financial eligibility criteria, a student's family
36 income shall not exceed one hundred thirty-five percent of the state
37 median family income adjusted for family size as determined at the time
38 of academic eligibility as determined in (a) or (b) of this subsection,
39 except as otherwise determined in subsection (2) of this section.

1 (2) Promise scholarships are not intended to supplant any
2 scholarship or tax program related to postsecondary education. If the
3 board finds that promise scholarships supplant or reduce any grant,
4 scholarship, or tax program for categories of students, then the board
5 shall adjust the financial eligibility criteria or the amount of
6 scholarship to the level necessary to avoid supplanting.

7 (3) The amount of promise scholarships shall not exceed the
8 equivalent of two years' worth of tuition at the resident, full-time,
9 community college tuition rate. Awards for the second year of the
10 scholarship shall be made only to students who successfully complete
11 their first year of postsecondary education. In determining the amount
12 of scholarships, the board shall give the highest priority to awarding
13 scholarships to the maximum number of potential eligible recipients.

14 (4) By October 15th of each year, beginning in 2001, the board
15 shall determine the amount of the scholarships, after taking into
16 consideration the availability of funds.

17 (5) The scholarships may only be used for undergraduate coursework
18 at accredited institutions of higher education in the state of
19 Washington.

20 (6) The scholarships must be used within six years of being
21 awarded.

22 (7) The scholarships may be used for college-related expenses,
23 including but not limited to, tuition, room and board, books, and
24 materials.

25 (8) The scholarships may not be awarded to any student who is
26 pursuing a degree in theology.

27 NEW SECTION. **Sec. 3.** (1) The higher education coordinating board,
28 with the assistance of the institutions of higher education and the
29 office of the superintendent of public instruction, shall evaluate the
30 impact and the effectiveness of the Washington's promise scholarship
31 program. The evaluation shall include, but not be limited to: (a) An
32 analysis of what other financial assistance promise scholarship
33 recipients are receiving through other federal, state, and
34 institutional programs, including grants, work study, tuition waivers,
35 tax credits, and loan programs; (b) an analysis of whether the
36 implementation of the promise scholarship has had an impact on student
37 indebtedness; and (c) an evaluation of what types of students are
38 successfully completing high school but do not have the financial

1 ability to attend college because they cannot obtain financial aid or
2 the financial aid is insufficient. By November 1, 2001, the board
3 shall report its findings and make recommendations to the governor and
4 the legislature.

5 (2) This section expires December 31, 2001.

6 NEW SECTION. **Sec. 4.** The higher education coordinating board,
7 with the assistance of the office of the superintendent of public
8 instruction, shall implement and administer the Washington's promise
9 scholarship program described in section 2 of this act as follows:

10 (1) The first scholarships shall be awarded to eligible students
11 enrolling in postsecondary education in academic year 2001-02.

12 (2) The office of the superintendent of public instruction shall
13 provide the information to the higher education coordinating board that
14 is necessary for implementation of the program.

15 (a) For students graduating from high school in the top fifteen
16 percent of their class, the office of the superintendent of public
17 instruction shall provide the higher education coordinating board with
18 student names, addresses, birth dates, and unique numeric identifiers
19 as determined by each respective high school at the completion of the
20 first term of the senior year including the names, addresses, and birth
21 dates of other eligible students who have met the requirements
22 described in section 2 of this act.

23 (b) Beginning with the 2000-01 school year, the office of the
24 superintendent of public instruction shall provide the names,
25 addresses, birth dates, and unique numeric identifiers of tenth grade
26 students who pass all components of the Washington assessment of
27 student learning on their first attempt including the names, addresses,
28 and birth dates of other eligible students who have met the
29 requirements described in section 2 of this act to the higher education
30 coordinating board to assist the higher education coordinating board in
31 awarding scholarships. This shall be done by October 1st of each year
32 following the receipt of assessment scores.

33 (c) All student data should be considered confidential and used
34 solely for the purposes of providing scholarships to eligible students.

35 (3) The higher education coordinating board may adopt rules to
36 implement this chapter.

1 NEW SECTION. **Sec. 5.** The Washington's promise scholarship program
2 shall not be funded at the expense of the state need grant program as
3 defined in RCW 28B.10.800 through 28B.10.824. In administering the
4 state need grant and promise scholarship programs, the higher education
5 coordinating board shall first ensure that eligibility for state need
6 grant recipients is at least sixty-five percent of state median family
7 income.

8 NEW SECTION. **Sec. 6.** (1) The Washington's promise scholarship
9 account is created in the custody of the state treasurer. The account
10 shall be a nontreasury account retaining its interest earnings in
11 accordance with RCW 43.79A.040.

12 (2) The higher education coordinating board shall deposit in the
13 account all money received for the program. The account shall be self-
14 sustaining and consist of funds appropriated by the legislature for the
15 Washington's promise scholarship program, private contributions to the
16 program, and refunds of Washington's promise scholarships.

17 (3) Expenditures from the account shall be used for scholarships to
18 eligible students.

19 (4) With the exception of the operating costs associated with the
20 management of the account by the treasurer's office as authorized in
21 chapter 43.79A RCW, the account shall be credited with all investment
22 income earned by the account.

23 (5) Disbursements from the account are exempt from appropriations
24 and the allotment provisions of chapter 43.88 RCW.

25 (6) Disbursements from the account shall be made only on the
26 authorization of the higher education coordinating board.

27 NEW SECTION. **Sec. 7.** The provisions of chapter ..., Laws of 2000
28 (this act) shall not be construed to change current state requirements
29 for students who received home-based instruction under chapter 28A.200
30 RCW.

31 **Sec. 8.** RCW 43.79A.040 and 1999 c 384 s 8 and 1999 c 182 s 2 are
32 each reenacted and amended to read as follows:

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

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

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

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

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

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

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

1 NEW SECTION. **Sec. 9.** Sections 1, 2, and 4 through 7 of this act
2 constitute a new chapter in Title 28B RCW.

3 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately.

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