
SUBSTITUTE SENATE BILL 6645

State of Washington

56th Legislature

2000 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Eide, Swecker, Brown, Rasmussen, McAuliffe, Goings, Patterson, Hochstatter, Zarelli, Kohl-Welles, Finkbeiner, Shin and Bauer; by request of Governor Locke and Superintendent of Public Instruction)

Read first time 02/04/00.

1 AN ACT Relating to the future teachers conditional scholarships for
2 classified employees and other future teachers; amending RCW
3 28B.102.010, 28B.102.020, 28B.102.030, 28B.102.040, 28B.102.050, and
4 28B.102.060; reenacting and amending RCW 43.79A.040; and adding a new
5 section to chapter 28B.102 RCW.

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

7 **Sec. 1.** RCW 28B.102.010 and 1987 c 437 s 1 are each amended to
8 read as follows:

9 The legislature finds that encouraging outstanding students and
10 classified employees to enter the teaching profession is of paramount
11 importance to the state of Washington. By creating the future teachers
12 conditional scholarship program, the legislature intends to assist in
13 the effort to recruit as future teachers, students who have
14 distinguished themselves through outstanding academic achievement,
15 individuals who have demonstrated their commitment to children and
16 education as classified employees, and ~~((students))~~ individuals who can
17 act as role models for children ~~((including those from targeted ethnic~~
18 ~~minorities))~~. The legislature urges business, industry, and

1 philanthropic community organizations to join with state government in
2 making this program successful.

3 **Sec. 2.** RCW 28B.102.020 and 1996 c 53 s 1 are each amended to read
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout this chapter.

7 (1) "Conditional scholarship" means a loan that is forgiven in
8 whole or in part if the recipient renders service as a teacher in an
9 approved education program in this state.

10 (2) "Institution of higher education" or "institution" means a
11 college or university in the state of Washington which is accredited by
12 an accrediting association recognized as such by rule of the higher
13 education coordinating board.

14 (3) "Board" means the higher education coordinating board.

15 (4) "Classified employee" means an employee of a school district or
16 educational service district who does not hold a Washington teaching
17 certificate.

18 (5) "Eligible student" means a student who is registered for at
19 least ten credit hours or the equivalent, demonstrates achievement of
20 at least a 3.30 grade point average for students entering an
21 institution of higher education directly from high school or maintains
22 at least a 3.00 grade point average or the equivalent for each academic
23 year in an institution of higher education, is a resident student as
24 defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention
25 to complete an approved preparation program leading to initial teacher
26 certification or required for earning an additional endorsement, or a
27 college or university graduate who meets the same credit hour
28 requirements and is seeking an additional teaching endorsement or
29 initial teacher certification. Resident students defined in RCW
30 28B.15.012(2)(e) are not eligible students under this chapter.

31 ~~((+5))~~ (6) "Public school" means an elementary school, a middle
32 school, junior high school, or high school within the public school
33 system referred to in Article IX of the state Constitution.

34 ~~((+6))~~ (7) "Forgiven" or "to forgive" or "forgiveness" means to
35 render service as a teacher in an approved education program in the
36 state of Washington in lieu of monetary repayment.

37 ~~((+7))~~ (8) "Satisfied" means paid-in-full.

1 ~~((8))~~ (9) "Participant" means an eligible student or classified
2 employee who has received a conditional scholarship under this chapter.

3 ~~((9) — "Targeted — ethnic — minority")~~ (10) "Historically
4 underrepresented populations" means ~~((a))~~ groups of Americans ~~((with a~~
5 ~~common ethnic or racial heritage selected))~~ identified by the board
6 ~~((for program consideration due to societal concerns such as high~~
7 ~~dropout rates or low rates of college participation by members of the~~
8 ~~group))~~ because their participation in college has been significantly
9 lower than their representation in the overall population.

10 ~~((10))~~ (11) "Approved education program" means an education
11 program in the state of Washington for knowledge and skills generally
12 learned in preschool through twelfth grade. Approved education
13 programs may include but are not limited to:

- 14 (a) K-12 schools under Title 28A RCW;
- 15 (b) Early childhood education and assistance programs under RCW
16 28A.215.100 through 28A.215.200 or the federal head start program;
- 17 (c) An approved school under chapter 28A.195 RCW;
- 18 (d) Education centers under chapter 28A.205 RCW;
- 19 (e) English as a second language programs and programs leading to
20 high school graduation or the equivalency operated by community or
21 technical colleges; and
- 22 (f) Tribal schools in Washington approved by the federal bureau of
23 Indian affairs.

24 (12) "Equalization charge" means the additional amount added to the
25 principle of the loan in order to equate the debt to that which the
26 participant would have incurred if the loan had been received through
27 the federal subsidized Stafford student loan program. The equalization
28 charge is only applied to those participants who fail to satisfy their
29 teaching obligation and are required to repay all or part of the
30 conditional scholarship.

31 (13) "Teacher shortage area" means an area where there is a
32 shortage of preschool, elementary, or secondary school teachers and can
33 be designated in a specific subject matter, discipline classification,
34 or geographic area as identified by the office of superintendent of
35 public instruction.

36 **Sec. 3.** RCW 28B.102.030 and 1987 c 437 s 3 are each amended to
37 read as follows:

1 The future teachers conditional scholarship program is established.
2 The program shall include scholarships for eligible students and
3 classified employees. The program shall be administered by the higher
4 education coordinating board. In administering the program, the board
5 shall have the following powers and duties:

6 (1) Select students and classified employees to receive conditional
7 scholarships, with the assistance of a screening committee composed of
8 teachers, representatives of classified employees, and leaders in
9 government, business, and education;

10 (2) Adopt necessary rules and guidelines;

11 (3) Publicize the program, including special efforts to recruit
12 historically underrepresented populations to apply for the program;

13 (4) Collect and manage repayments from (~~students~~) participants
14 who do not meet their teaching obligations under this chapter; and

15 (5) Solicit and accept grants and donations from public and private
16 sources for the program.

17 **Sec. 4.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
18 read as follows:

19 The higher education coordinating board shall establish a planning
20 committee to develop criteria for the screening and selection of
21 recipients of the conditional scholarships. These criteria shall
22 emphasize factors demonstrating excellence including but not limited to
23 superior scholastic achievement, leadership ability, community
24 contributions, and an ability to act as a role model for (~~targeted~~
25 ~~ethnic minority~~) students. These criteria also may include, for
26 approximately half of the recipients, requirements that those
27 recipients meet the definition of "needy student" under RCW 28B.10.802.

28 **Sec. 5.** RCW 28B.102.050 and 1987 c 437 s 5 are each amended to
29 read as follows:

30 The board may award conditional scholarships to classified
31 employees and eligible students from the funds appropriated to the
32 board for this purpose, or from any private donations, or any other
33 funds given to the board for this program. The amount of the
34 conditional scholarship awarded an individual shall not exceed (~~three~~
35 ~~thousand dollars per academic year~~) four thousand dollars in the 2000-
36 01 academic year. The board may adjust the annual award by the rate of
37 undergraduate, resident tuition increases at the public four-year

1 research universities. ((Students)) Participants are eligible to
2 receive conditional scholarships for a maximum of five years.

3 **Sec. 6.** RCW 28B.102.060 and 1996 c 53 s 2 are each amended to read
4 as follows:

5 (1) Participants in the conditional scholarship program incur an
6 obligation to repay the conditional scholarship, with interest and with
7 an equalization charge, unless they teach for two years in an approved
8 education program for each year of scholarship received, under rules
9 adopted by the board. Participants who teach in a designated teacher
10 shortage area shall have one year of loan forgiven for each year they
11 teach in the shortage area.

12 (2) The interest rate on new loans shall be ((~~eight percent for the~~
13 ~~first four years of repayment and ten percent beginning with the fifth~~
14 ~~year of repayment~~)) determined annually by the board. The annual
15 interest rate should generally parallel the current rate for new loans
16 in the primary federal student loan program for undergraduate students.
17 Participants who fail to complete the teaching service shall incur an
18 equalization charge of not more than three percent of the remaining
19 unforgiven balance. The equalization charge shall be added to the
20 remaining balance and repaid by the participant.

21 (3) The minimum payment shall be set by the board, but shall not be
22 less than fifty dollars per month. The maximum period for repayment
23 shall be ten years, with payments of principal and interest accruing
24 quarterly commencing nine months from the date the participant
25 completes or discontinues the course of study. Provisions for deferral
26 of payment shall be determined by the board.

27 (4) The entire principal and interest of each payment shall be
28 forgiven for each payment period in which the participant teaches in an
29 approved education program until the entire repayment obligation is
30 satisfied. Should the participant cease to teach in an approved
31 education program in this state before the participant's repayment
32 obligation is completed, payments on the unsatisfied portion of the
33 principal and interest shall begin the next payment period and continue
34 until the remainder of the participant's repayment obligation is
35 satisfied.

36 (5) The board is responsible for collection of repayments made
37 under this section and shall exercise due diligence in such collection,
38 maintaining all necessary records to insure that maximum repayments are

1 made. Collection and servicing of repayments under this section shall
2 be pursued using the full extent of the law, including wage garnishment
3 if necessary. The board is responsible to forgive all or parts of such
4 repayments under the criteria established in this section and shall
5 maintain all necessary records of forgiven payments.

6 (6) Receipts from the payment of principal or interest or any other
7 subsidies to which the board as administrator is entitled, which are
8 paid by or on behalf of participants under this section, shall be
9 deposited with the higher education coordinating board and shall be
10 used to cover the costs of granting the conditional scholarships,
11 maintaining necessary records, and making collections under subsection
12 (5) of this section. The board shall maintain accurate records of
13 these costs, and all receipts beyond those necessary to pay such costs
14 shall be used to grant conditional scholarships to classified employees
15 and eligible students.

16 (7) The board shall temporarily or, in special circumstances,
17 permanently defer the requirements of this section for classified
18 employees and eligible students as defined in RCW 28B.10.017.

19 (8) The board may cancel a recipient's repayment obligation due to
20 the recipient's total and permanent disability or death, subject to
21 documentation as required by the board.

22 (9) This section applies to recipients of conditional scholarships
23 awarded before or after July 1, 1996.

24 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.102
25 RCW to read as follows:

26 The future teachers conditional scholarship account is created in
27 the custody of the state treasurer. All receipts from moneys
28 appropriated from the legislature for the future teachers conditional
29 scholarship program, private contributions to the program, and receipts
30 from participant repayments must be deposited into the account.
31 Expenditures from the account may be used only for conditional loans to
32 participants and for the board's administrative costs associated with
33 the awarding, tracking, and collection of the loans. Only the
34 executive director of the higher education coordinating board or the
35 executive director's designee may authorize expenditures from the
36 account. The account is subject to allotment procedures under chapter
37 43.88 RCW, but an appropriation is not required for expenditures. With
38 the exception of operating costs associated with the management of the

1 account by the treasurer's office as authorized in chapter 43.79A RCW,
2 the account shall be credited with all investment income earned by the
3 account.

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

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

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

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

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

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

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