CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2807

Chapter 204, Laws of 2002

57th Legislature
2002 Regular Session

HIGHER EDUCATION--SCHOLARSHIPS

EFFECTIVE DATE: 3/27/02

Passed by the House March 14, 2002
Yeas 97  Nays 1

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 14, 2002
Yeas 45  Nays 0

BRAD OWEN
President of the Senate

Approved March 27, 2002

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2807 as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

FILED
March 27, 2002 - 2:32 p.m.

GARY F. LOCKE
Governor of the State of Washington

SECRETARY OF STATE
State of Washington
AN ACT Relating to higher education scholarships; reenacting and amending RCW 43.79A.040; adding a new chapter to Title 28B RCW; and declaring an emergency.

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

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

NEW SECTION. Sec. 2. The higher education coordinating board shall design the Washington promise scholarship program based on the following parameters:
(1) Scholarships shall be awarded to students graduating from public and approved private high schools under chapter 28A.195 RCW and students participating in home-based instruction as provided in chapter 28A.200 RCW who meet both an academic and a financial eligibility criteria.

   (a) Academic eligibility criteria shall be defined as follows:

   (i) Beginning with the graduating class of 2002, students graduating from public and approved private high schools under chapter 28A.195 RCW must be in the top fifteen percent of their graduating class, as identified by each respective high school at the completion of the first term of the student’s senior year; or

   (ii) Students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, and students participating in home-based instruction as provided in chapter 28A.200 RCW must equal or exceed a cumulative scholastic assessment test I score of twelve hundred on their first attempt or must equal or exceed a composite American college test score of twenty-seven on their first attempt.

   (b) To meet the financial eligibility criteria, a student’s family income shall not exceed one hundred thirty-five percent of the state median family income adjusted for family size, as determined by the higher education coordinating board for each graduating class. Students not meeting the eligibility requirements for the first year of scholarship benefits may reapply for the second year of benefits, but must still meet the income standard set by the board for the student’s graduating class.

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

(3) Within available funds, each qualifying student shall receive two consecutive annual awards, the value of each not to exceed the full-time annual resident tuition rates charged by Washington’s community colleges. The higher education coordinating board shall award scholarships to as many students as possible from among those qualifying under this section.
(4) By October 15th of each year, the board shall determine the award amount of the scholarships, after taking into consideration the availability of funds.

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

(6) The scholarships may be used for undergraduate coursework at Oregon institutions of higher education that are part of the border county higher education opportunity project in RCW 28B.80.806 when those institutions offer programs not available at accredited institutions of higher education in Washington state.

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

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

(9) The higher education coordinating board may establish satisfactory progress standards for the continued receipt of the promise scholarship.

(10) The higher education coordinating board shall establish the time frame within which the student must use the scholarship.

NEW SECTION. Sec. 3. The higher education coordinating board, with the assistance of the office of the superintendent of public instruction, shall implement and administer the Washington promise scholarship program described in section 2 of this act as follows:

(1) The first scholarships shall be awarded to eligible students enrolling in postsecondary education in the 2002-03 academic year.

(2) The office of the superintendent of public instruction shall provide information to the higher education coordinating board that is necessary for implementation of the program. The higher education coordinating board and the office of the superintendent of public instruction shall jointly establish a timeline and procedures necessary for accurate and timely data reporting.

(a) For students meeting the academic eligibility criteria as provided in section 2(1)(a) of this act, the office of the superintendent of public instruction shall provide the higher education coordinating board with student names, addresses, birth dates, and unique numeric identifiers.
(b) Public and approved private high schools under chapter 28A.195 RCW shall provide requested information necessary for implementation of the program to the office of the superintendent of public instruction within the established timeline.

(c) All student data is confidential and may be used solely for the purposes of providing scholarships to eligible students.

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

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

NEW SECTION. Sec. 5. This chapter shall not be construed to change current state requirements for students who received home-based instruction under chapter 28A.200 RCW.

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

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

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

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

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.
(6) Disbursements from the account shall be made only on the authorization of the higher education coordinating board.

Sec. 7. RCW 43.79A.040 and 2001 c 201 s 4 and 2001 c 184 s 4 are each reenacted and amended to read as follows:

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

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

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

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

(b) The following accounts and funds shall receive their proportionate share of earnings based upon each account’s or fund’s average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the basic health plan self-insurance reserve account, the Washington international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, the game farm alternative account, the grain inspection revolving fund, the juvenile accountability incentive account, the rural rehabilitation account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, and the children’s trust fund. However, the earnings to be distributed shall
first be reduced by the allocation to the state treasurer’s service
fund pursuant to RCW 43.08.190.

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

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

NEW SECTION. Sec. 8. Sections 1 through 6 of this act constitute
a new chapter in Title 28B RCW.

NEW SECTION. Sec. 9. This act is necessary for the immediate
preservation of the public peace, health, or safety, or support of the
state government and its existing public institutions, and takes effect
immediately.

Passed the House March 14, 2002.
Passed the Senate March 14, 2002.
Approved by the Governor March 27, 2002.
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