

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1277**

58th Legislature  
2003 Regular Session

Passed by the House March 10, 2003  
Yeas 95 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 8, 2003  
Yeas 47 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1277** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 1277**

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Passed Legislature - 2003 Regular Session

**State of Washington                      58th Legislature                      2003 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives Kenney, Cox, Jarrett, Chase, Veloria, Kessler and Upthegrove)

READ FIRST TIME 02/24/03.

1            AN ACT Relating to gaining independence for students by  
2 establishing an educational assistance grant program for students with  
3 dependents; amending RCW 28B.10.801; reenacting and amending RCW  
4 43.79A.040; adding a new section to chapter 74.04 RCW; and adding a new  
5 chapter to Title 28B RCW.

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

7            NEW SECTION.    **Sec. 1.** FINDING--INTENT. The legislature finds that  
8 financially needy students, especially those with dependents, are  
9 finding it increasingly difficult to stay in school due to the high  
10 costs of caring for their dependent children.

11            The legislature intends to establish an educational assistance  
12 grant program, funded through gifts, grants, or endowments from private  
13 sources, for students with dependents who have additional financial  
14 needs due to the care they provide for their dependents eighteen years  
15 of age or younger.

1        NEW SECTION.    **Sec. 2.**    PROGRAM CREATED.    The educational assistance  
2 grant program for students with dependents is hereby created, subject  
3 to the availability of receipts of gifts, grants, or endowments from  
4 private sources.    The program is created to serve financially needy  
5 students with dependents eighteen years of age or younger, by assisting  
6 them directly through a grant program to pursue a degree or certificate  
7 at public or private institutions of higher education, as defined in  
8 RCW 28B.10.802, that participate in the state need grant program.

9        NEW SECTION.    **Sec. 3.**    DEFINITION--ELIGIBILITY.    To be eligible for  
10 the educational assistance grant program for students with dependents,  
11 applicants shall:    (1) Be residents of the state of Washington; (2) be  
12 needy students as defined in RCW 28B.10.802(3); (3) be eligible to  
13 participate in the state need grant program as set forth under RCW  
14 28B.10.810; and (4) have dependents eighteen years of age or younger  
15 who are under their care.

16        NEW SECTION.    **Sec. 4.**    ACCOUNT CREATION.    (1) The students with  
17 dependents grant account is created in the custody of the state  
18 treasurer.    All receipts from the program shall be deposited into the  
19 account.    Only the higher education coordinating board, or its  
20 designee, may authorize expenditures from the account.    Disbursements  
21 from the account are exempt from appropriations and the allotment  
22 procedures under chapter 43.88 RCW.

23        (2) The board may solicit and receive gifts, grants, or endowments  
24 from private sources that are made from time to time, in trust or  
25 otherwise, for the use and benefit of the purposes of the educational  
26 assistance grant program.    The executive director, or the executive  
27 director's designee, may spend gifts, grants, or endowments or income  
28 from the private sources according to their terms unless the receipt of  
29 the gifts, grants, or endowments violates RCW 42.17.710.

30        (3) The earnings on the account shall be used solely for the  
31 purposes in section 2 of this act, except when the terms of a  
32 conditional gift of private moneys in the account require that a  
33 portion of earnings on such moneys be reinvested in the account.

34        NEW SECTION.    **Sec. 5.**    ADMINISTRATION OF PROGRAM--PAYMENTS TO  
35 PARTICIPANTS.    The higher education coordinating board shall develop

1 and administer the educational assistance grant program for students  
2 with dependents. In administering the program, once the balance in the  
3 students with dependents grant account is five hundred thousand  
4 dollars, the board's powers and duties shall include but not be limited  
5 to:

- 6 (1) Adopting necessary rules and guidelines;
- 7 (2) Publicizing the program;
- 8 (3) Accepting and depositing donations into the grant account  
9 established in section 4 of this act; and
- 10 (4) Soliciting and accepting grants and donations from private  
11 sources for the program.

12 NEW SECTION. **Sec. 6.** USE OF GRANTS. The educational assistance  
13 grant program for students with dependents grants may be used by  
14 eligible participants to attend any public or private college or  
15 university in the state of Washington as defined in RCW 28B.10.802.  
16 Each participating student may receive an amount to be determined by  
17 the higher education coordinating board, with a minimum amount of one  
18 thousand dollars per academic year, not to exceed the student's  
19 documented financial need for the course of study as determined by the  
20 institution.

21 Educational assistance grants for students with dependents are not  
22 intended to supplant any grant scholarship or tax program related to  
23 postsecondary education. If the higher education coordinating board  
24 finds that the educational assistance grants for students with  
25 dependents supplant or reduce any grant, scholarship, or tax program  
26 for categories of students, then the higher education coordinating  
27 board shall adjust the financial eligibility criteria or the amount of  
28 the grant to the level necessary to avoid supplanting.

29 NEW SECTION. **Sec. 7.** This chapter may be known and cited as the  
30 gaining independence for students with dependents program.

31 NEW SECTION. **Sec. 8.** A new section is added to chapter 74.04 RCW  
32 to read as follows:

33 For purposes of RCW 74.04.005 (10) and (11), "resource" and  
34 "income" do not include educational assistance awarded under the

1 gaining independence for students with dependents program as defined in  
2 this act for recipients of temporary assistance for needy families.

3 NEW SECTION. **Sec. 9.** Captions used in this act are not any part  
4 of the law.

5 NEW SECTION. **Sec. 10.** Sections 1 through 7 and 9 of this act  
6 constitute a new chapter in Title 28B RCW.

7 **Sec. 11.** RCW 28B.10.801 and 1999 c 345 s 1 are each amended to  
8 read as follows:

9 (1) The legislature finds that the higher education coordinating  
10 board, in consultation with the higher education community, has  
11 completed a review of the state need grant program. It is the intent  
12 of the legislature to endorse the board's proposed changes to the state  
13 need grant program, including:

14 (a) Reaffirmation that the primary purpose of the state need grant  
15 program is to assist low-income, needy, and disadvantaged Washington  
16 residents attending institutions of higher education;

17 (b) A goal that the base state need grant amount over time be  
18 increased to be equivalent to the rate of tuition charged to resident  
19 undergraduate students attending Washington state public colleges and  
20 universities;

21 (c) State need grant recipients be required to contribute a portion  
22 of the total cost of their education through self-help;

23 (d) State need grant recipients be required to document their need  
24 for dependent care assistance after taking into account other public  
25 funds provided for like purposes; and

26 (e) Institutional aid administrators be allowed to determine  
27 whether a student eligible for a state need grant in a given academic  
28 year may remain eligible for the ensuing year if the student's family  
29 income increases by no more than a marginal amount except for funds  
30 provided through the educational assistance grant program for students  
31 with dependents.

32 (2) The legislature further finds that the higher education  
33 coordinating board, under its authority to implement the proposed  
34 changes in subsection (1) of this section, should do so in a timely  
35 manner.

1 (3) The legislature also finds that:

2 (a) In most circumstances, need grant eligibility should not extend  
3 beyond five years or one hundred twenty-five percent of the published  
4 length of the program in which the student is enrolled or the credit or  
5 clock-hour equivalent; and

6 (b) State financial aid programs should continue to adhere to the  
7 principle that funding follows resident students to their choice of  
8 institution of higher education.

9 **Sec. 12.** RCW 43.79A.040 and 2002 c 322 s 5, 2002 c 204 s 7, and  
10 2002 c 61 s 6 are each reenacted and amended to read as follows:

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

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

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

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

29 (b) The following accounts and funds shall receive their  
30 proportionate share of earnings based upon each account's or fund's  
31 average daily balance for the period: The Washington promise  
32 scholarship account, the college savings program account, the  
33 Washington advanced college tuition payment program account, the  
34 agricultural local fund, the American Indian scholarship endowment  
35 fund, the students with dependents grant account, the basic health plan  
36 self-insurance reserve account, the Washington state combined fund  
37 drive account, the Washington international exchange scholarship

1 endowment fund, the developmental disabilities endowment trust fund,  
2 the energy account, the fair fund, the fruit and vegetable inspection  
3 account, the game farm alternative account, the grain inspection  
4 revolving fund, the juvenile accountability incentive account, the  
5 rural rehabilitation account, the stadium and exhibition center  
6 account, the youth athletic facility account, the self-insurance  
7 revolving fund, the sulfur dioxide abatement account, and the  
8 children's trust fund. However, the earnings to be distributed shall  
9 first be reduced by the allocation to the state treasurer's service  
10 fund pursuant to RCW 43.08.190.

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

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

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