
SENATE BILL 6783

State of Washington

59th Legislature

2006 Regular Session

By Senators Shin, Pflug, Schmidt, McAuliffe, Berkey, Rockefeller, Eide, Delvin, Rasmussen and Kohl-Welles

Read first time 01/23/2006. Referred to Committee on Early Learning, K-12 & Higher Education.

1 AN ACT Relating to creating a scholarship for students entering
2 mathematics and science professions; reenacting and amending RCW
3 43.79A.040; and adding a new chapter to Title 28B RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that encouraging
6 outstanding students to enter mathematics and science professions is of
7 paramount importance to the state of Washington. By creating the
8 mathematics and science professions conditional scholarship and loan
9 repayment program, the legislature intends to assist in the effort to
10 recruit as mathematics and science professionals individuals who have
11 distinguished themselves through outstanding academic achievement or
12 demonstrated their commitment to mathematics and science professions.
13 The legislature urges business, industry, and philanthropic community
14 organizations to join with state government in making this program
15 successful.

16 NEW SECTION. **Sec. 2.** Unless the context clearly requires
17 otherwise, the definitions in this section apply throughout this
18 chapter.

1 (1) "Board" means the higher education coordinating board.

2 (2) "Conditional scholarship" means a loan that is forgiven in
3 whole or in part if the recipient renders service in a qualified
4 profession in this state.

5 (3) "Eligible student" means a student who is registered for at
6 least six credit hours or the equivalent, has a 3.0 grade point
7 average, is a resident student as defined by RCW 28B.15.012 and
8 28B.15.013, has declared mathematics, engineering, a physical science,
9 or a natural science for his or her major, and has a declared intention
10 to complete a program leading to a qualified profession in the state of
11 Washington.

12 (4) "Forgiven" or "to forgive" or "forgiveness" means to render
13 service in a qualified profession in the state of Washington in lieu of
14 monetary repayment.

15 (5) "Institution of higher education" or "institution" means a
16 college or university in the state of Washington that is accredited by
17 an accrediting association recognized as such by rule of the board.

18 (6) "Participant" means an eligible student who has received a
19 conditional scholarship under this chapter.

20 (7) "Qualified profession" means a mathematics, engineering,
21 physical science, or natural science profession.

22 (8) "Satisfied" means paid-in-full.

23 NEW SECTION. **Sec. 3.** The qualified professions conditional
24 scholarship program is established. The program shall be administered
25 by the board. In administering the program, the board has the
26 following powers and duties:

27 (1) Select students to receive conditional scholarships;

28 (2) Adopt necessary rules and guidelines;

29 (3) Publicize the program;

30 (4) Collect and manage repayments from students who do not meet
31 their obligations under this chapter; and

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

34 NEW SECTION. **Sec. 4.** (1) The board may select participants based
35 on an application process conducted by the board.

1 (2) The board shall establish a selection committee for screening
2 and selecting recipients of the qualified professions conditional
3 scholarships. The criteria shall emphasize factors demonstrating
4 excellence including but not limited to superior scholastic
5 achievement, leadership ability, and community contributions.

6 NEW SECTION. **Sec. 5.** To receive additional disbursements under
7 the program under this chapter, a participant must be considered by his
8 or her institution of higher education to be in a satisfactory progress
9 condition.

10 NEW SECTION. **Sec. 6.** The board may award conditional scholarships
11 to eligible students from the funds appropriated to the board for this
12 purpose, or from any private donations, or any other funds given to the
13 board for this program. The amount of the conditional scholarship
14 awarded an individual shall not exceed the amount of tuition and fees
15 at the institution of higher education attended by the participant or
16 resident undergraduate tuition and fees at the University of Washington
17 per academic year for a full-time student, whichever is lower.
18 Participants are eligible to receive conditional scholarships for a
19 maximum of five years.

20 NEW SECTION. **Sec. 7.** (1) Participants in the qualified
21 professions conditional scholarship program incur an obligation to
22 repay the conditional scholarship, with interest, unless they are
23 employed in a qualified profession for each year of scholarship
24 received, under rules adopted by the board.

25 (2) The interest rate shall be determined annually by the board.

26 (3) The minimum payment shall be set by the board. The maximum
27 period for repayment shall be ten years, with payments of principal and
28 interest accruing quarterly commencing six months from the date the
29 participant completes or discontinues the course of study. Provisions
30 for deferral of payment shall be determined by the board.

31 (4) The entire principal and interest of each payment shall be
32 forgiven for each payment period in which the participant is employed
33 in a qualified profession until the entire repayment obligation is
34 satisfied. Should the participant cease to be employed in a qualified
35 profession in this state before the participant's repayment obligation

1 is completed, payments on the unsatisfied portion of the principal and
2 interest shall begin the next payment period and continue until the
3 remainder of the participant's repayment obligation is satisfied.

4 (5) The board is responsible for collection of repayments made
5 under this section and shall exercise due diligence in such collection,
6 maintaining all necessary records to ensure that maximum repayments are
7 made. Collection and servicing of repayments under this section shall
8 be pursued using the full extent of the law, including wage garnishment
9 if necessary. The board is responsible to forgive all or parts of such
10 repayments under the criteria established in this section and shall
11 maintain all necessary records of forgiven payments.

12 (6) Receipts from the payment of principal or interest or any other
13 subsidies to which the board as administrator is entitled, that are
14 paid by or on behalf of participants under this section, shall be
15 deposited in the qualified professions conditional scholarship account
16 and shall be used to cover the costs of granting the conditional
17 scholarships, maintaining necessary records, and making collections
18 under subsection (5) of this section. The board shall maintain
19 accurate records of these costs, and all receipts beyond those
20 necessary to pay such costs shall be used to grant conditional
21 scholarships to eligible students.

22 (7) The board shall adopt rules to define the terms of repayment,
23 including applicable interest rates, fees, and deferments.

24 NEW SECTION. **Sec. 8.** (1) The qualified professions conditional
25 scholarship account is created in the custody of the state treasurer.
26 An appropriation is not required for expenditures of funds from the
27 account. The account is not subject to allotment procedures under
28 chapter 43.88 RCW except for moneys used for program administration.

29 (2) The board shall deposit in the account all moneys received for
30 the program. The account shall be self-sustaining and consist of funds
31 appropriated by the legislature for the qualified professions
32 conditional scholarship program, private contributions to the program,
33 and receipts from participant repayments.

34 (3) Expenditures from the account may be used solely for
35 conditional scholarships repayments to participants in the program
36 established by this chapter and costs associated with program
37 administration by the board.

1 (4) Disbursements from the account may be made only on the
2 authorization of the board.

3 **Sec. 9.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005
4 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as
5 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 Washington promise
27 scholarship account, the college savings program account, the
28 Washington advanced college tuition payment program account, the
29 agricultural local fund, the American Indian scholarship endowment
30 fund, the foster care scholarship endowment fund, the foster care
31 endowed scholarship trust fund, the students with dependents grant
32 account, the basic health plan self-insurance reserve account, the
33 contract harvesting revolving account, the Washington state combined
34 fund drive account, the commemorative works account, the Washington
35 international exchange scholarship endowment fund, the developmental
36 disabilities endowment trust fund, the energy account, the fair fund,
37 the fruit and vegetable inspection account, the future teachers

1 conditional scholarship account, the game farm alternative account, the
2 grain inspection revolving fund, the juvenile accountability incentive
3 account, the law enforcement officers' and fire fighters' plan 2
4 expense fund, the local tourism promotion account, the produce railcar
5 pool account, the qualified professions conditional scholarship
6 account, the rural rehabilitation account, the stadium and exhibition
7 center account, the youth athletic facility account, the self-insurance
8 revolving fund, the sulfur dioxide abatement account, the children's
9 trust fund, the Washington horse racing commission Washington bred
10 owners' bonus fund account, the Washington horse racing commission
11 class C purse fund account, the individual development account program
12 account, the Washington horse racing commission operating account
13 (earnings from the Washington horse racing commission operating account
14 must be credited to the Washington horse racing commission class C
15 purse fund account), and the life sciences discovery fund. However,
16 the earnings to be distributed shall first be reduced by the allocation
17 to the state treasurer's service 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 city and county advance right-of-way revolving fund, the
23 federal narcotics asset forfeitures account, the high occupancy vehicle
24 account, the local rail service assistance account, and the
25 miscellaneous transportation programs account.

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

29 NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act constitute
30 a new chapter in Title 28B RCW.

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