
HOUSE BILL 2619

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Bergquist, Haler, Pollet, Muri, Magendanz, Zeiger, Goodman, Ryu, Cody, and Moscoso

Read first time 01/22/14. Referred to Committee on Higher Education.

1 AN ACT Relating to the state need pay it forward program; amending
2 RCW 28B.15.102, 28B.76.502, 28B.76.525, 28B.76.526, 28B.76.540,
3 28B.77.020, 28B.92.010, 28B.92.020, 28B.92.040, 28B.92.060, 28B.92.080,
4 28B.92.082, 28B.117.020, 28B.119.030, 28B.133.010, 28B.133.020,
5 28B.145.030, and 28C.18.166; reenacting and amending RCW 28B.118.010;
6 adding a new section to chapter 28B.92 RCW; adding new sections to
7 chapter 28B.118 RCW; creating a new section; repealing RCW 28B.118.005,
8 28B.118.010, 28B.118.020, 28B.118.030, 28B.118.040, and 28B.118.075;
9 and providing effective dates.

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

11 NEW SECTION. **Sec. 1.** (1) The legislature finds that tuition at
12 Washington public research universities has almost doubled over the
13 past five years. While the state has a robust financial aid program,
14 the state need grant, the program was still unable to serve over
15 thirty-two thousand four hundred twenty-three eligible students during
16 the 2012-13 academic year.

17 (2) This act is intended to expand access to need based aid by
18 creating a program for a larger number of qualified students to attend

1 the state's institutions of higher education without paying for tuition
2 up front and without relying on the increasingly expensive federal
3 student loans.

4 (3) To accomplish these purposes, the legislature intends to create
5 a system so all students who qualify for the state need grant and
6 college bound programs may attend college without paying for tuition
7 and fees. The legislature intends to establish an actuarially sound
8 system under which only those students who can afford it will make
9 contributions to the program fund based on a very low percentage of
10 their income. This is intended to enable future students to
11 participate in the program and attend an institution of higher
12 education without having to pay tuition.

13 (4) Through the state need pay it forward program, the legislature
14 recognizes that a larger group of students could receive financial
15 assistance without increasing reliance on federal student loans, while
16 significantly reducing the debt and financial repayment burdens on
17 students.

18 (5) The legislature recognizes that because some students who meet
19 the income threshold would have to make contributions to the program
20 based on the amount of aid they received, the amount of money available
21 to future students will grow. For those students who do not meet the
22 income threshold after graduation or exit, the program redesign would
23 have no requirement to make contributions to the program.

24 (6) The legislature intends that this program redesign will allow
25 financial aid programs to grow, while maintaining a level of equity
26 based on the income level of state need pay it forward grant contract
27 recipients.

28 **Sec. 2.** RCW 28B.15.102 and 2013 c 23 s 53 are each amended to read
29 as follows:

30 (1) Beginning with the 2011-12 academic year, any four-year
31 institution of higher education that increases tuition beyond levels
32 assumed in the omnibus appropriations act is subject to the financial
33 aid requirements included in this section and shall remain subject to
34 these requirements through the 2018-19 academic year.

35 (2) Beginning July 1, 2011, each four-year institution of higher
36 education that raises tuition beyond levels assumed in the omnibus
37 appropriations act shall, in a manner consistent with the goal of

1 enhancing the quality of and access to their institutions, provide
2 financial aid to offset full-time tuition fees for resident
3 undergraduate students as follows:

4 (a) Subtract from the full-time tuition fees an amount that is
5 equal to the maximum amount (~~of a~~) provided through the state need
6 (~~grant award~~) pay it forward program that would be given to an
7 eligible student with a family income at or below fifty percent of the
8 state's median family income as determined by the student achievement
9 council; and

10 (b) Offset the remainder as follows:

11 (i) Students with demonstrated need whose family incomes are at or
12 below fifty percent of the state's median family income shall receive
13 financial aid equal to one hundred percent of the remainder if an
14 institution's full-time tuition fees for resident undergraduate
15 students is five percent or greater of the state's median family income
16 for a family of four as provided by the student achievement council;

17 (ii) Students with demonstrated need whose family incomes are
18 greater than fifty percent and no more than seventy percent of the
19 state's median family income shall receive financial aid equal to
20 seventy-five percent of the remainder if an institution's full-time
21 tuition fees for resident undergraduate students is ten percent or
22 greater of the state's median family income for a family of four as
23 provided by the student achievement council;

24 (iii) Students with demonstrated need whose family incomes exceed
25 seventy percent and are less than one hundred percent of the state's
26 median family income shall receive financial aid equal to fifty percent
27 of the remainder if an institution's full-time tuition fees for
28 resident undergraduate students is fifteen percent or greater of the
29 state's median family income for a family of four as provided by the
30 student achievement council; and

31 (iv) Students with demonstrated need whose family incomes are at or
32 exceed one hundred percent and are no more than one hundred twenty-five
33 percent of the state's median family income shall receive financial aid
34 equal to twenty-five percent of the remainder if an institution's
35 full-time tuition fees for resident undergraduate students is twenty
36 percent or greater of the state's median family income for a family of
37 four as provided by the student achievement council.

1 (3) The financial aid required in subsection (2) of this section
2 shall:

3 (a) Be reduced by the amount of other financial aid awards, not
4 including the state need (~~(grant)~~) pay it forward program;

5 (b) Be prorated based on credit load; and

6 (c) Only be provided to students up to demonstrated need.

7 (4) Financial aid sources and methods may be:

8 (a) Tuition revenue or locally held funds;

9 (b) Tuition waivers created by a four-year institution of higher
10 education for the specific purpose of serving low and middle-income
11 students; or

12 (c) Local financial aid programs.

13 (5) Use of tuition waivers as specified in subsection (4)(b) of
14 this section shall not be included in determining total state tuition
15 waiver authority as defined in RCW 28B.15.910.

16 (6) By August 15, 2012, and August 15th every year thereafter,
17 four-year institutions of higher education shall report to the governor
18 and relevant committees of the legislature on the effectiveness of the
19 various sources and methods of financial aid in mitigating tuition
20 increases. A key purpose of these reports is to provide information
21 regarding the results of the decision to grant tuition-setting
22 authority to the four-year institutions of higher education and whether
23 tuition setting authority should continue to be granted to the
24 institutions or revert back to the legislature after consideration of
25 the impacts on students, including educational access, affordability,
26 and quality. These reports shall include:

27 (a) The amount of additional financial aid provided to middle-
28 income and low-income students with demonstrated need in the aggregate
29 and per student;

30 (b) An itemization of the sources and methods of financial aid
31 provided by the four-year institution of higher education in the
32 aggregate and per student;

33 (c) An analysis of the combined impact of federal tuition tax
34 credits and financial aid provided by the institution of higher
35 education on the net cost to students and their families resulting from
36 tuition increases;

37 (d) In cases where tuition increases are greater than those assumed
38 in the omnibus appropriations act at any four-year institution of

1 higher education, the institution must include an explanation in its
2 report of why this increase was necessary and how the institution will
3 mitigate the effects of the increase. The institution must include in
4 this section of its report a plan and specific timelines; and

5 (e) An analysis of changes in resident student enrollment patterns,
6 participation rates, graduation rates, and debt load, by race and
7 ethnicity, gender, state and county of origin, age, and socioeconomic
8 status, and a plan to mitigate effects of reduced diversity due to
9 tuition increases. This analysis shall include disaggregated data for
10 resident students in the following income brackets:

11 (i) Up to seventy percent of the median family income;

12 (ii) Between seventy-one percent and one hundred twenty-five
13 percent of the median family income; and

14 (iii) Above one hundred twenty-five percent of the median family
15 income.

16 (7) Beginning in the 2012-13 academic year, the University of
17 Washington shall enroll during each academic year at least the same
18 number of resident first-year undergraduate students at the Seattle
19 campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10
20 academic year. This requirement shall not apply to nonresident
21 undergraduate and graduate and professional students.

22 **Sec. 3.** RCW 28B.76.502 and 2013 c 23 s 59 are each amended to read
23 as follows:

24 (1) The office must provide a financial aid counseling curriculum
25 to institutions of higher education with state need pay it forward
26 grant contract recipients. The curriculum must be available via a web
27 site. The curriculum must include, but not be limited to:

28 (a) An explanation of the state need (~~(grant)~~) pay it forward
29 program rules, including maintaining satisfactory progress, repayment
30 rules, and usage limits;

31 (b) Information on campus and private scholarships and work-study
32 opportunities, including the application processes;

33 (c) An overview of student loan or grant contract options with an
34 emphasis on the repayment obligations or grant contract contributions
35 a student (~~(borrower)~~) assumes regardless of program completion,
36 including the likely consequences of default and sample monthly
37 repayment amounts based on a range of student levels of indebtedness;

1 (d) An overview of financial literacy, including basic money
2 management skills such as living within a budget and handling credit
3 and debt;

4 (e) Average salaries for a wide range of jobs;

5 (f) Perspectives from a diverse group of students who are or were
6 recipients of financial aid, including student loans; and

7 (g) Contact information for local financial aid resources and the
8 federal student aid ombuds's office.

9 (2) By the 2013-14 academic year, the institution of higher
10 education must take reasonable steps to ensure that each state need pay
11 it forward grant contract recipient receives information outlined in
12 subsection (1)(a) through (g) of this section by directly referencing
13 or linking to the web site on the conditions of award statement
14 provided to each recipient.

15 (3) By July 1, 2013, the office must disseminate the curriculum to
16 all institutions of higher education participating in the state need
17 (~~grant~~) pay it forward program. The institutions of higher education
18 may require nonstate need grant recipients to participate in all or
19 portions of the financial aid counseling.

20 **Sec. 4.** RCW 28B.76.525 and 2011 1st sp.s. c 11 s 110 are each
21 amended to read as follows:

22 (1) The state financial aid account is created in the custody of
23 the state treasurer. The primary purpose of the account is to ensure
24 that all appropriations designated for financial aid through statewide
25 student financial aid programs are made available to eligible students.
26 The account shall be a nontreasury account.

27 (2) The office shall deposit in the account all money received for
28 the state need (~~grant~~) pay it forward program established under RCW
29 28B.92.010, the state work-study program established under chapter
30 28B.12 RCW, the Washington scholars program established under RCW
31 28A.600.110, the Washington award for vocational excellence program
32 established under RCW 28C.04.525, and the educational opportunity grant
33 program established under chapter 28B.101 RCW. The account shall
34 consist of funds appropriated by the legislature for the programs
35 listed in this subsection and private contributions to the programs.
36 Moneys deposited in the account do not lapse at the close of the fiscal
37 period for which they were appropriated. Both during and after the

1 fiscal period in which moneys were deposited in the account, the office
2 may expend moneys in the account only for the purposes for which they
3 were appropriated, and the expenditures are subject to any other
4 conditions or limitations placed on the appropriations.

5 (3) Expenditures from the account shall be used for scholarships
6 and grant contracts to students eligible for the programs according to
7 program rules and policies.

8 (4) Disbursements from the account are exempt from appropriations
9 and the allotment provisions of chapter 43.88 RCW.

10 (5) Only the director of the office or the director's designee may
11 authorize expenditures from the account.

12 **Sec. 5.** RCW 28B.76.526 and 2010 1st sp.s. c 27 s 2 are each
13 amended to read as follows:

14 The Washington opportunity pathways account is created in the state
15 treasury. Expenditures from the account may be used only for programs
16 in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW
17 (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW
18 28B.76.670 (Washington award for vocational excellence), chapter 28B.92
19 RCW (state need (~~(grant)~~) pay it forward program), chapter 28B.101 RCW
20 (educational opportunity grant), chapter 28B.105 RCW (GET ready for
21 math and science scholarship), chapter 28B.117 RCW (passport to college
22 promise), chapter 28B.118 RCW (college bound scholarship), chapter
23 28B.119 RCW (Washington promise scholarship), chapter 43.215 RCW (early
24 childhood education and assistance program), and RCW 43.330.280
25 (recruitment of entrepreneurial researchers, innovation partnership
26 zones and research teams).

27 **Sec. 6.** RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each
28 amended to read as follows:

29 In addition to administrative responsibilities assigned in this
30 chapter, the office shall administer the programs set forth in the
31 following statutes: RCW 28A.600.100 through 28A.600.150 (Washington
32 scholars); chapter 28B.85 RCW (degree-granting institutions); chapter
33 28B.92 RCW (state need (~~(grant)~~) pay it forward program); chapter
34 28B.12 RCW (work-study); RCW 28B.15.543 (tuition waivers for Washington
35 scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans);
36 RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through

1 28B.15.734 (Oregon reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho
2 reciprocity); RCW 28B.15.756 (British Columbia reciprocity); chapter
3 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW
4 (future teachers conditional scholarship); chapter 28B.108 RCW
5 (American Indian endowed scholarship); chapter 28B.109 RCW (Washington
6 international exchange scholarship); chapter 28B.115 RCW (health
7 professional conditional scholarship); chapter 28B.119 RCW (Washington
8 promise scholarship); and chapter 28B.133 RCW (gaining independence for
9 students with dependents).

10 **Sec. 7.** RCW 28B.77.020 and 2013 2nd sp.s. c 25 s 6 are each
11 amended to read as follows:

12 (1) Aligned with the state's biennial budget and policy cycles, the
13 council shall propose educational attainment goals and priorities to
14 meet the state's evolving needs. The council shall identify strategies
15 for meeting the goals and priorities by means of a short-term strategic
16 action plan and a ten-year plan that serves as a roadmap.

17 (a) The goals must address the needs of Washington residents to
18 reach higher levels of educational attainment and Washington's
19 workforce needs for certificates and degrees in particular fields of
20 study.

21 (b) The council shall identify the resources it deems appropriate
22 to meet statewide goals and also recognize current state economic
23 conditions and state resources.

24 (c) In proposing goals, the council shall collaborate with the
25 superintendent of public instruction, the professional educator
26 standards board, the state board of education, the state board for
27 community and technical colleges, the four-year institutions of higher
28 education, independent colleges and degree-granting institutions,
29 certificate-granting institutions, and the workforce training and
30 education coordinating board.

31 (2) The council shall update the strategic action plan every two
32 years with the first strategic action plan to be submitted to the
33 governor and the legislature by December 1, 2012. The ten-year roadmap
34 must be updated every two years with the first roadmap to be submitted
35 to the governor and the legislature by December 1, 2013. The council
36 must provide regular updates to the joint higher education committee
37 created in RCW 44.04.360 as needed.

1 (3) In order to develop the ten-year roadmap, the council shall
2 conduct strategic planning in collaboration with agencies and
3 stakeholders and include input from the legislature. The council must
4 also consult with the STEM education innovation alliance established
5 under RCW 28A.188.030 in order to align strategies under the roadmap
6 with the STEM framework for education and accountability developed by
7 the alliance. The roadmap must encompass all sectors of higher
8 education, including secondary to postsecondary transitions. The
9 roadmap must outline strategies that address:

10 (a) Strategic planning, which includes setting benchmarks and goals
11 for long-term degree production generally and in particular fields of
12 study;

13 (b) Expanding access, affordability, quality, efficiency, and
14 accountability among the various institutions of higher education;

15 (c) Higher education finance planning and strategic investments
16 including budget recommendations necessary to meet statewide goals;

17 (d) System design and coordination;

18 (e) Improving student transitions;

19 (f) Higher education data and analysis, in collaboration with the
20 education data center, which includes outcomes for recruitment,
21 retention, and success of students;

22 (g) College and career access preparedness, in collaboration with
23 the office of the superintendent of public instruction and the state
24 board of education;

25 (h) Expanding participation and success for racial and ethnic
26 minorities in higher education;

27 (i) Development and expansion of innovations in higher education
28 including innovations to increase attainment of postsecondary
29 certificates, and associate, baccalaureate, graduate, and professional
30 degrees; and innovations to improve precollege education in terms of
31 cost-effectiveness and transitions to college-level education;

32 (j) Strengthening the education pipeline and degree production in
33 science, technology, engineering, and mathematics fields, and aligning
34 strategies under the roadmap with the STEM framework for action and
35 accountability developed under RCW 28A.188.030; and

36 (k) Relevant policy research.

37 (4) As needed, the council must conduct system reviews consistent
38 with RCW 28B.77.080.

1 (5) The council shall facilitate the development and expansion of
2 innovative practices within, between, and among the sectors to increase
3 educational attainment and assess the effectiveness of the innovations.

4 (6) The council shall use the data and analysis produced by, and in
5 consultation with, the education data center created in RCW 43.41.400
6 in developing policy recommendations and proposing goals. In
7 conducting research and analysis the council at a minimum must:

8 (a) Identify barriers to increasing educational attainment,
9 evaluate effectiveness of various educational models, identify best
10 practices, and recommend methods to overcome barriers;

11 (b) Analyze data from multiple sources including data from academic
12 research and from areas and agencies outside of education including but
13 not limited to data from the department of health, the department of
14 corrections, and the department of social and health services to
15 determine best practices to remove barriers and to improve educational
16 attainment;

17 (c) Assess educational achievement disaggregated by income level,
18 age, gender, race and ethnicity, country of origin, and other relevant
19 demographic groups working with data from the education data center;

20 (d) Track progress toward meeting the state's goals;

21 (e) Communicate results and provide access to data analysis to
22 policymakers, the superintendent of public instruction, institutions of
23 higher education, students, and the public; and

24 (f) Use data from the education data center wherever appropriate to
25 conduct duties in (a) through (e) of this subsection.

26 (7) The council shall collaborate with the appropriate state
27 agencies and stakeholders, including the state board of education, the
28 office of the superintendent of public instruction, the state board for
29 community and technical colleges, the workforce training and education
30 coordinating board, and the four-year institutions of higher education
31 to improve student transitions and success including but not limited
32 to:

33 (a) Setting minimum college admission standards for four-year
34 institutions of higher education, including a requirement that
35 coursework in American sign language or an American Indian language
36 satisfies any requirement for instruction in a language other than
37 English that the council or the institutions may establish as a general
38 undergraduate admissions requirement;

1 (b) Proposing comprehensive policies and programs to encourage
2 students to prepare for, understand how to access, and pursue
3 postsecondary college and career programs, including specific policies
4 and programs for students with disabilities;

5 (c) Recommending policies that require coordination between or
6 among sectors such as dual high school-college programs, awarding
7 college credit for advanced high school work, and transfer between two
8 and four-year institutions of higher education or between different
9 four-year institutions of higher education; and

10 (d) Identifying transitions issues and solutions for students, from
11 high school to postsecondary education including community and
12 technical colleges, four-year institutions of higher education,
13 apprenticeships, training, or workplace education; between two-year and
14 four-year institutions of higher education; and from postsecondary
15 education to career. In addressing these issues the council must
16 recognize that these transitions may occur multiple times as students
17 continue their education.

18 (8) The council directs the work of the office, which includes
19 administration of student financial aid programs under RCW 28B.76.090,
20 including ((~~the state need grant and other~~)) scholarships, the state
21 need pay it forward program, the Washington advanced college tuition
22 payment program, and work-study programs.

23 (9) The council may administer state and federal grants and
24 programs including but not limited to those programs that provide
25 incentives for improvements related to increased access and success in
26 postsecondary education.

27 (10) The council shall protect higher education consumers
28 including:

29 (a) Approving degree-granting postsecondary institutions consistent
30 with existing statutory criteria;

31 (b) Establishing minimum criteria to assess whether students who
32 attend proprietary institutions of higher education shall be eligible
33 for the state need ((~~grant~~)) pay it forward program and other forms of
34 state financial aid.

35 (i) The criteria shall include retention rates, completion rates,
36 ((~~loan~~)) contribution default rates, and annual tuition increases,
37 among other criteria for students who receive state need pay it forward

1 grant contracts as in chapter 28B.92 RCW and any other state financial
2 aid.

3 (ii) The council may remove proprietary institutions of higher
4 education from eligibility for the state need (~~(grant)~~) pay it forward
5 program or other form of state financial aid if it finds that the
6 institution or college does not meet minimum criteria.

7 (iii) The council shall report by December 1, 2014, to the joint
8 higher education committee in RCW 44.04.360 on the outcomes of students
9 receiving state need pay it forward grant(~~(s)~~) contracts, impacts on
10 meeting the state's higher education goals for educational attainment,
11 and options for prioritization of the state need (~~(grant)~~) pay it
12 forward program and possible consequences of implementing each option.
13 When examining options for prioritizing the state need pay it forward
14 grant contracts the council shall consider (~~(awarding grants)~~)
15 providing pay it forward grant contracts based on need rather than date
16 of application and making awards based on other criteria selected by
17 the council.

18 (11) The council shall adopt residency requirements by rule.

19 (12) The council shall arbitrate disputes between and among four-
20 year institutions of higher education and the state board for community
21 and technical colleges at the request of one or more of the
22 institutions involved, or at the request of the governor, or from a
23 resolution adopted by the legislature. The decision of the council
24 shall be binding on the participants in the dispute.

25 (13) The council may solicit, accept, receive, and administer
26 federal funds or private funds, in trust, or otherwise, and contract
27 with foundations or with for-profit or nonprofit organizations to
28 support the purposes and functions of the council.

29 (14) The council shall represent the broad public interest above
30 the interests of the individual institutions of higher education.

31 **Sec. 8.** RCW 28B.92.010 and 2004 c 275 s 34 are each amended to
32 read as follows:

33 The purposes of this chapter are to establish the principles upon
34 which the state financial aid programs will be based and to establish
35 the state of Washington state need (~~(grant)~~) pay it forward program,
36 thus assisting financially needy or disadvantaged students domiciled in
37 Washington to obtain the opportunity of attending an accredited

1 institution of higher education. State need pay it forward grants
2 under this chapter are available only to students who are resident
3 students as defined in RCW 28B.15.012(2) (a) through (d).

4 NEW SECTION. **Sec. 9.** A new section is added to chapter 28B.92 RCW
5 to read as follows:

6 (1) The office of student financial assistance shall design the
7 Washington state need pay it forward program based on the parameters in
8 this section.

9 (2)(a) State need pay it forward program grants shall be applied to
10 all or a portion of tuition and fees for an eligible student's higher
11 education program as long as the recipient agrees to make contributions
12 to the program as provided in this section.

13 (b) Student eligibility for state need pay it forward grant
14 contracts is provided in RCW 28B.92.060 and 28B.92.080.

15 (c) Program participants shall enter into a state need pay it
16 forward grant contract developed by the office that defines the terms
17 of the contract.

18 (3) Students who elect to participate in the state need pay it
19 forward program must make contributions to the state need pay it
20 forward program based on the amount that was applied toward their
21 tuition and fees as provided in (a) through (f) of this subsection.

22 (a) Individuals must begin contributing to the state need pay it
23 forward program one year after completion or discontinuation of their
24 higher education program.

25 (b) The contribution amounts must be based on the number of years
26 that a student participated in the state need pay it forward program.
27 For each year of participation in the program, the individual must
28 contribute one percentage point of income as provided in (c) of this
29 subsection.

30 (c) Contributions shall be made depending on annual taxable income
31 as follows:

32 (i) Program participants who file federal income taxes individually
33 are not required to make contributions when their annual taxable income
34 is thirty thousand dollars or less. Program participants, who are
35 married and file federal income taxes jointly, are not required to make
36 contributions when their annual taxable income is forty thousand
37 dollars or less.

1 (ii) For program participants who individually file their federal
2 income taxes, contributions are based only on the portion of their
3 annual taxable income above thirty thousand dollars.

4 (iii) For program participants who are married and file their
5 federal income taxes jointly, contributions are based only on the
6 portion of their annual taxable income above forty thousand dollars.

7 (d) No interest may be collected by the office on state need pay it
8 forward grant contracts.

9 (e) A state need pay it forward grant contract recipient who has an
10 annual income greater than those provided in (c) of this subsection
11 must continue to contribute the outstanding state need pay it forward
12 grant contract amounts until either:

13 (i) The recipient contributes the amount that was applied to his or
14 her tuition through the state need pay it forward program; or

15 (ii) Twenty-one years pass from the time a student completes or
16 discontinues his or her higher education.

17 (f) Individuals who elect to contribute their entire state need pay
18 it forward grant contract amount in a lump sum payment will receive a
19 ten percent discount as long as the remaining balance is at least two
20 thousand dollars.

21 (4) The office shall develop measures to recover contributions from
22 and impose penalties on individuals who do not make contributions to
23 the state need pay it forward program in a timely manner.

24 (5) The office shall allow program participants one year without
25 making contributions two times during the contribution period. In
26 cases where these delays are granted, the repayment period is extended
27 up to twenty-three years beyond the date in subsection (3)(e)(ii) of
28 this section.

29 (6) The office shall annually report on the program along with its
30 annual financial aid report. The report must provide information on
31 the program fund growth from contributions and make recommendations
32 regarding increasing the income thresholds for participants in the
33 program.

34 (7) By December 1, 2016, the office, in consultation with the
35 office of the state actuary, shall estimate contributions to the
36 program over the next twenty years.

1 **Sec. 10.** RCW 28B.92.020 and 2011 1st sp.s. c 11 s 158 are each
2 amended to read as follows:

3 (1) (~~The legislature finds that the higher education community,~~
4 ~~has completed a review of the state need grant program.~~) It is the
5 intent of the legislature to endorse (~~the proposed changes to~~)
6 certain components of the state need (~~grant~~) pay it forward program,
7 including:

8 (a) (~~Reaffirmation~~) Affirmation that the primary purpose of the
9 state need (~~grant~~) pay it forward program is to assist low-income,
10 needy, and disadvantaged Washington residents attending institutions of
11 higher education;

12 (b) A goal that the base state need pay it forward grant contract
13 amount over time be increased to be equivalent to the rate of tuition
14 charged to resident undergraduate students attending Washington state
15 public colleges and universities and to enable participation by more
16 students with higher income thresholds;

17 (c) State need pay it forward grant contract recipients be required
18 to contribute a portion of the total cost of their education through
19 self-help at the time they are attending institutions of higher
20 education;

21 (d) State need pay it forward grant contract recipients be required
22 to document their need for dependent care assistance after taking into
23 account other public funds provided for like purposes; and

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

30 (2) The legislature further finds that the changes in subsection
31 (1) of this section(~~7~~) should do so in a timely manner.

32 (3) The legislature also finds that:

33 (a) In most circumstances, state need pay it forward grant contract
34 eligibility should not extend beyond five years or one hundred twenty-
35 five percent of the published length of the program in which the
36 student is enrolled or the credit or clock-hour equivalent; and

37 (b) State financial aid programs should continue to adhere to the

1 principle that funding follows resident students to their choice of
2 institution of higher education.

3 **Sec. 11.** RCW 28B.92.040 and 2011 1st sp.s. c 11 s 160 are each
4 amended to read as follows:

5 The office shall be cognizant of the following guidelines in the
6 performance of its duties:

7 (1) The office shall be research oriented, not only at its
8 inception but continually through its existence.

9 (2) The office shall coordinate all existing programs of financial
10 aid except those specifically dedicated to a particular institution by
11 the donor.

12 (3) The office shall take the initiative and responsibility for
13 coordinating all federal student financial aid programs to ensure that
14 the state recognizes the maximum potential effect of these programs,
15 and shall design state programs that complement existing federal,
16 state, and institutional programs. The office shall ensure that state
17 programs continue to follow the principle that state financial aid
18 funding follows the student to the student's choice of institution of
19 higher education.

20 (4) Counseling is a paramount function of the state need ((grant))
21 pay it forward program and other state student financial aid programs,
22 and in most cases could only be properly implemented at the
23 institutional levels; therefore, state student financial aid programs
24 shall be concerned with the attainment of those goals which, in the
25 judgment of the office, are the reasons for the existence of a student
26 financial aid program, and not solely with administration of the
27 program on an individual basis.

28 (5) The "package" approach of combining loans, grants and
29 employment for student financial aid shall be the conceptual element of
30 the state's involvement.

31 (6) The office shall ensure that allocations of state
32 appropriations for financial aid are made to individuals and
33 institutions in a timely manner and shall closely monitor expenditures
34 to avoid under or overexpenditure of appropriated funds.

35 **Sec. 12.** RCW 28B.92.060 and 2012 c 229 s 558 are each amended to
36 read as follows:

1 In (~~awarding need grants~~) administering the state need pay it
2 forward program, the office shall proceed substantially as follows:
3 PROVIDED, That nothing contained herein shall be construed to prevent
4 the office, in the exercise of its sound discretion, from following
5 another procedure when the best interest of the program so dictates:

6 (1) The office shall annually select the (~~financial aid award~~)
7 state need pay it forward grant contract recipients from among
8 Washington residents applying for student financial aid who have been
9 ranked according to:

10 (a) Financial need as determined by the amount of the family
11 contribution; and

12 (b) Other considerations, such as whether the student is a former
13 foster youth, or is a placebound student who has completed an associate
14 of arts or associate of science degree or its equivalent.

15 (2) The financial need of the highest ranked students shall be met
16 by (~~grants~~) state need pay it forward grant contracts depending upon
17 the evaluation of financial need until the total allocation has been
18 disbursed. Funds from (~~grants~~) state need pay it forward grant
19 contracts which are declined, forfeited, or otherwise unused shall be
20 (~~reawarded~~) reallocated until disbursed, except that eligible former
21 foster youth shall be assured receipt of a grant contract. The office,
22 in consultation with four-year institutions of higher education, the
23 council, and the state board for community and technical colleges,
24 shall develop (~~award~~) state need pay it forward grant contract
25 disbursement criteria and methods of disbursement based on level of
26 need, and not solely rely on a first-come, first-served basis.

27 (3) A student shall be eligible to receive a state need grant or a
28 state need pay it forward grant contract for up to a combined total of
29 five years, or the credit or clock hour equivalent of a combined total
30 five years, or up to one hundred twenty-five percent of the published
31 length of time of the student's program. A student may not start a new
32 associate degree program as a state need grant or a state need pay it
33 forward grant contract recipient until at least five years have elapsed
34 since earning an associate degree as a need grant or state need pay it
35 forward grant contract recipient, except that a student may earn two
36 associate degrees concurrently. Qualifications for renewal will
37 include maintaining satisfactory academic progress toward completion of
38 an eligible program as determined by the office. Should the recipient

1 terminate his or her enrollment for any reason during the academic
2 year, the unused portion of the grant or grant contract shall be
3 returned to the state educational grant fund by the institution
4 according to the institution's own policy for issuing refunds, except
5 as provided in RCW 28B.92.070.

6 (4) In computing financial need, the office shall determine a
7 maximum student expense budget allowance, not to exceed an amount equal
8 to the total maximum student expense budget at the public institutions
9 plus the current average state appropriation per student for operating
10 expense in the public institutions. Any child support payments
11 received by students who are parents attending less than half-time
12 shall not be used in computing financial need.

13 (5)(a) A student who is enrolled in three to six credit-bearing
14 quarter credits, or the equivalent semester credits, may receive a
15 grant or grant contract for up to one academic year before beginning a
16 program that leads to a degree or certificate.

17 (b) An eligible student enrolled on a less-than-full-time basis
18 shall receive a prorated portion of his or her state need grant or
19 state need pay it forward grant contract for any academic period in
20 which he or she is enrolled on a less-than-full-time basis, as long as
21 funds are available.

22 (c) An institution of higher education may (~~award~~) provide a
23 state need (~~grant~~) pay it forward grant contract to an eligible
24 student enrolled in three to six credit-bearing quarter credits, or the
25 semester equivalent, on a provisional basis if:

26 (i) The student has not previously received a state need grant or
27 state need pay it forward grant contract from that institution;

28 (ii) The student completes the required free application for
29 federal student aid;

30 (iii) The institution has reviewed the student's financial
31 condition, and the financial condition of the student's family if the
32 student is a dependent student, and has determined that the student is
33 likely eligible for a state need (~~grant~~) pay it forward grant
34 contract; and

35 (iv) The student has signed a document attesting to the fact that
36 the financial information provided on the free application for federal
37 student aid and any additional financial information provided directly

1 to the institution is accurate and complete, and that the student
2 agrees to repay the institution for the grant contract amount if the
3 student submitted false or incomplete information.

4 (6) As used in this section, "former foster youth" means a person
5 who is at least eighteen years of age, but not more than twenty-four
6 years of age, who was a dependent of the department of social and
7 health services at the time he or she attained the age of eighteen.

8 **Sec. 13.** RCW 28B.92.080 and 2012 c 229 s 605 are each amended to
9 read as follows:

10 Except for opportunity internship graduates whose eligibility is
11 provided under RCW 28B.92.084 and college bound pay it forward program
12 participants whose eligibility is provided in section 17 of this act,
13 for a student to be eligible for ((a)) the state need ((grant)) pay it
14 forward program a student must:

15 (1) Be a "needy student" or "disadvantaged student" as determined
16 by the office in accordance with RCW 28B.92.030 ((+1)) (2) and ((+4))
17 (5);

18 (2) Have been domiciled within the state of Washington for at least
19 one year;

20 (3) Be enrolled or accepted for enrollment on at least a half-time
21 basis at an institution of higher education in Washington as defined in
22 RCW 28B.92.030((+3)) (4);

23 (4) Until June 30, 2011, to the extent funds are specifically
24 appropriated for this purpose, and subject to any terms and conditions
25 specified in the omnibus appropriations act, be enrolled or accepted
26 for enrollment for at least three quarter credits or the equivalent
27 semester credits at an institution of higher education in Washington as
28 defined in RCW 28B.92.030((+3)) (4); and

29 (5) Have complied with all the rules adopted by the council for the
30 administration of this chapter.

31 **Sec. 14.** RCW 28B.92.082 and 2012 c 229 s 560 are each amended to
32 read as follows:

33 (1) To the extent funds are appropriated for this purpose and
34 within overall appropriations for the state need ((grant)) pay it
35 forward program, enhanced state need ((grants)) pay it forward grant

1 contract amounts are provided for persons who meet all of the following
2 criteria:

- 3 (a) Are needy students as defined in RCW 28B.92.030;
- 4 (b) Are placebound students as defined in RCW 28B.92.030; and
- 5 (c) Have completed the associate of arts or the associate of
6 science degree, or its equivalent.

7 (2) The enhanced state need (~~((grants))~~) pay it forward grant
8 contract established in this section are provided to this specific
9 group of students in addition to the base state need pay it forward
10 grant contract amount, as defined by rule of the council.

11 **Sec. 15.** RCW 28B.117.020 and 2012 c 163 s 3 are each amended to
12 read as follows:

13 The definitions in this section apply throughout this chapter
14 unless the context clearly requires otherwise.

15 (1) "Cost of attendance" means the cost associated with attending
16 a particular institution of higher education as determined by the
17 office, including but not limited to tuition, fees, room, board, books,
18 personal expenses, and transportation, plus the cost of reasonable
19 additional expenses incurred by an eligible student and approved by a
20 financial aid administrator at the student's school of attendance.

21 (2) "Financial need" means the difference between a student's cost
22 of attendance and the student's total family contribution as determined
23 by the method prescribed by the United States department of education.

24 (3) "Independent college or university" means a private, nonprofit
25 institution of higher education, open to residents of the state,
26 providing programs of education beyond the high school level leading to
27 at least the baccalaureate degree, and accredited by the Northwest
28 association of schools and colleges, and other institutions as may be
29 developed that are approved by the board as meeting equivalent
30 standards as those institutions accredited under this section.

31 (4) "Institution of higher education" means any institution
32 eligible to and participating in the state need (~~((grant))~~) pay it
33 forward program.

34 (5) "Office" means the office of student financial assistance.

35 (6) "Program" means the passport to college promise program created
36 in this chapter.

1 **Sec. 16.** RCW 28B.118.010 and 2012 c 229 s 402 and 2012 c 163 s 8
2 are each reenacted and amended to read as follows:

3 The office of student financial assistance shall design the
4 Washington college bound scholarship program in accordance with this
5 section and in alignment with the state need grant or state need pay it
6 forward program in chapter 28B.92 RCW unless otherwise provided in this
7 section.

8 (1) "Eligible students" are those students who:

9 (a) Qualify for free or reduced-price lunches. If a student
10 qualifies in the seventh grade, the student remains eligible even if
11 the student does not receive free or reduced-price lunches thereafter;
12 or

13 (b) Are dependent pursuant to chapter 13.34 RCW and:

14 (i) In grade seven through twelve; or

15 (ii) Are between the ages of eighteen and twenty-one and have not
16 graduated from high school.

17 (2) Eligible students shall be notified of their eligibility for
18 the Washington college bound scholarship program beginning in their
19 seventh grade year. Students shall also be notified of the
20 requirements for award of the scholarship.

21 (3)(a) To be eligible for a Washington college bound scholarship,
22 a student eligible under subsection (1)(a) of this section must sign a
23 pledge during seventh or eighth grade that includes a commitment to
24 graduate from high school with at least a C average and with no felony
25 convictions. The pledge must be witnessed by a parent or guardian and
26 forwarded to the office of student financial assistance by mail or
27 electronically, as indicated on the pledge form.

28 (b) A student eligible under subsection (1)(b) of this section
29 shall be automatically enrolled, with no action necessary by the
30 student or the student's family, and the enrollment form must be
31 forwarded by the department of social and health services to the
32 (~~higher education coordinating board or its successor~~) office of
33 student financial assistance by mail or electronically, as indicated on
34 the form.

35 (4)(a) Scholarships shall be awarded to eligible students
36 graduating from public high schools, approved private high schools
37 under chapter 28A.195 RCW, or who received home-based instruction under
38 chapter 28A.200 RCW.

1 (b) To receive the Washington college bound scholarship, a student
2 must graduate with at least a "C" average from a public high school or
3 an approved private high school under chapter 28A.195 RCW in Washington
4 or have received home-based instruction under chapter 28A.200 RCW, must
5 have no felony convictions, and must be a resident student as defined
6 in RCW 28B.15.012(2) (a) through (d).

7 (5) A student's family income will be assessed upon graduation
8 before awarding the scholarship.

9 (6) If at graduation from high school the student's family income
10 does not exceed sixty-five percent of the state median family income,
11 scholarship award amounts shall be as provided in this section.

12 (a) For students attending two or four-year institutions of higher
13 education as defined in RCW 28B.10.016, the value of the award shall be
14 (i) the difference between the student's tuition and required fees,
15 less the value of any state-funded grant, scholarship, or waiver
16 assistance the student receives; (ii) plus five hundred dollars for
17 books and materials.

18 (b) For students attending private four-year institutions of higher
19 education in Washington, the award amount shall be the representative
20 average of awards granted to students in public research universities
21 in Washington.

22 (c) For students attending private vocational schools in
23 Washington, the award amount shall be the representative average of
24 awards granted to students in public community and technical colleges
25 in Washington.

26 (7) Recipients may receive no more than four full-time years' worth
27 of scholarship awards.

28 (8) Institutions of higher education shall award the student all
29 need-based and merit-based financial aid for which the student would
30 otherwise qualify. The Washington college bound scholarship is
31 intended to replace unmet need, loans, and, at the student's option,
32 work-study award before any other grants or scholarships are reduced.

33 (9) The first scholarships shall be awarded to students graduating
34 in 2012.

35 (10) The state of Washington retains legal ownership of tuition
36 units awarded as scholarships under this chapter until the tuition
37 units are redeemed. These tuition units shall remain separately held

1 from any tuition units owned under chapter 28B.95 RCW by a Washington
2 college bound scholarship recipient.

3 (11) The scholarship award must be used within five years of
4 receipt. Any unused scholarship tuition units revert to the Washington
5 college bound scholarship account.

6 (12) Should the recipient terminate his or her enrollment for any
7 reason during the academic year, the unused portion of the scholarship
8 tuition units shall revert to the Washington college bound scholarship
9 account.

10 (13) Students who enroll in the college bound scholarship program
11 by June 30, 2014, are eligible for college bound scholarships, and
12 students who enroll after June 30, 2014, are eligible only for the
13 college bound pay it forward program in section 17 of this act.

14 NEW SECTION. Sec. 17. The office of student financial assistance
15 shall design the Washington college bound pay it forward program in
16 accordance with this section and in alignment with the state need grant
17 pay it forward program in chapter 28B.92 RCW unless otherwise provided
18 in this section.

19 (1) "Eligible students" are those students who:

20 (a) Qualify for the free and reduced-price lunch program. If a
21 student qualifies in the seventh grade, the student remains eligible
22 even if the student does not receive free and reduced-price lunches
23 thereafter; or

24 (b) Are dependent pursuant to chapter 13.34 RCW and:

25 (i) Are in grades seven through twelve; or

26 (ii) Are between the ages of eighteen and twenty-one and have not
27 graduated from high school.

28 (2) Eligible students shall be notified of their eligibility for
29 the Washington college bound pay it forward program beginning in their
30 seventh grade school year. Students shall also be notified of the
31 requirements for award of the grant contract.

32 (3)(a) To be eligible for the Washington college bound pay it
33 forward program, a student eligible under subsection (1)(a) of this
34 section must sign a pledge during seventh or eighth grade that includes
35 a commitment to graduate from high school with at least a "C" average
36 and with no felony convictions. The pledge must be witnessed by a

1 parent or guardian and forwarded to the office of student financial
2 assistance by mail or electronically, as indicated on the pledge form.

3 (b) A student eligible under subsection (1)(b) of this section is
4 automatically enrolled, with no action necessary by the student or the
5 student's family, and the enrollment form must be forwarded by the
6 department of social and health services to the student achievement
7 council by mail or electronically, as indicated on the form.

8 (4)(a) Grant contracts shall be awarded to eligible students
9 graduating from public high schools or approved private high schools
10 under chapter 28A.195 RCW, or who received home-based instruction under
11 chapter 28A.200 RCW.

12 (b) To receive the Washington college bound pay it forward grant
13 contract, a student must graduate with at least a "C" average from a
14 public high school or an approved private high school under chapter
15 28A.195 RCW in Washington or have received home-based instruction under
16 chapter 28A.200 RCW, must have no felony convictions, and must be a
17 resident student as defined in RCW 28B.15.012(2) (a) through (d).

18 (5) A student's family income will be assessed upon graduation
19 before awarding the grant contract.

20 (6) At graduation from high school grant contract amounts and
21 contributions shall be as provided in this section.

22 (a) For students attending two or four-year institutions of higher
23 education as defined in RCW 28B.10.016, the value of the grant contract
24 amount shall be (i) the difference between the student's tuition and
25 required fees, less the value of any state-funded grant, scholarship,
26 or waiver assistance the student receives; (ii) plus five hundred
27 dollars for books and materials.

28 (b) For students attending private four-year institutions of higher
29 education in Washington, the grant contract amount shall be the
30 representative average of awards granted to students in public research
31 universities in Washington.

32 (c) For students attending private vocational schools in
33 Washington, the grant contract amount shall be the representative
34 average of awards granted to students in public community and technical
35 colleges in Washington.

36 (7) Recipients may receive no more than four full-time years' worth
37 of grant contracts.

1 (8) Institutions of higher education must award the student all
2 need-based and merit-based financial aid for which the student would
3 otherwise qualify.

4 (9) Contributions shall be aligned with terms developed for the
5 state need pay it forward program in section 9 of this act.

6 (10) The office shall annually report on the program along with its
7 annual financial aid report.

8 (11) By December 1, 2016, the office, in consultation with the
9 office of the state actuary, shall estimate payments back to the
10 program over the next twenty years.

11 NEW SECTION. **Sec. 18.** The office of the superintendent of public
12 instruction shall:

13 (1) Notify elementary, middle, and junior high schools about the
14 Washington college bound pay it forward program using methods in place
15 for communicating with schools and school districts; and

16 (2) Work with the office of student financial assistance to develop
17 application collection and student tracking procedures.

18 NEW SECTION. **Sec. 19.** Each school district shall notify students,
19 parents, teachers, counselors, and principals about the Washington
20 college bound pay it forward program through existing channels.
21 Notification methods may include, but are not limited to, regular
22 school district and building communications, online scholarship
23 bulletins and announcements, notices posted on school walls and
24 bulletin boards, information available in each counselor's office, and
25 school or district scholarship information sessions.

26 NEW SECTION. **Sec. 20.** The office of student financial assistance
27 shall:

28 (1) With the assistance of the office of the superintendent of
29 public instruction, implement and administer the Washington college
30 bound pay it forward program;

31 (2) Develop and distribute, to all schools with students enrolled
32 in grade seven or eight, a pledge form that can be completed and
33 returned electronically or by mail by the student or the school to the
34 office of student financial assistance;

1 (3) Develop and implement a student application, selection, and
2 notification process for grant contracts;

3 (4) Track grant contract recipients to ensure continued eligibility
4 and determine student compliance for awarding of grant contracts;

5 (5) Subject to appropriation, deposit funds into the state
6 educational trust fund;

7 (6) Purchase tuition units under the advanced college tuition
8 payment program in chapter 28B.95 RCW to be owned and held in trust by
9 the student achievement council, for the purpose of grant contracts as
10 provided for in this section; and

11 (7) Distribute scholarship funds, in the form of tuition units
12 purchased under the advanced college tuition payment program in chapter
13 28B.95 RCW or through direct payments from the state educational trust
14 fund, to institutions of higher education on behalf of grant contract
15 recipients identified by the office, as long as recipients maintain
16 satisfactory academic progress.

17 NEW SECTION. **Sec. 21.** The caseload forecast council shall
18 estimate the anticipated caseload of the Washington college bound pay
19 it forward program and shall submit this forecast as specified in RCW
20 43.88C.020.

21 **Sec. 22.** RCW 28B.119.030 and 2011 1st sp.s. c 11 s 233 are each
22 amended to read as follows:

23 The Washington promise scholarship program shall not be funded at
24 the expense of the state need ((grant)) pay it forward program as
25 defined in chapter 28B.92 RCW. In administering the state need
26 ((grant)) pay it forward and promise scholarship programs, the office
27 of student financial assistance shall first ensure that eligibility for
28 state need pay it forward grant contract recipients is at least fifty-
29 five percent of state median family income.

30 **Sec. 23.** RCW 28B.133.010 and 2013 c 248 s 4 are each amended to
31 read as follows:

32 The educational assistance grant program for students with
33 dependents is hereby created, subject to the availability of receipts
34 of gifts, grants, or endowments from private sources. The program is
35 created to serve financially needy students with dependents eighteen

1 years of age or younger, by assisting them directly through a grant
2 program to pursue a degree or certificate at public or private
3 institutions of higher education, as defined in RCW 28B.92.030(4) (a)
4 and (b) (i) and (ii), that participate in the state need (~~(grant)~~) pay
5 it forward program.

6 **Sec. 24.** RCW 28B.133.020 and 2004 c 275 s 73 are each amended to
7 read as follows:

8 To be eligible for the educational assistance grant program for
9 students with dependents, applicants shall: (1) Be residents of the
10 state of Washington; (2) be needy students as defined in RCW
11 28B.92.030(~~(+3+)~~) (5); (3) be eligible to participate in the state need
12 (~~(grant)~~) pay it forward program as set forth under RCW 28B.92.080; and
13 (4) have dependents eighteen years of age or younger who are under
14 their care.

15 **Sec. 25.** RCW 28B.145.030 and 2011 1st sp.s. c 13 s 4 are each
16 amended to read as follows:

17 (1) The program administrator, under contract with the (~~(board)~~)
18 student achievement council, shall staff the opportunity scholarship
19 board and shall have the duties and responsibilities provided in this
20 chapter, including but not limited to publicizing the program,
21 selecting participants for the opportunity scholarship award,
22 distributing opportunity scholarship awards, and achieving the maximum
23 possible rate of return on investment of the accounts in subsection (2)
24 of this section, while ensuring transparency in the investment
25 decisions and processes. Duties, exercised jointly with the
26 opportunity scholarship board, include soliciting funds and setting
27 annual fund-raising goals. The program administrator shall be paid an
28 administrative fee as determined by the opportunity scholarship board.

29 (2) With respect to the opportunity scholarship program, the
30 program administrator shall:

31 (a) Establish and manage two separate accounts into which to
32 receive grants and contributions from private sources as well as state
33 matching funds, and from which to disburse scholarship funds to
34 participants;

35 (b) Solicit and accept grants and contributions from private
36 sources, via direct payment, pledge agreement, or escrow account, of

1 private sources for deposit into one or both of the two accounts
2 created in this subsection (2)(b) in accordance with this subsection
3 (2)(b):

4 (i) The "scholarship account," whose principal may be invaded, and
5 from which scholarships must be disbursed beginning no later than
6 December 1, 2011, if, by that date, state matching funds in the amount
7 of five million dollars or more have been received. Thereafter,
8 scholarships shall be disbursed on an annual basis beginning no later
9 than May 1, 2012, and every May 1st thereafter;

10 (ii) The "endowment account," from which scholarship moneys may be
11 disbursed from earnings only in years when:

12 (A) The state match has been made into both the scholarship and the
13 endowment account;

14 (B) The state appropriations for the state need (~~grant~~) pay it
15 forward program under RCW 28B.92.010 meet or exceed state
16 appropriations for the state need grant made in the 2011-2013 biennium,
17 adjusted for inflation, and eligibility for state need pay it forward
18 grant contract recipients is at least seventy percent of state median
19 family income; and

20 (C) The state has demonstrated progress toward the goal of total
21 per-student funding levels, from state appropriations plus tuition and
22 fees, of at least the sixtieth percentile of total per-student funding
23 at similar public institutions of higher education in the global
24 challenge states, as defined, measured, and reported in RCW 28B.15.068.
25 In any year in which the office of financial management reports that
26 the state has not made progress toward this goal, no new scholarships
27 may be awarded. In any year in which the office of financial
28 management reports that the percentile of total per-student funding is
29 less than the sixtieth percentile and at least five percent less than
30 the prior year, pledges of future grants and contributions may, at the
31 request of the donor, be released and grants and contributions already
32 received refunded to the extent that opportunity scholarship awards
33 already made can be fulfilled from the funds remaining in the endowment
34 account; and

35 (iii) An amount equal to at least fifty percent of all grants and
36 contributions must be deposited into the scholarship account until such
37 time as twenty million dollars have been deposited into the account,
38 after which time the private donors may designate whether their

1 contributions must be deposited to the scholarship or the endowment
2 account. The opportunity scholarship board and the program
3 administrator must work to maximize private sector contributions to
4 both the scholarship account and the endowment account, to maintain a
5 robust scholarship program while simultaneously building the endowment,
6 and to determine the division between the two accounts in the case of
7 undesignated grants and contributions, taking into account the need for
8 a long-term funding mechanism and the short-term needs of families and
9 students in Washington. The first five million dollars in state match,
10 as provided in RCW 28B.145.040, shall be deposited into the scholarship
11 account and thereafter the state match shall be deposited into the two
12 accounts in equal proportion to the private funds deposited in each
13 account;

14 (c) Provide proof of receipt of grants and contributions from
15 private sources to the ((~~board~~)) student achievement council,
16 identifying the amounts received by name of private source and date,
17 and whether the amounts received were deposited into the scholarship or
18 the endowment account;

19 (d) In consultation with the ((~~higher education coordinating~~
20 ~~board~~)) student achievement council and the state board for community
21 and technical colleges, make an assessment of the reasonable annual
22 eligible expenses associated with eligible education programs
23 identified by the opportunity scholarship board;

24 (e) Determine the dollar difference between tuition fees charged by
25 institutions of higher education in the 2008-09 academic year and the
26 academic year for which an opportunity scholarship is being
27 distributed;

28 (f) Develop and implement an application, selection, and
29 notification process for awarding opportunity scholarships;

30 (g) Determine the annual amount of the opportunity scholarship for
31 each selected participant. The annual amount shall be at least one
32 thousand dollars or the amount determined under (e) of this subsection,
33 but may be increased on an income-based, sliding scale basis up to the
34 amount necessary to cover all reasonable annual eligible expenses as
35 assessed pursuant to (d) of this subsection, or to encourage
36 participation in baccalaureate degree programs identified by the
37 opportunity scholarship board;

1 (h) Distribute scholarship funds to selected participants. Once
2 awarded, and to the extent funds are available for distribution, an
3 opportunity scholarship shall be automatically renewed until the
4 participant withdraws from or is no longer attending the program,
5 completes the program, or has taken the credit or clock hour equivalent
6 of one hundred twenty-five percent of the published length of time of
7 the participant's program, whichever occurs first, and as long as the
8 participant annually submits documentation of filing both a free
9 application for federal student aid and for available federal education
10 tax credits, including but not limited to the American opportunity tax
11 credit; and

12 (i) Notify institutions of scholarship recipients who will attend
13 their institutions and inform them of the terms of the students'
14 eligibility.

15 (3) With respect to the opportunity expansion program, the program
16 administrator shall:

17 (a) Assist the opportunity scholarship board in developing and
18 implementing an application, selection, and notification process for
19 making opportunity expansion awards; and

20 (b) Solicit and accept grants and contributions from private
21 sources for opportunity expansion awards.

22 **Sec. 26.** RCW 28C.18.166 and 2011 1st sp.s. c 11 s 242 are each
23 amended to read as follows:

24 On an annual basis, each opportunity internship consortium shall
25 provide the board with a list of the opportunity internship graduates
26 from the consortium. The board shall compile the lists from all
27 consortia and shall notify the office of student financial assistance
28 of the eligibility of each graduate on the lists to receive a state
29 need pay it forward grant contract under chapter 28B.92 RCW if the
30 graduate enrolls in a postsecondary program of study within one year of
31 high school graduation.

32 NEW SECTION. **Sec. 27.** The following acts or parts of acts, as now
33 existing or hereafter amended, are each repealed, effective July 1,
34 2025:

35 (1) RCW 28B.118.005 (Intent--Finding) and 2007 c 405 s 1;

1 (2) RCW 28B.118.010 (Program design) and 2014 c ... s 16 (section
2 16 of this act), 2012 c 229 s 402, 2012 c 163 s 8, 2011 1st sp.s. c 11
3 s 226, 2008 c 321 s 9, & 2007 c 405 s 2;

4 (3) RCW 28B.118.020 (Duties of the office of the superintendent of
5 public instruction) and 2011 1st sp.s. c 11 s 227 & 2007 c 405 s 3;

6 (4) RCW 28B.118.030 (Duty of school districts--Notification) and
7 2007 c 405 s 4;

8 (5) RCW 28B.118.040 (Duties of the office of student financial
9 assistance) and 2011 1st sp.s. c 11 s 228 & 2007 c 405 s 5; and

10 (6) RCW 28B.118.075 (Caseload estimate) and 2011 c 304 s 1.

11 NEW SECTION. **Sec. 28.** Sections 17 through 21 of this act are each
12 added to chapter 28B.118 RCW.

13 NEW SECTION. **Sec. 29.** Section 16 of this act takes effect July 1,
14 2014.

15 NEW SECTION. **Sec. 30.** Sections 1 through 15 and 17 through 26 of
16 this act take effect July 1, 2015.

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