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**SUBSTITUTE HOUSE BILL 2720**

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**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Seaquist, Haler, Walkinshaw, Wylie, Sawyer, Morrell, Tarleton, Ormsby, Bergquist, Pollet, Gregerson, Freeman, and Goodman)

READ FIRST TIME 02/05/14.

1       AN ACT Relating to the pay it forward program; and adding a new  
2 chapter to Title 28B RCW.

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

4       NEW SECTION.   **Sec. 1.**   The definitions in this section apply  
5 throughout this chapter unless the context clearly requires otherwise.

6       (1) "Council" means the student achievement council.

7       (2) "Office" means the office of student financial assistance.

8       NEW SECTION.   **Sec. 2.**   (1) The pay it forward program is created  
9 for the purpose of providing greater access to higher education. The  
10 program shall be developed and implemented by the council.

11       (2) Eligible students who choose to participate in the pay it  
12 forward program and who are enrolled in an undergraduate postsecondary  
13 degree or certificate program at an institution of higher education  
14 shall receive funds for their higher education program's tuition and  
15 fees, less any awards the student may receive through state financial  
16 aid.

17       (3) Students choosing to participate in the pay it forward program  
18 shall sign a binding contract obligating them to make contributions to

1 the pay it forward program to be deposited by the office in the pay it  
2 forward trust fund account created in section 4 of this act. Program  
3 participants shall start making contributions one year following  
4 graduation or discontinuation of their postsecondary program. The  
5 amount students are required to contribute and the length of time  
6 students are required to contribute shall be determined by the council  
7 within the parameters in this subsection.

8 (a) Participants who attended a state university shall not be  
9 required to contribute more than five percent of their income.

10 (b) Participants who attended a regional university or state  
11 college or who enrolled in an applied baccalaureate program at a  
12 community or technical college shall not be required to contribute more  
13 than three and one-half percent of their income.

14 (c) Participants who attended a community or technical college and  
15 enrolled in an associate degree, workforce degree, or certificate  
16 program shall not be required to contribute more than two percent of  
17 their income.

18 (d) Participants who transfer from a community or technical college  
19 to a baccalaureate program shall contribute based on the proportion of  
20 credit hours earned in the respective sectors.

21 (e) Participants who receive other state financial aid shall have  
22 their contribution obligations calculated according to the proportion  
23 of their tuition and required fees that are financed through the pay it  
24 forward program.

25 (f) Participants shall be required to make contributions in  
26 proportion to the number of credits for which the participant was  
27 registered while participating in the pay it forward program.

28 (g) A student is eligible to receive pay it forward tuition  
29 assistance for up to five years, or the credit or clock hour equivalent  
30 of five years, or up to one hundred twenty-five percent of the  
31 published length of time of the student's program.

32 (h) Participants shall not be required to make contributions to the  
33 pay it forward program for a period longer than twenty-five years.

34 (4) Students eligible to participate on a voluntary basis are:

35 (a) All students graduating after January 1, 2015, from up to five  
36 high schools selected by the council in subsection (5) of this section;  
37 and

1 (b) Within eight years of their graduation, students who have  
2 graduated from a high school selected in subsection (5) of this  
3 section, including students who have previously enrolled in a  
4 postsecondary program at an institution of higher education who did not  
5 participate in the pay it forward program.

6 (5) The council shall select up to five high schools for  
7 participation in the program giving consideration to the following:

8 (a) At least two high schools must be located east of the crest of  
9 the Cascade mountains, one of which shall be located in central  
10 Washington;

11 (b) Participating schools must vary in size and geographic  
12 location;

13 (c) Participating schools must serve high proportions of low-income  
14 students and students who are traditionally underrepresented in  
15 postsecondary education, including students whose parents have never  
16 attended college; and

17 (d) Participating schools must have communities and leaders that  
18 demonstrate support for their students to pursue postsecondary  
19 education.

20 (6) The rate at which the pay it forward program shall be expanded  
21 from the initial five high schools to eventually incorporate all public  
22 high schools in the state must be determined by the legislature in the  
23 omnibus appropriations act.

24 NEW SECTION. **Sec. 3.** Each high school selected to participate in  
25 the pay it forward program in section 2 of this act shall be allocated  
26 one additional full-time equivalent counselor in order to increase  
27 participation in postsecondary education access programs such as the  
28 pay it forward program and the college bound scholarship.

29 NEW SECTION. **Sec. 4.** (1) The pay it forward trust fund account is  
30 created in the custody of the state treasurer. The primary purpose of  
31 the account is to ensure that all disbursements from the account are  
32 made available to students eligible for the pay it forward program  
33 created in section 2 of this act.

34 (2) The office shall deposit in the account all money received for  
35 the program established under section 2 of this act. The account shall  
36 consist of funds appropriated by the legislature for the program,

1 contributions to the pay it forward program by pay it forward program  
2 participants, and private contributions, including principal and  
3 interest. Moneys deposited in the account do not lapse at the close of  
4 the fiscal period for which they were appropriated. Both during and  
5 after the fiscal period in which moneys were deposited in the account,  
6 the office may expend moneys in the account only for the purposes of  
7 the pay it forward program.

8 (3) Expenditures from the account shall be used for the pay it  
9 forward program according to program rules and policies.

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

12 (5) Disbursements from the account are exempt from appropriations  
13 and the allotment provisions of chapter 43.88 RCW.

14 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act constitute  
15 a new chapter in Title 28B RCW.

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