

CERTIFICATION OF ENROLLMENT
ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1488

65th Legislature
2018 Regular Session

Passed by the House March 3, 2018
Yeas 59 Nays 37

Speaker of the House of Representatives

Passed by the Senate March 1, 2018
Yeas 34 Nays 15

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1488** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1488

AS AMENDED BY THE SENATE

Passed Legislature - 2018 Regular Session

State of Washington **65th Legislature** **2018 Regular Session**

By House Higher Education (originally sponsored by Representatives Hansen, Haler, Stokesbary, Ortiz-Self, Gregerson, Tarleton, Slatter, and Hudgins)

READ FIRST TIME 01/26/18.

1 AN ACT Relating to expanding higher education opportunities for
2 certain students; and amending RCW 28B.118.010, 28B.145.030, and
3 28B.15.012.

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

5 **Sec. 1.** RCW 28B.118.010 and 2017 3rd sp.s. c 20 s 11 are each
6 amended to read as follows:

7 The office of student financial assistance shall design the
8 Washington college bound scholarship program in accordance with this
9 section and in alignment with the state need grant program in chapter
10 28B.92 RCW unless otherwise provided in this section.

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

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

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

17 (i) In grade seven through twelve; or

18 (ii) Are between the ages of eighteen and twenty-one and have not
19 graduated from high school; or

20 (c) Were dependent pursuant to chapter 13.34 RCW and were adopted
21 between the ages of fourteen and eighteen with a negotiated adoption

1 agreement that includes continued eligibility for the Washington
2 state college bound scholarship program pursuant to RCW 74.13A.025.

3 (2) Eligible students shall be notified of their eligibility for
4 the Washington college bound scholarship program beginning in their
5 seventh grade year. Students shall also be notified of the
6 requirements for award of the scholarship.

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

14 (b) A student eligible under subsection (1)(b) of this section
15 shall be automatically enrolled, with no action necessary by the
16 student or the student's family, and the enrollment form must be
17 forwarded by the department of social and health services to the
18 higher education coordinating board or its successor by mail or
19 electronically, as indicated on the form.

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

24 (b)(i) To receive the Washington college bound scholarship, a
25 student must graduate with at least a "C" average from a public high
26 school or an approved private high school under chapter 28A.195 RCW
27 in Washington or have received home-based instruction under chapter
28 28A.200 RCW, must have no felony convictions, and must be a resident
29 student as defined in RCW 28B.15.012(2) (a) through ~~((d))~~ (e). A
30 student who is eligible to receive the Washington college bound
31 scholarship because the student is a resident student under RCW
32 28B.15.012(2)(e) must provide the institution, as defined in RCW
33 28B.15.012, an affidavit indicating that the individual will file an
34 application to become a permanent resident at the earliest
35 opportunity the individual is eligible to do so and a willingness to
36 engage in any other activities necessary to acquire citizenship,
37 including but not limited to citizenship or civics review courses.

38 (ii) For eligible children as defined in subsection (1)(b) and
39 (c) of this section, to receive the Washington college bound
40 scholarship, a student must have received a high school equivalency

1 certificate as provided in RCW 28B.50.536 or have graduated with at
2 least a "C" average from a public high school or an approved private
3 high school under chapter 28A.195 RCW in Washington or have received
4 home-based instruction under chapter 28A.200 RCW, must have no felony
5 convictions, and must be a resident student as defined in RCW
6 28B.15.012(2) (a) through ~~((d))~~ (e).

7 For a student who does not meet the "C" average requirement, and
8 who completes fewer than two quarters in the running start program,
9 under chapter 28A.600 RCW, the student's first quarter of running
10 start course grades must be excluded from the student's overall grade
11 point average for purposes of determining their eligibility to
12 receive the scholarship.

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

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

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

24 (b) For students attending private four-year institutions of
25 higher education in Washington, the award amount shall be the
26 representative average of awards granted to students in public
27 research universities in Washington or the representative average of
28 awards granted to students in public research universities in
29 Washington in the 2014-15 academic year, whichever is greater.

30 (c) For students attending private vocational schools in
31 Washington, the award amount shall be the representative average of
32 awards granted to students in public community and technical colleges
33 in Washington or the representative average of awards granted to
34 students in public community and technical colleges in Washington in
35 the 2014-15 academic year, whichever is greater.

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

38 (8) Institutions of higher education shall award the student all
39 need-based and merit-based financial aid for which the student would
40 otherwise qualify. The Washington college bound scholarship is

1 intended to replace unmet need, loans, and, at the student's option,
2 work-study award before any other grants or scholarships are reduced.

3 (9) The first scholarships shall be awarded to students
4 graduating in 2012.

5 (10) The state of Washington retains legal ownership of tuition
6 units awarded as scholarships under this chapter until the tuition
7 units are redeemed. These tuition units shall remain separately held
8 from any tuition units owned under chapter 28B.95 RCW by a Washington
9 college bound scholarship recipient.

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

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

17 **Sec. 2.** RCW 28B.145.030 and 2014 c 208 s 3 are each amended to
18 read as follows:

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

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

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

36 (b) Solicit and accept grants and contributions from private
37 sources, via direct payment, pledge agreement, or escrow account, of
38 private sources for deposit into one or both of the two accounts

1 created in this subsection (2)(b) in accordance with this subsection
2 (2)(b):

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

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

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

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

19 (C) The state has demonstrated progress toward the goal of total
20 per-student funding levels, from state appropriations plus tuition
21 and fees, of at least the sixtieth percentile of total per-student
22 funding at similar public institutions of higher education in the
23 global challenge states, as defined, measured, and reported in RCW
24 28B.15.068. In any year in which the office of financial management
25 reports that the state has not made progress toward this goal, no new
26 scholarships may be awarded. In any year in which the office of
27 financial management reports that the percentile of total per-student
28 funding is less than the sixtieth percentile and at least five
29 percent less than the prior year, pledges of future grants and
30 contributions may, at the request of the donor, be released and
31 grants and contributions already received refunded to the extent that
32 opportunity scholarship awards already made can be fulfilled from the
33 funds remaining in the endowment account. In fulfilling the
34 requirements of this subsection, the office of financial management
35 shall use resources that facilitate measurement and comparisons of
36 the most recently completed academic year. These resources may
37 include, but are not limited to, the data provided in a uniform
38 dashboard format under RCW 28B.77.090 as the statewide public four-
39 year dashboard and academic year reports prepared by the state board
40 for community and technical colleges;

1 (iii) An amount equal to at least fifty percent of all grants and
2 contributions must be deposited into the scholarship account until
3 such time as twenty million dollars have been deposited into the
4 account, after which time the private donors may designate whether
5 their contributions must be deposited to the scholarship or the
6 endowment account. The board and the program administrator must work
7 to maximize private sector contributions to both the scholarship
8 account and the endowment account, to maintain a robust scholarship
9 program while simultaneously building the endowment, and to determine
10 the division between the two accounts in the case of undesignated
11 grants and contributions, taking into account the need for a
12 long-term funding mechanism and the short-term needs of families and
13 students in Washington. The first five million dollars in state
14 match, as provided in RCW 28B.145.040, shall be deposited into the
15 scholarship account and thereafter the state match shall be deposited
16 into the two accounts in equal proportion to the private funds
17 deposited in each account; and

18 (iv) Once moneys in the opportunity scholarship match transfer
19 account are subject to an agreement under RCW 28B.145.050(5) and are
20 deposited in the scholarship account or endowment account under this
21 section, the state acts in a fiduciary rather than ownership capacity
22 with regard to those assets. Assets in the scholarship account and
23 endowment account are not considered state money, common cash, or
24 revenue to the state;

25 (c) Provide proof of receipt of grants and contributions from
26 private sources to the council, identifying the amounts received by
27 name of private source and date, and whether the amounts received
28 were deposited into the scholarship or the endowment account;

29 (d) In consultation with the council and the state board for
30 community and technical colleges, make an assessment of the
31 reasonable annual eligible expenses associated with eligible
32 education programs identified by the board;

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

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

39 (g) Determine the annual amount of the opportunity scholarship
40 for each selected participant. The annual amount shall be at least

1 one thousand dollars or the amount determined under (e) of this
2 subsection, but may be increased on an income-based, sliding scale
3 basis up to the amount necessary to cover all reasonable annual
4 eligible expenses as assessed pursuant to (d) of this subsection, or
5 to encourage participation in baccalaureate degree programs
6 identified by the board;

7 (h) Distribute scholarship funds to selected participants. Once
8 awarded, and to the extent funds are available for distribution, an
9 opportunity scholarship shall be automatically renewed as long as the
10 participant annually submits documentation of filing both a free
11 application for federal student aid and for available federal
12 education tax credits, including but not limited to the American
13 opportunity tax credit, or if ineligible to apply for federal student
14 aid, the participant annually submits documentation of filing a state
15 financial aid application as approved by the office of student
16 financial assistance; and until the participant withdraws from or is
17 no longer attending the program, completes the program, or has taken
18 the credit or clock hour equivalent of one hundred twenty-five
19 percent of the published length of time of the participant's program,
20 whichever occurs first(~~(, and as long as the participant annually~~
21 ~~submits documentation of filing both a free application for federal~~
22 ~~student aid and for available federal education tax credits,~~
23 ~~including but not limited to the American opportunity tax credit));
24 and~~

25 (i) Notify institutions of scholarship recipients who will attend
26 their institutions and inform them of the terms of the students'
27 eligibility.

28 (3) With respect to the opportunity expansion program, the
29 program administrator shall:

30 (a) Assist the board in developing and implementing an
31 application, selection, and notification process for making
32 opportunity expansion awards; and

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

35 **Sec. 3.** RCW 28B.15.012 and 2017 c 191 s 1 are each amended to
36 read as follows:

37 Whenever used in this chapter:

1 (1) The term "institution" shall mean a public university,
2 college, or community or technical college within the state of
3 Washington.

4 (2) The term "resident student" shall mean:

5 (a) A financially independent student who has had a domicile in
6 the state of Washington for the period of one year immediately prior
7 to the time of commencement of the first day of the semester or
8 quarter for which the student has registered at any institution and
9 has in fact established a bona fide domicile in this state primarily
10 for purposes other than educational;

11 (b) A dependent student, if one or both of the student's parents
12 or legal guardians have maintained a bona fide domicile in the state
13 of Washington for at least one year immediately prior to commencement
14 of the semester or quarter for which the student has registered at
15 any institution;

16 (c) A student classified as a resident based upon domicile by an
17 institution on or before May 31, 1982, who was enrolled at a state
18 institution during any term of the 1982-1983 academic year, so long
19 as such student's enrollment (excepting summer sessions) at an
20 institution in this state is continuous;

21 (d) Any student who has spent at least seventy-five percent of
22 both his or her junior and senior years in high schools in this
23 state, whose parents or legal guardians have been domiciled in the
24 state for a period of at least one year within the five-year period
25 before the student graduates from high school, and who enrolls in a
26 public institution of higher education within six months of leaving
27 high school, for as long as the student remains continuously enrolled
28 for three quarters or two semesters in any calendar year;

29 (e) Any person who has completed the full senior year of high
30 school and obtained a high school diploma, both at a Washington
31 public high school or private high school approved under chapter
32 28A.195 RCW, or a person who has received the equivalent of a
33 diploma; who has lived in Washington for at least three years
34 immediately prior to receiving the diploma or its equivalent; who has
35 continuously lived in the state of Washington after receiving the
36 diploma or its equivalent and until such time as the individual is
37 admitted to an institution of higher education under subsection (1)
38 of this section; and who provides to the institution an affidavit
39 indicating that the individual will file an application to become a
40 permanent resident at the earliest opportunity the individual is

1 eligible to do so and a willingness to engage in any other activities
2 necessary to acquire citizenship, including but not limited to
3 citizenship or civics review courses;

4 (f) Any person who has lived in Washington, primarily for
5 purposes other than educational, for at least one year immediately
6 before the date on which the person has enrolled in an institution,
7 and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec.
8 (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful nonimmigrant
9 status as the spouse or child of a person having nonimmigrant status
10 under one of those subsections, or who, holding or having previously
11 held such lawful nonimmigrant status as a principal or derivative,
12 has filed an application for adjustment of status pursuant to 8
13 U.S.C. Sec. 1255(a);

14 (g) A student who is on active military duty stationed in the
15 state or who is a member of the Washington national guard;

16 (h) A student who is on active military duty or a member of the
17 national guard who entered service as a Washington resident and who
18 has maintained Washington as his or her domicile but is not stationed
19 in the state;

20 (i) A student who is the spouse or a dependent of a person who is
21 on active military duty or a member of the national guard who entered
22 service as a Washington resident and who has maintained Washington as
23 his or her domicile but is not stationed in the state. If the person
24 on active military duty is reassigned out-of-state, the student
25 maintains the status as a resident student so long as the student is
26 continuously enrolled in a degree program;

27 (j) A student who is entitled to transferred federal post-9/11
28 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et
29 seq.) benefits based on the student's relationship as a spouse,
30 former spouse, or child to an individual who is on active duty in the
31 uniformed services;

32 (k) A student who resides in the state of Washington and is the
33 spouse or a dependent of a person who is a member of the Washington
34 national guard;

35 (l) A student who has separated from the uniformed services with
36 any period of honorable service after at least ninety days of active
37 duty service; is eligible for benefits under the federal all-
38 volunteer force educational assistance program (38 U.S.C. Sec. 3001
39 et seq.), the federal post-9/11 veterans educational assistance act
40 of 2008 (38 U.S.C. Sec. 3301 et seq.), or any other federal law

1 authorizing educational assistance benefits for veterans; and enters
2 an institution of higher education in Washington within three years
3 of the date of separation;

4 (m) A student who is entitled to veterans administration
5 educational assistance benefits based on the student's relationship
6 as a spouse, former spouse, or child to an individual who has
7 separated from the uniformed services with any period of honorable
8 service after at least ninety days of active duty service, and who
9 enters an institution of higher education in Washington within three
10 years of the service member's date of separation;

11 (n) A student who is entitled to veterans administration
12 educational assistance benefits based on the student's relationship
13 with a deceased member of the uniformed services who died in the line
14 of duty;

15 (o) A student of an out-of-state institution of higher education
16 who is attending a Washington state institution of higher education
17 pursuant to a home tuition agreement as described in RCW 28B.15.725;

18 (p) A student who meets the requirements of RCW 28B.15.0131 or
19 28B.15.0139: PROVIDED, That a nonresident student enrolled for more
20 than six hours per semester or quarter shall be considered as
21 attending for primarily educational purposes, and for tuition and fee
22 paying purposes only such period of enrollment shall not be counted
23 toward the establishment of a bona fide domicile of one year in this
24 state unless such student proves that the student has in fact
25 established a bona fide domicile in this state primarily for purposes
26 other than educational;

27 (q) A student who resides in Washington and is on active military
28 duty stationed in the Oregon counties of Columbia, Gilliam, Hood
29 River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla,
30 Union, Wallowa, Wasco, or Washington; or

31 (r) A student who resides in Washington and is the spouse or a
32 dependent of a person who resides in Washington and is on active
33 military duty stationed in the Oregon counties of Columbia, Gilliam,
34 Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla,
35 Union, Wallowa, Wasco, or Washington. If the person on active
36 military duty moves from Washington or is reassigned out of the
37 Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop,
38 Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or
39 Washington, the student maintains the status as a resident student so

1 long as the student resides in Washington and is continuously
2 enrolled in a degree program.

3 (3)(a) A student who qualifies under subsection (2)(j), (l), (m),
4 or (n) of this section and who remains continuously enrolled at an
5 institution of higher education shall retain resident student status.

6 (b) Nothing in subsection (2)(j), (l), (m), or (n) of this
7 section applies to students who have a dishonorable discharge from
8 the uniformed services, or to students who are the spouse or child of
9 an individual who has had a dishonorable discharge from the uniformed
10 services, unless the student is receiving veterans administration
11 educational assistance benefits.

12 (4) The term "nonresident student" shall mean any student who
13 does not qualify as a "resident student" under the provisions of this
14 section and RCW 28B.15.013. Except for students qualifying under
15 subsection (2)(e) or (o) of this section, a nonresident student shall
16 include:

17 (a) A student attending an institution with the aid of financial
18 assistance provided by another state or governmental unit or agency
19 thereof, such nonresidency continuing for one year after the
20 completion of such semester or quarter. This condition shall not
21 apply to students from Columbia, Multnomah, Clatsop, Clackamas, or
22 Washington county, Oregon participating in the border county pilot
23 project under RCW 28B.76.685, 28B.76.690, and 28B.15.0139.

24 (b) A person who is not a citizen of the United States of America
25 (~~(who does not have permanent or temporary resident status or does~~
26 ~~not hold "Refugee Parolee" or "Conditional Entrant" status with the~~
27 ~~United States citizenship immigration services or is not otherwise~~
28 ~~permanently residing in the United States under color of law and who~~
29 ~~does not also meet and comply with all the applicable requirements in~~
30 ~~this section and RCW 28B.15.013.))~~, unless the person meets and
31 complies with all applicable requirements in this section and RCW
32 28B.15.013 and is one of the following:

33 (i) A lawful permanent resident;

34 (ii) A temporary resident;

35 (iii) A person who holds "refugee-parolee," "conditional
36 entrant," or U or T nonimmigrant status with the United States
37 citizenship and immigration services;

38 (iv) A person who has been issued an employment authorization
39 document by the United States citizenship and immigration services

1 that is valid as of the date the person's residency status is
2 determined;

3 (v) A person who has been granted deferred action for childhood
4 arrival status before, on, or after the effective date of this
5 section, regardless of whether the person is no longer or will no
6 longer be granted deferred action for childhood arrival status due to
7 the termination, suspension, or modification of the deferred action
8 for childhood arrival program; or

9 (vi) A person who is otherwise permanently residing in the United
10 States under color of law, including deferred action status.

11 (5) The term "domicile" shall denote a person's true, fixed and
12 permanent home and place of habitation. It is the place where the
13 student intends to remain, and to which the student expects to return
14 when the student leaves without intending to establish a new domicile
15 elsewhere. The burden of proof that a student, parent or guardian has
16 established a domicile in the state of Washington primarily for
17 purposes other than educational lies with the student.

18 (6) The term "dependent" shall mean a person who is not
19 financially independent. Factors to be considered in determining
20 whether a person is financially independent shall be set forth in
21 rules adopted by the student achievement council and shall include,
22 but not be limited to, the state and federal income tax returns of
23 the person and/or the student's parents or legal guardian filed for
24 the calendar year prior to the year in which application is made and
25 such other evidence as the council may require.

26 (7) The term "active military duty" means the person is serving
27 on active duty in:

28 (a) The armed forces of the United States government; or

29 (b) The Washington national guard; or

30 (c) The coast guard, merchant mariners, or other nonmilitary
31 organization when such service is recognized by the United States
32 government as equivalent to service in the armed forces.

33 (8) The term "active duty service" means full-time duty, other
34 than active duty for training, as a member of the uniformed services
35 of the United States. Active duty service as a national guard member
36 under Title 32 U.S.C. for the purpose of organizing, administering,
37 recruiting, instructing, or training and active service under 32
38 U.S.C. Sec. 502(f) for the purpose of responding to a national
39 emergency is recognized as active duty service.

1 (9) The term "uniformed services" is defined by Title 10 U.S.C.;
2 subsequently structured and organized by Titles 14, 33, and 42
3 U.S.C.; consisting of the United States army, United States marine
4 corps, United States navy, United States air force, United States
5 coast guard, United States public health service commissioned corps,
6 and the national oceanic and atmospheric administration commissioned
7 officer corps.

--- END ---