H-1063.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SUBSTITUTE HOUSE BILL 1399**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 68th Legislature 2023 Regular Session**

**By** House Postsecondary Education & Workforce (originally sponsored by Representatives Lekanoff, Slatter, Taylor, Simmons, Berry, Ramel, Fosse, Macri, Pollet, Reed, Doglio, Davis, and Santos)

AN ACT Relating to establishing a Native American scholarship program; reenacting and amending RCW 43.79A.040; adding a new section to chapter 28B.10 RCW; adding a new chapter to Title 28B RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature recognizes that Native American people have faced historical traumas that have had a lasting impact in many facets of life, including educational attainment. Historically, education was used as a reformation tactic to strip away Native identity and culture to whitewash the indigenous population and destroy a nations own first people by separating Native children from their families. The legislature acknowledges the historical use of education as a weapon and the opportunity to partner with federally recognized Indian tribes to establish truth and reconciliation regarding boarding school traumas in order to facilitate change and remove stigmas of how Native Americans view education.

The legislature also recognizes that Native Americans are one of the most underrepresented populations in Washington's universities and colleges, and that this group has some of the lowest year-to-year retention and degree attainment compared to other population groups. Native Americans face additional challenges in attaining higher education, such as high rates of poverty and lack of postsecondary educational access near reservations. A national study on college affordability for indigenous students found that 16 percent of participants experienced homelessness during higher education, more than a quarter experienced food insecurity, and 43 percent had a household income less than $20,000.

Therefore, the legislature identifies the need to recognize historical truths and traumas and to reconcile these by reinvesting in Native American survivors. One way to do this is to remove financial barriers to postsecondary education for Native Americans. The legislature embraces the opportunity to rectify wrongs by investing in scholarships for members of federally recognized Indian tribes that go beyond tuition expenses to recognize the total cost of attendance. When the state invests in an educated Native workforce, Native communities become more economically resilient, stronger, healthier, and empowered. Robust Native communities help make a more resilient and vigorous Washington state and contribute to alleviating workforce demand by tapping into historically underutilized talent. Therefore, the legislature intends to establish the Native American scholarship program with the recognition that indigenous populations need additional assistance to pursue postsecondary education because of historical actions that have left lasting impacts.

This scholarship is offered to fulfill additional cost of attendance needs that are not covered through other state financial aid programs. To be eligible for state and federal financial aid, students must complete a financial aid application such as the free application for federal student aid or the Washington application for state financial aid. These financial aid applications enable institutions to determine eligibility for financial aid through income, residence, and other relevant information. Washington's free application for federal student aid completion ranking has consistently been in the bottom five in the nation. Offering a scholarship to members of federally recognized Indian tribes creates an additional incentive for members to complete financial aid applications, thereby increasing opportunities for other financial aid programs and providing students with additional funds to attend postsecondary education.

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

(1) "Eligible student" means a member of a federally recognized Indian tribe located within the United States who files a financial aid application approved by the office and enrolls in: (a) An undergraduate degree program at an institution of higher education; or (b) a registered apprenticeship program.

(2) "Gift aid" has the same definition as in RCW 28B.145.010.

(3) "Institution of higher education" includes the state universities, the regional universities, the state college, and the community and technical colleges as defined in RCW 28B.10.016.

(4) "Office" means the office of student financial assistance within the student achievement council.

(5) "Registered apprenticeship program" means an approved apprenticeship program under chapter 49.04 RCW that has been approved to participate in state financial aid programs.

NEW SECTION. **Sec.**  (1) Subject to availability of amounts appropriated for this specific purpose, the Native American scholarship program is established and shall be administered by the office. In administering the program, the office has the following duties:

(a) Publicize the program;

(b) Award scholarships to eligible students according to rules and guidelines adopted beginning with the 2023-24 academic year; and

(c) Adopt any necessary rules and guidelines for the program in consultation with tribes, institutions of higher education, and registered apprenticeship programs.

(2) The office shall determine scholarship awarding priorities and award amounts for eligible students in collaboration with the tribes, institutions of higher education, and registered apprenticeship programs.

(a) For eligible students attending an undergraduate degree program, the office shall prioritize a funding level equivalent to in-state tuition and fee rates for eligible students, but that students who have in-state tuition and fees covered by other gift aid receive an award to help cover the cost of attendance expenses, such as room and board, books and supplies, transportation, and other living expenses.

(b) For eligible students attending a registered apprenticeship program, the office shall prioritize funding to cover any tuition costs for related supplemental instruction. Additional funding may be used to provide a scholarship to cover required supplies, tools, materials, work clothing, and living expenses.

(c) The office may also prioritize funding that secures an eligible student's scholarship for the entire length of the student's program.

(3) Eligible students may receive the scholarship for a maximum of 150 percent of their time to degree or six years, whichever occurs first.

(4) Eligible students need to maintain satisfactory academic progress to remain eligible for the scholarship.

NEW SECTION. **Sec.**  The Native American scholarship account is created in the custody of the state treasurer. All receipts for the Native American scholarship program must be deposited in the account. Expenditures from the account may be used only for the Native American scholarship program. Only the director of the office or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec.**  Institutions of higher education and registered apprenticeship programs shall evaluate their existing retention plan and support services for Native American students and make improvements where necessary with tribal consultation.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.10 RCW to read as follows:

Beginning with the 2023-24 academic year, institutions of higher education shall add a place for a student to indicate that they are a member of a federally recognized Indian tribe on their application for admission form. Students who indicate that they are a member of a federally recognized Indian tribe shall be asked to provide their registration number for verification purposes.

NEW SECTION. **Sec.**  (1) The office of student financial assistance shall submit annual reports to the governor and the appropriate committees of the legislature in accordance with RCW 43.01.036 on the Native American scholarship program by December 1st of each year until 2024. The report shall include:

(a) The total number of eligible students and the number of eligible students who received a scholarship;

(b) How many eligible students received a scholarship for an undergraduate program versus a registered apprenticeship program;

(c) The amount that the office determined the scholarship award to be;

(d) How the office determined what the scholarship award should be; and

(e) How many members of federally recognized Indian tribes in Washington received scholarships versus members of federally recognized Indian tribes from other states.

(2) This section expires December 31, 2024.

**Sec.**  RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022 c 183 s 16, and 2022 c 162 s 6 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

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

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

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

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Rosa Franklin legislative internship program scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the Washington career and college pathways innovation challenge program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the Native American scholarship account, the behavioral health loan repayment program account, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county ((~~enhanced~~)) 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the energy facility site evaluation council account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the educator conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the produce railcar pool account, the public use general aviation airport loan revolving account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, the public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, the department of licensing tuition recovery trust fund, the student achievement council tuition recovery trust fund, the tuition recovery trust fund, the Washington student loan account, the industrial insurance premium refund account, the mobile home park relocation fund, the natural resources deposit fund, the Washington state health insurance pool account, the federal forest revolving account, and the library operations account.

(c) The following accounts and funds must receive 80 percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advance right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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

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

**--- END ---**