

SHB 1289 - S COMM AMD

By Committee on Higher Education & Workforce Development

ADOPTED 04/05/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 28B.145.010 and 2022 c 211 s 1 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Board" means the opportunity scholarship board.

8 (2) "Council" means the student achievement council.

9 (3) "Eligible advanced degree program" means a health
10 professional degree program beyond the baccalaureate level and
11 includes graduate and professional degree programs.

12 (4) "Eligible county" has the same meaning as "rural county" as
13 defined in RCW 82.14.370 and also includes any county that shares a
14 common border with Canada and has a population of over 125,000.

15 (5) "Eligible education programs" means high employer demand and
16 other programs of study as determined by the board.

17 (6) "Eligible expenses" means reasonable expenses associated with
18 the costs of acquiring an education such as tuition, books,
19 equipment, fees, room and board, and other expenses as determined by
20 the program administrator in consultation with the council and the
21 state board for community and technical colleges.

22 (7) "Eligible school district" means a school district of the
23 second class as identified in RCW 28A.300.065(2).

24 (8) (a) "Eligible student" means a resident student who:

25 (i) (A) Received his or her high school diploma or high school
26 equivalency certificate as provided in RCW 28B.50.536 in Washington
27 and has been accepted at a four-year institution of higher education
28 into an eligible education program leading to a baccalaureate degree;

29 (B) Received his or her high school diploma or high school
30 equivalency certificate as provided in RCW 28B.50.536 in Washington
31 and will attend a two-year institution of higher education and

1 intends to transfer to an eligible education program at a four-year
2 institution of higher education;

3 (C) Received his or her high school diploma or equivalent and has
4 been accepted at an institution of higher education into a
5 professional-technical certificate or degree program in an eligible
6 education program; or

7 (D) Has been accepted at an institution of higher education into
8 an eligible advanced degree program that leads to credentials in
9 health professions;

10 (ii) Declares an intention to obtain a professional-technical
11 certificate, professional-technical degree, baccalaureate degree, or
12 an advanced degree; and

13 (iii) Has a family income at or below 125 percent of the state
14 median family income at the time the student applies for an
15 opportunity scholarship. For the advanced degree program, family
16 income may be greater than 125 percent if the eligible student can
17 demonstrate financial need through other factors such as a history of
18 prior household income, income loss caused by entering the advanced
19 degree program, level of student debt at application and annually
20 thereafter, or other factors determined by the program.

21 (b) To remain eligible for scholarship funds under the
22 opportunity scholarship program the student must meet satisfactory
23 academic progress toward completion of an eligible program as
24 determined by the office of student financial assistance in the
25 Washington college grant program under chapter 28B.92 RCW.

26 (9) "Gift aid" means financial aid received from the federal Pell
27 grant, the Washington college grant program in chapter 28B.92 RCW,
28 the college bound scholarship program in chapter 28B.118 RCW, the
29 opportunity grant program in chapter 28B.50 RCW, or any other state
30 grant, scholarship, or worker retraining program that provides funds
31 for educational purposes with no obligation of repayment. "Gift aid"
32 does not include student loans, work-study programs, the basic food
33 employment and training program administered by the department of
34 social and health services, or other employment assistance programs
35 that provide job readiness opportunities and support beyond the costs
36 of tuition, books, and fees.

37 (10) "High employer demand program of study" has the same meaning
38 as provided in RCW 28B.50.030.

39 (11) "Participant" means an eligible student who has received a
40 scholarship under the opportunity scholarship program.

1 (12) "Private sources," "private funds," "private contributions,"
2 or "private sector contributions" means donations from private
3 organizations, corporations, federally recognized Indian tribes,
4 municipalities, counties, and other sources, but excludes state
5 dollars.

6 (13) "Professional-technical certificate" means a program as
7 approved by the state board for community and technical colleges
8 under RCW 28B.50.090(7)(c), that is offered by an institution of
9 higher education or an eligible registered apprenticeship program
10 under chapter 28B.92 RCW.

11 (14) "Professional-technical degree" means a program as approved
12 by the state board for community and technical colleges under RCW
13 28B.50.090(7)(c), that is offered by an institution of higher
14 education or an eligible registered apprenticeship program under
15 chapter 28B.92 RCW.

16 (15) "Program administrator" means ((a)) one or more private
17 nonprofit corporations registered under Title 24 RCW and qualified as
18 a tax-exempt entity under section 501(c)(3) of the federal internal
19 revenue code.

20 (16) "Resident student" means a student meeting the requirements
21 under RCW 28B.92.200(5)(c) as defined in the Washington college grant
22 program.

23 (17) "Rural jobs program" means the rural county high employer
24 demand jobs program created in this chapter.

25 **Sec. 2.** RCW 28B.145.020 and 2019 c 406 s 64 are each amended to
26 read as follows:

27 (1) The opportunity scholarship board is created. The board
28 consists of eleven members:

29 (a) Six members appointed by the governor. For three of the six
30 appointments, the governor shall consider names from a list provided
31 by the president of the senate and the speaker of the house of
32 representatives; and

33 (b) Five foundation or business and industry representatives
34 appointed by the governor from among the state's most productive
35 industries such as aerospace, manufacturing, health care, information
36 technology, engineering, agriculture, and others, as well as
37 philanthropy. The foundation or business and industry representatives
38 shall be selected from among nominations provided by the private
39 sector donors to the opportunity scholarship and opportunity

1 expansion programs. However, the governor may request, and the
2 private sector donors shall provide, an additional list or lists from
3 which the governor shall select these representatives.

4 (2) Board members shall hold their offices for a term of four
5 years from the first day of September and until their successors are
6 appointed. No more than the terms of two members may expire
7 simultaneously on the last day of August in any one year.

8 (3) The members of the board shall elect one of the business and
9 industry representatives to serve as chair.

10 (4) Seven members of the board constitute a quorum for the
11 transaction of business. In case of a vacancy, or when an appointment
12 is made after the date of expiration of the term, the governor or the
13 president of the senate or the speaker of the house of
14 representatives, depending upon which made the initial appointment to
15 that position, shall fill the vacancy for the remainder of the term
16 of the board member whose office has become vacant or expired.

17 (5) The board shall be staffed by ((a)) one or more program
18 administrators, under contract with the board and the council. The
19 board may cause one or more tax-exempt nonprofit corporations to be
20 created, organized, and operated exclusively to perform some or all
21 of the program administrator duties under this act. The board and
22 council may contract directly with any such nonprofit corporation.

23 (6) The purpose of the board is to provide oversight and guidance
24 for the opportunity expansion program, the opportunity scholarship
25 program, and the rural jobs program, in light of established
26 legislative priorities and to fulfill the duties and responsibilities
27 under this chapter, including but not limited to determining eligible
28 education programs and eligible advanced degree programs for purposes
29 of the opportunity scholarship program and rural jobs program. In
30 determining eligible advanced degree programs, the board shall
31 consider advanced degree programs that lead to credentials in health
32 professions that include, but are not limited to, primary care,
33 dental care, behavioral health, and public health. Duties, exercised
34 jointly with the program administrator, include soliciting funds and
35 setting annual fund-raising goals.

36 (7) The board may report to the governor and the appropriate
37 committees of the legislature with recommendations as to:

38 (a) Whether some or all of the scholarships should be changed to
39 conditional scholarships that must be repaid in the event the
40 participant does not complete the eligible education program;

1 (b) A source or sources of funds for the opportunity expansion
2 program in addition to the voluntary contributions of the high-
3 technology research and development tax credit under RCW 82.32.800;
4 and

5 (c) Whether the program should include a loan repayment or low-
6 interest or no-interest loan component for the advanced degree
7 portion of the program.

8 **Sec. 3.** RCW 28B.145.040 and 2019 c 406 s 66 are each amended to
9 read as follows:

10 (1) The opportunity scholarship program is established.

11 (2) The purpose of this scholarship program is to provide
12 scholarships that will help low and middle-income Washington
13 residents earn professional-technical certificates, professional-
14 technical degrees, baccalaureate degrees in high employer demand and
15 other programs of study, and advanced degrees in health professions,
16 and encourage them to remain in the state to work. The program must
17 be designed for students starting professional-technical certificate
18 or degree programs, students starting at two-year institutions of
19 higher education and intending to transfer to four-year institutions
20 of higher education, students starting at four-year institutions of
21 higher education, and students enrolled in eligible advanced degree
22 programs.

23 (3) The opportunity scholarship board shall determine which
24 programs of study, including but not limited to high employer demand
25 programs, are eligible for purposes of the opportunity scholarship.
26 For eligible advanced degree programs, the board shall limit
27 scholarships to eligible students enrolling in programs that lead to
28 credentials in health professions.

29 (4) (a) The source of funds for the program shall be a combination
30 of private grants and contributions and state matching funds. A state
31 match may be earned under this section for private contributions made
32 on or after June 6, 2011.

33 (b) (~~The state match must be based on donations and pledges~~
34 ~~received as)) (i) The state must provide an annual appropriation for
35 a state match, on an equal dollar basis, not to exceed \$50,000,000
36 per fiscal year.~~

37 (ii) Appropriations for the state match in the biennial omnibus
38 operating appropriations act must be based on estimated donations and
39 pledges for those fiscal years as reported by the board to the office

1 of financial management as of the date each official state caseload
2 forecast is submitted by the caseload forecast council to the
3 legislative fiscal committees, as provided under RCW 43.88C.020.

4 (iii) Annually in the supplemental omnibus operating
5 appropriations act, the state match must be adjusted to donations
6 received and estimated pledges committed for the current fiscal
7 biennium as reported by the board to the office of financial
8 management as of the date each official state caseload forecast is
9 submitted by the caseload forecast council to the legislative fiscal
10 committees, as provided under RCW 43.88C.020. Additionally, the state
11 match for the current fiscal year must be adjusted to reflect the
12 excess or deficit between donations and pledges actually received in
13 the prior fiscal year and the state match provided in the prior
14 fiscal year.

15 (iv) The purpose of this subsection (4)(b) is to ensure the
16 predictable treatment of the program in the budget process by
17 clarifying the calculation process of the state match required by
18 this section and ensuring the program is budgeted at maintenance
19 level.

20 ~~((c) A state match, up to a maximum of fifty million dollars~~
21 ~~annually, shall be provided beginning the later of January 1, 2014,~~
22 ~~or January 1st next following the end of the fiscal year in which~~
23 ~~collections of state retail sales and use tax, state business and~~
24 ~~occupation tax, and state public utility tax exceed, by ten percent~~
25 ~~the amounts collected from these tax resources in the fiscal year~~
26 ~~that ended June 30, 2008, as determined by the department of~~
27 ~~revenue.))~~

28 **Sec. 4.** RCW 28B.145.100 and 2022 c 211 s 3 are each amended to
29 read as follows:

30 (1)(a) The rural county high employer demand jobs program is
31 created to meet the workforce needs of business and industry in rural
32 counties by assisting students in earning certificates, associate
33 degrees, or other industry-recognized credentials necessary for
34 employment in high employer demand fields.

35 (b) Subject to the requirements of this section, the rural jobs
36 program provides selected students scholarship funds and support
37 services, as determined by the board, to help students meet their
38 eligible expenses when they enroll in a community or technical
39 college program that prepares them for high employer demand fields.

1 (c) The source of funds for the rural jobs program shall be a
2 combination of private donations, grants, and contributions and state
3 matching funds.

4 (d) The state (~~match must be based on donations and pledges~~
5 ~~received~~) must provide an annual appropriation for the state match,
6 on an equal dollar basis, not to exceed \$1,000,000 each fiscal
7 biennium.

8 (i) Appropriations for the state match in the biennial omnibus
9 operating appropriations act must be based on estimated donations and
10 pledges for those fiscal years as reported by the board to the office
11 of financial management as of the date each official state caseload
12 forecast is submitted by the caseload forecast council to the
13 legislative fiscal committees, as provided under RCW 43.88C.020.

14 (ii) Annually in the supplemental omnibus operating
15 appropriations act, the state match must be adjusted to donations
16 received and estimated pledges committed for the current fiscal
17 biennium as reported by the board to the office of financial
18 management as of the date each official state caseload forecast is
19 submitted by the caseload forecast council to the legislative fiscal
20 committees, as provided under RCW 43.88C.020. Additionally, the state
21 match for the current fiscal year must be adjusted to reflect the
22 excess or deficit between donations and pledges actually received in
23 the prior fiscal year and the state match provided in the prior
24 fiscal year.

25 (iii) The purpose of this subsection (1)(d) is to ensure the
26 predictable treatment of the program in the budget process by
27 clarifying the calculation process of the state match required by
28 this section and to ensure the program is budgeted at maintenance
29 level.

30 (2) The program administrator has the duties and responsibilities
31 provided under this section, including but not limited to:

32 (a) Publicize the rural jobs program and conducting outreach to
33 eligible counties;

34 (b) In consultation with the state board for community and
35 technical colleges, any interested community or technical college
36 located in an eligible county, and the county's workforce development
37 council, identify high employer demand fields within the eligible
38 counties. When identifying high employer demand fields, the board
39 must consider:

1 (i) County-specific employer demand reports issued by the
2 employment security department or the list of statewide high-demand
3 programs for secondary career and technical education established
4 under RCW 28A.700.020; and

5 (ii) The ability and capacity of the community and technical
6 college to meet the needs of qualifying students and industry in the
7 eligible county;

8 (c) Develop and implement an application, selection, and
9 notification process for awarding rural jobs program scholarship
10 funds. In making determinations on scholarship recipients, the board
11 shall use county-specific employer high-demand data;

12 (d) Determine the annual scholarship fund amounts to be awarded
13 to selected students;

14 (e) Distribute funds to selected students;

15 (f) Notify institutions of higher education of the rural jobs
16 program recipients who will attend their institutions of higher
17 education and inform them of the scholarship fund amounts and terms
18 of the awards; and

19 (g) Establish and manage an account as provided under RCW
20 28B.145.110 to receive donations, grants, contributions from private
21 sources, and state matching funds, and from which to disburse
22 scholarship funds to selected students.

23 (3) To be eligible for scholarship funds under the rural jobs
24 program, a student must:

25 (a) Either:

26 (i) Be a resident of an eligible county;

27 (ii) Have attended and graduated from a school in an eligible
28 school district; or

29 (iii) Be enrolled in either a community or technical college
30 established under chapter 28B.50 RCW located in an eligible county or
31 participating in an eligible registered apprenticeship program under
32 chapter 28B.92 RCW in an eligible county;

33 (b) Be a resident student as defined in the Washington college
34 grant program in RCW 28B.92.200(5)(c);

35 (c) Be in a certificate, degree, or other industry-recognized
36 credential or training program that has been identified by the board
37 as a program that prepares students for a high employer demand field;

38 (d) Have a family income that does not exceed seventy percent of
39 the state median family income adjusted for family size; and

1 (e) Demonstrate financial need according to the free application
2 for federal student aid or the Washington application for state
3 financial aid.

4 (4) To remain eligible for scholarship funds under the rural jobs
5 program, the student must meet satisfactory academic progress toward
6 completion of an eligible program as established by the program.
7 Rural jobs program eligibility may not extend beyond five years or
8 125 percent of the published length of the program in which the
9 student is enrolled or the credit or clock-hour equivalent.

10 (5) A scholarship award under the rural jobs program may not
11 result in a reduction of any gift aid. Nothing in this section
12 creates any right or entitlement.

13 **Sec. 5.** RCW 28B.145.120 and 2018 c 254 s 6 are each amended to
14 read as follows:

15 (1) The rural jobs program match transfer account is created in
16 the custody of the state treasurer as a nonappropriated account to be
17 used solely and exclusively for the rural jobs program created in RCW
18 28B.145.100. The purpose of the rural jobs program match transfer
19 account is to provide state matching funds for the rural jobs
20 program.

21 (2) Revenues to the rural jobs program match transfer account
22 shall consist of appropriations by the legislature into the rural
23 jobs program match transfer account.

24 (3) No expenditures from the rural jobs program match transfer
25 account may be made except upon receipt of proof, by the executive
26 director of the council from the program administrator, of private
27 contributions to the rural jobs program. Expenditures, in the form of
28 matching funds, may not exceed the total amount of private
29 contributions.

30 (4) Only the executive director of the council or the executive
31 director's designee may authorize expenditures from the rural jobs
32 program match transfer account. Such authorization must be made as
33 soon as practicable following receipt of proof as required under this
34 section.

35 (5)(a) The council shall enter into an appropriate agreement with
36 the program administrator to demonstrate exchange of consideration
37 for the matching funds.

38 (b) Once moneys in the rural jobs program match transfer account
39 are subject to an agreement under this subsection and are deposited

1 in the student support pathways account, the state acts in a
2 fiduciary rather than ownership capacity with regard to those assets.
3 Assets in the student support pathways account are not considered
4 state money, common cash, or revenue to the state.

5 ~~((6) The state match must not exceed one million dollars in a
6 single fiscal biennium and must be based on donations and pledges
7 received by the rural jobs program as of the date each official state
8 caseload forecast is submitted by the caseload forecast council to
9 the legislative fiscal committees, as provided under RCW 43.88C.020.
10 Nothing in this section expands or modifies the responsibilities of
11 the caseload forecast council.))~~

12 NEW SECTION. **Sec. 6.** RCW 28B.145.130 (Rural jobs program—State
13 matching funds) and 2018 c 254 s 7 are each repealed.

14 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of
16 the state government and its existing public institutions, and takes
17 effect immediately."

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18 On page 1, line 2 of the title, after "program;" strike the
19 remainder of the title and insert "amending RCW 28B.145.010,
20 28B.145.020, 28B.145.040, 28B.145.100, and 28B.145.120; repealing RCW
21 28B.145.130; and declaring an emergency."

EFFECT: Clarifies language regarding calculation and timing of
the state match contribution to the Opportunity Scholarship program
and the Rural Jobs program.

Requires annual state equal match funding, not to exceed \$50
million each fiscal year for the Opportunity Scholarship program and
\$1 million each fiscal biennium for the Rural Jobs program, to be
appropriated for each fiscal year in the biennial budget based on
donations and pledges estimated for those fiscal years by the
Opportunity Scholarship Board to the Office of Financial Management.

Requires the adjustment of the appropriation amounts in each
supplemental budget to reflect the most recent estimate by the Board
and to adjust the current fiscal year's appropriation for actual
donations received for the prior fiscal year. Retains the deletion in
the underlying bill of language relating to initial match provision
when state tax collections exceeded 2008 revenues.

Repeals redundant language and statute capping Rural Jobs program state match to \$1 million each fiscal biennium. Provides an immediate effective date for the match revisions.

--- **END** ---