HOUSE BILL 1587

State of Washington 69th Legislature 2025 Regular Session

By Representatives Bergquist, Rude, Reed, Pollet, Reeves, Zahn, Timmons, Doglio, Salahuddin, and Nance

Read first time 01/24/25. Referred to Committee on Postsecondary Education & Workforce.

- AN ACT Relating to encouraging local government partner promise scholarship programs within the Washington state opportunity scholarship program; amending RCW 28B.145.050 and 28B.145.070; adding new sections to chapter 28B.145 RCW; and creating a new section.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. The legislature recognizes 7 postsecondary credentials are vital for creating and maintaining a skilled workforce. To increase Washington's skilled workforce, local 8 9 governments are encouraged to establish their own local government partner promise scholarship programs within the Washington state 10 11 opportunity scholarship program to further reduce barriers for 12 students within their jurisdiction. Current barriers may include 13 scholarship applications, income limits, and degree 14 requirements. The purpose of this act is for local governments that 15 establish local government partner promise scholarship programs to have minimal administrative duties, making benefits to students 16 17 substantial. Therefore, it is the intent of the legislature to encourage additional local government partner promise scholarship 18 19 programs to serve more students with fewer barriers.

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NEW SECTION. Sec. 2. A new section is added to chapter 28B.145
RCW to read as follows:

- (1) A local government partner may establish its own promise scholarship program within the opportunity scholarship program. The local government partner promise scholarship program shall be administered by the Washington state opportunity scholarship program. The program administrator shall assist the local government partner in the selection, notification, and disbursement of scholarship awards.
- (2) To be eligible to participate in a local government partner promise scholarship program, a student must have received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and attend a public two-year institution of higher education or a professional-technical certificate or degree program in an education program at an institution of higher education as defined by the local government partner. Eligibility may not extend beyond three years or 125 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.
- (3) A local government partner that establishes a promise scholarship program may establish separate rules for its program that are independent from the broader Washington state opportunity scholarship program.
- (4) The value of the scholarship award under the local government partner promise scholarship program is, at minimum, the difference between the recipient's total tuition fees as defined in RCW 28B.15.020 and services and activities fees as defined in RCW 28B.15.041, less the value of any state-funded grant including the college bound scholarship program established in chapter 28B.118 RCW and the Washington college grant created in RCW 28B.92.200, scholarship, gift aid, or waiver assistance the recipient receives. The local government partner may provide additional scholarship awards to cover reasonable expenses associated with the costs of acquiring an education such as books, equipment, room and board, and other expenses as determined by the local government partner.
- (5) The office of student financial assistance and the institutions of higher education may not consider awards made under a local government partner's promise scholarship program to be statefunded for the purpose of determining the value of an award for other state financial aid programs.

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- (6) If a student participating in a local government partner promise scholarship program transfers to an institution not eligible under the local government partner's promise scholarship program rules, the student must reapply to the broader opportunity scholarship program and meet all eligibility requirements. A local government partner may continue to provide funds to the student through its own promise scholarship program if the local government partner's program rules allow continued payment. A student may not receive funds from the broader Washington state opportunity scholarship program and the local government partner promise scholarship program at the same time.
- (7) A participating student's eligibility must be reconfirmed prior to each disbursement of funds.
- (8) In consultation with the local government partner, the administrator's duties include:
 - (a) Implementing a selection and notification process for awarding local government scholarship funds;
 - (b) Distributing funds to selected students; and

- (c) Notifying institutions of higher education of the local government scholarship recipients who will attend their institutions of higher education and informing the institutions of the scholarship fund amounts and terms of the awards.
- (9) Ten percent of the local government partner funds, excluding state matching funds, may be used for the operational costs listed in subsection (8) of this section. The local government partner may opt to have additional programmatic support from the broader Washington opportunity scholarship program, such as application or marketing support, for an additional agreed-upon fee.
- (10) In the event that there are not enough funds to serve all eligible applicants, priority must be given to applicants to the broader Washington state opportunity scholarship program over applicants to a government partner promise scholarship program.
- 33 (11) For purposes of this section, "government partner" means 34 municipalities, counties, or federally recognized Indian tribes.
- NEW SECTION. Sec. 3. A new section is added to chapter 28B.145 RCW to read as follows:
- 37 (1) All institutions of higher education that participate in the 38 opportunity scholarship program, including a local government partner 39 promise scholarship program pursuant to section 2 of this act, shall

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1 provide timely verification of eligibility information to the program 2 administrator.

- (2) Beginning in 2025, the education research and data center shall provide data on the outcomes of Washington state opportunity scholarship recipients and graduates by November 1st of each year.
- 6 (3) Each participating student's eligibility must be confirmed 7 prior to disbursing funds from any program account.
- **Sec. 4.** RCW 28B.145.050 and 2020 c 357 s 912 are each amended to 9 read as follows:
 - (1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in RCW 28B.145.040 and the local government partner promise programs authorized in section 2 of this act. The purpose of the account is to provide matching funds for the opportunity scholarship program and the local government partner promise programs.
 - (2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the executive director of the council for this purpose.
 - (3) No expenditures from the account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the opportunity scholarship program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.
 - (4) Only the executive director of the council or the executive director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.
 - (5) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.
 - (6) During the 2019-2021 fiscal biennium, expenditures from the opportunity scholarship match transfer account may be used for payment to the program administrator for administrative duties carried out under this chapter in an amount not to exceed two hundred fifty thousand dollars per fiscal year.

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Sec. 5. RCW 28B.145.070 and 2018 c 254 s 8 are each amended to read as follows:

- (1) Annually each December 1st, the board, together with the program administrator, shall report to the council, the governor, and the appropriate committees of the legislature regarding the rural jobs program ((and)), the opportunity scholarship program, and the opportunity expansion program ((and)), including but not limited to:
- (a) Which education programs the board determined were eligible for purposes of the opportunity scholarship and which high employer demand fields within eligible counties were identified for purposes of the rural jobs program;
- (b) The number of applicants for the opportunity scholarship and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;
- (c) The number of participants in the opportunity scholarship program and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;
- (d) The number and amount of the scholarships actually awarded, whether the scholarships were paid from the student support pathways account, the scholarship account, or the endowment account, and the number and amount of scholarships actually awarded under the rural jobs program;
- (e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants' completion and graduation, and the institutions and programs in which recipients of the rural jobs program scholarship enrolled, together with recipients' data on completion and graduation;
- (f) The total amount of private contributions and state match moneys received for the rural jobs program and the opportunity scholarship program, how the funds under the opportunity scholarship program were distributed between the student support pathways account, the scholarship account, and the endowment account, the interest or other earnings on all the accounts created under this chapter, and the amount of any administrative fee paid to the program administrator; ((and))
- (g) Identification of the programs the board selected to receive opportunity expansion awards and the amount of such awards; and

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1 (h) For local government partners as defined in section 2 of this 2 act:

- (i) The total amount of private contributions and state match moneys received; and
- (ii) The total number of students served by each local government partner.
- (2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to the rural jobs program, the opportunity scholarship program, or the opportunity expansion program, including but not limited to consideration of whether any legislative action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships.

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