

1 **2SHB 2605 - H AMD 1020 ADOPTED 02/14/94**

2 By Representative Flemming and others

3 On page 30, after line 8, insert the following new sections:

4 **NEW SECTION. Sec. 31.** Unless the context clearly
5 requires otherwise, the definitions in this section apply
6 throughout this section and sections 32 and 33 of this act.

7 (1) "Eligible student" means an enlisted member or an officer
8 of the rank of captain or below in the Washington national guard
9 who is a resident student as defined in RCW 28B.15.012 and
10 28B.15.013, who attends an institution of higher education that is
11 located in this state and accredited by the Northwest Association
12 of Schools and Colleges, and who meets any additional selection
13 criteria adopted by the office;

14 (2) "Conditional scholarship" means a loan that is forgiven
15 in whole or in part if the recipient renders service as a member of
16 the Washington national guard under rules adopted by the office.

17 (3) "Forgiven" or "to forgive" or "forgiveness" means either
18 to render service in the Washington national guard in lieu of
19 monetary repayment, or to be relieved of the service obligation
20 under rules adopted by the office.

21 (4) "Office" means the office of the adjutant general of the
22 state military department.

23 (5) "Participant" means an eligible student who has received
24 a conditional scholarship under this chapter.

25 (6) "Service obligation" means serving in the Washington
26 national guard for one additional year for each year of conditional
27 scholarship received under this program.

28 **NEW SECTION. Sec. 32.** The Washington state national guard
29 conditional scholarship program is established. The program shall
30 be administered by the office. In administering the program, the

1 powers and duties of the office shall include, but need not be
2 limited to:

3 (1) The selection of eligible students to receive conditional
4 scholarships;

5 (2) The award of conditional scholarships funded exclusively
6 by federal funds, private donations, or repayments from any
7 participant who does not complete the participant's service
8 obligation. State general fund money shall not be used for
9 conditional scholarships. The annual amount of each conditional
10 scholarship may vary, but shall not exceed the annual cost of
11 undergraduate tuition fees and services and activities fees at the
12 University of Washington, plus an allowance for books and supplies;

13 (3) The adoption of necessary rules and guidelines;

14 (4) The adoption of participant selection criteria. The
15 criteria may include but need not be limited to requirements for:
16 satisfactory progress, minimum grade point averages, enrollment in
17 courses or programs that lead to a baccalaureate degree or an
18 associate degree or a certificate, and satisfactory participation
19 as a member of the Washington national guard;

20 (5) The notification of participants of their additional
21 service obligation or required repayment of the conditional
22 scholarship; and

23 (6) The collection of repayments from participants who do not
24 meet the eligibility criteria or service obligations.

25 NEW SECTION. **Sec. 33.** (1) Participants in the conditional
26 scholarship program incur an obligation to repay the conditional
27 scholarship, with interest, unless they serve in the Washington
28 national guard for one additional year for each year of conditional
29 scholarship received, under rules adopted by the office.

30 (2) The entire principal and interest of each yearly
31 repayment shall be forgiven for each additional year in which a

1 participant serves in the Washington national guard, under rules
2 adopted by the office.

3 (3) If a participant elects to repay the conditional
4 scholarship, the period of repayment shall be four years, with
5 payments accruing quarterly commencing nine months from the date
6 that the participant leaves the Washington national guard or
7 withdraws from the institution of higher education, whichever comes
8 first. The interest rate on the repayments shall be eight percent
9 per year. Provisions for deferral and forgiveness shall be
10 determined by the office.

11 (4) The office is responsible for collection of repayments
12 made under this section. The office shall exercise due diligence
13 in such collection, maintaining all necessary records to ensure
14 that maximum repayments are made. Collection and servicing of
15 repayments under this section shall be pursued using the full
16 extent of law, including wage garnishment if necessary. The office
17 is responsible to forgive all or parts of such repayments under the
18 criteria established in this section, and shall maintain all
19 necessary records of forgiven payments. The office may contract
20 with the higher education coordinating board for collection of
21 repayments under this section.

22 (5) Receipts from the payment of principal or interest paid
23 by or on behalf of participants shall be deposited with the office
24 and shall be used to cover the costs of granting the conditional
25 scholarships, maintaining necessary records, and making collections
26 under subsection (4) of this section. The office shall maintain
27 accurate records of these costs, and all receipts beyond those
28 necessary to pay such costs shall be used to grant conditional
29 scholarships to eligible students.

30 NEW SECTION. **Sec. 34.** Sections 31 through 33 of this act
31 shall constitute a new chapter in Title 28B RCW."

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- 1 Renumber the remaining sections consecutively and correct any
- 2 internal references accordingly.