
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-4958.1/00

ATTY/TYPIST: SCG:seg

BRIEF DESCRIPTION:

2 **SSB 6645** - H COMM AMD
3 By Committee on Higher Education

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 28B.102.010 and 1987 c 437 s 1 are each amended to
8 read as follows:

9 The legislature finds that encouraging outstanding students and
10 classified employees to enter the teaching profession is of paramount
11 importance to the state of Washington. By creating the future teachers
12 conditional scholarship program, the legislature intends to assist in
13 the effort to recruit as future teachers, students who have
14 distinguished themselves through outstanding academic achievement,
15 individuals who have demonstrated their commitment to children and
16 education as classified employees, and ~~((students))~~ individuals who can
17 act as role models for children ~~((including those from targeted ethnic~~
18 ~~minorities))~~. The legislature urges business, industry, and
19 philanthropic community organizations to join with state government in
20 making this program successful.

21 **Sec. 2.** RCW 28B.102.020 and 1996 c 53 s 1 are each amended to read
22 as follows:

23 Unless the context clearly requires otherwise, the definitions in
24 this section apply throughout this chapter.

25 (1) "Conditional scholarship" means a loan that is forgiven in
26 whole or in part if the recipient renders service as a teacher in an
27 approved education program in this state.

28 (2) "Institution of higher education" or "institution" means a
29 college or university in the state of Washington which is accredited by
30 an accrediting association recognized as such by rule of the higher
31 education coordinating board.

32 (3) "Board" means the higher education coordinating board.

33 (4) "Classified employee" means an employee of a school district or
34 educational service district who does not hold a Washington teaching
35 certificate.

1 (5) "Eligible student" means a student who is registered for at
2 least ten credit hours or the equivalent, demonstrates achievement of
3 at least a 3.30 grade point average for students entering an
4 institution of higher education directly from high school or maintains
5 at least a 3.00 grade point average or the equivalent for each academic
6 year in an institution of higher education, is a resident student as
7 defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention
8 to complete an approved preparation program leading to initial teacher
9 certification or required for earning an additional endorsement, or a
10 college or university graduate who meets the same credit hour
11 requirements and is seeking an additional teaching endorsement or
12 initial teacher certification. Resident students defined in RCW
13 28B.15.012(2)(e) are not eligible students under this chapter.

14 (~~(5)~~) (6) "Public school" means an elementary school, a middle
15 school, junior high school, or high school within the public school
16 system referred to in Article IX of the state Constitution.

17 (~~(6)~~) (7) "Forgiven" or "to forgive" or "forgiveness" means to
18 render service as a teacher in an approved education program in the
19 state of Washington in lieu of monetary repayment.

20 (~~(7)~~) (8) "Satisfied" means paid-in-full.

21 (~~(8)~~) (9) "Participant" means an eligible student or classified
22 employee who has received a conditional scholarship under this chapter.

23 (~~(9)~~—"Targeted—ethnic—minority") (10) "Historically
24 underrepresented populations" means (~~(a)~~) groups of Americans (~~(with a~~
25 ~~common ethnic or racial heritage selected)~~) identified by the board
26 (~~(for program consideration due to societal concerns such as high~~
27 ~~dropout rates or low rates of college participation by members of the~~
28 ~~group)~~) because their participation in college has been significantly
29 lower than their representation in the overall population.

30 (~~(10)~~) (11) "Approved education program" means an education
31 program in the state of Washington for knowledge and skills generally
32 learned in preschool through twelfth grade. Approved education
33 programs may include but are not limited to:

34 (a) K-12 schools under Title 28A RCW;

35 (b) Early childhood education and assistance programs under RCW
36 28A.215.100 through 28A.215.200 or the federal head start program;

37 (c) An approved school under chapter 28A.195 RCW;

38 (d) Education centers under chapter 28A.205 RCW;

1 (e) English as a second language programs and programs leading to
2 high school graduation or the equivalency operated by community or
3 technical colleges; and

4 (f) Tribal schools in Washington approved by the federal bureau of
5 Indian affairs.

6 (12) "Equalization charge" means the additional amount added to the
7 principle of the loan in order to equate the debt to that which the
8 participant would have incurred if the loan had been received through
9 the federal subsidized Stafford student loan program. The equalization
10 charge is only applied to those participants who fail to satisfy their
11 teaching obligation and are required to repay all or part of the
12 conditional scholarship.

13 (13) "Teacher shortage area" means an area where there is a
14 shortage of preschool, elementary, or secondary school teachers and can
15 be designated in a specific subject matter, discipline classification,
16 or geographic area as identified by the office of superintendent of
17 public instruction.

18 **Sec. 3.** RCW 28B.102.030 and 1987 c 437 s 3 are each amended to
19 read as follows:

20 The future teachers conditional scholarship program is established.
21 The program shall include scholarships for eligible students and
22 classified employees. The program shall be administered by the higher
23 education coordinating board. In administering the program, the board
24 shall have the following powers and duties:

25 (1) Select students and classified employees to receive conditional
26 scholarships, with the assistance of a screening committee composed of
27 teachers, representatives of classified employees, and leaders in
28 government, business, and education;

29 (2) Adopt necessary rules and guidelines;

30 (3) Publicize the program, including special efforts to recruit
31 historically underrepresented populations to apply for the program;

32 (4) Collect and manage repayments from ((students)) participants
33 who do not meet their teaching obligations under this chapter; and

34 (5) Solicit and accept grants and donations from public and private
35 sources for the program.

36 **Sec. 4.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
37 read as follows:

1 The higher education coordinating board shall establish a planning
2 committee to develop criteria for the screening and selection of
3 recipients of the conditional scholarships. These criteria shall
4 emphasize factors demonstrating excellence including but not limited to
5 superior scholastic achievement, leadership ability, community
6 contributions, and an ability to act as a role model for (~~targeted~~
7 ~~ethnic minority~~) students. These criteria also may include, for
8 approximately half of the recipients, requirements that those
9 recipients meet the definition of "needy student" under RCW 28B.10.802.

10 **Sec. 5.** RCW 28B.102.050 and 1987 c 437 s 5 are each amended to
11 read as follows:

12 The board may award conditional scholarships to classified
13 employees and eligible students from the funds appropriated to the
14 board for this purpose, or from any private donations, or any other
15 funds given to the board for this program. The amount of the
16 conditional scholarship awarded an individual shall not exceed (~~three~~
17 ~~thousand dollars per academic year~~) four thousand dollars in the 2000-
18 01 academic year. The board may adjust the annual award by the rate of
19 undergraduate, resident tuition increases at the public four-year
20 research universities. (~~Students~~) Participants are eligible to
21 receive conditional scholarships for a maximum of five years.

22 **Sec. 6.** RCW 28B.102.060 and 1996 c 53 s 2 are each amended to read
23 as follows:

24 (1) Participants in the conditional scholarship program incur an
25 obligation to repay the conditional scholarship, with interest and with
26 an equalization charge, unless they teach for two years in an approved
27 education program for each year of scholarship received, under rules
28 adopted by the board. Participants who teach in a designated teacher
29 shortage area shall have one year of loan forgiven for each year they
30 teach in the shortage area.

31 (2) The interest rate on new loans shall be (~~eight percent for the~~
32 ~~first four years of repayment and ten percent beginning with the fifth~~
33 ~~year of repayment~~) determined annually by the board. The annual
34 interest rate should generally parallel the current rate for new loans
35 in the primary federal student loan program for undergraduate students.
36 Participants who fail to complete the teaching service shall incur an
37 equalization charge of not more than three percent of the remaining

1 unforgiven balance. The equalization charge shall be added to the
2 remaining balance and repaid by the participant.

3 (3) The minimum payment shall be set by the board, but shall not be
4 less than fifty dollars per month. The maximum period for repayment
5 shall be ten years, with payments of principal and interest accruing
6 quarterly commencing nine months from the date the participant
7 completes or discontinues the course of study. Provisions for deferral
8 of payment shall be determined by the board.

9 (4) The entire principal and interest of each payment shall be
10 forgiven for each payment period in which the participant teaches in an
11 approved education program until the entire repayment obligation is
12 satisfied. Should the participant cease to teach in an approved
13 education program in this state before the participant's repayment
14 obligation is completed, payments on the unsatisfied portion of the
15 principal and interest shall begin the next payment period and continue
16 until the remainder of the participant's repayment obligation is
17 satisfied.

18 (5) The board is responsible for collection of repayments made
19 under this section and shall exercise due diligence in such collection,
20 maintaining all necessary records to insure that maximum repayments are
21 made. Collection and servicing of repayments under this section shall
22 be pursued using the full extent of the law, including wage garnishment
23 if necessary. The board is responsible to forgive all or parts of such
24 repayments under the criteria established in this section and shall
25 maintain all necessary records of forgiven payments.

26 (6) Receipts from the payment of principal or interest or any other
27 subsidies to which the board as administrator is entitled, which are
28 paid by or on behalf of participants under this section, shall be
29 deposited with the higher education coordinating board and shall be
30 used to cover the costs of granting the conditional scholarships,
31 maintaining necessary records, and making collections under subsection
32 (5) of this section. The board shall maintain accurate records of
33 these costs, and all receipts beyond those necessary to pay such costs
34 shall be used to grant conditional scholarships to classified employees
35 and eligible students.

36 ~~(7) ((The board shall temporarily or, in special circumstances,~~
37 ~~permanently defer the requirements of this section for eligible~~
38 ~~students as defined in RCW 28B.10.017.~~

1 ~~(8))~~) The board may cancel a recipient's repayment obligation due
2 to the recipient's total and permanent disability or death, subject to
3 documentation as required by the board.

4 ~~((9))~~) (8) This section applies to recipients of conditional
5 scholarships awarded before or after July 1, 1996.

6 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.102
7 RCW to read as follows:

8 The future teachers conditional scholarship account is created in
9 the custody of the state treasurer. All receipts from moneys
10 appropriated from the legislature for the future teachers conditional
11 scholarship program, private contributions to the program, and receipts
12 from participant repayments must be deposited into the account.
13 Expenditures from the account may be used only for conditional loans to
14 participants and for the board's administrative costs associated with
15 the awarding, tracking, and collection of the loans. Only the
16 executive director of the higher education coordinating board or the
17 executive director's designee may authorize expenditures from the
18 account. The account is subject to allotment procedures under chapter
19 43.88 RCW, but an appropriation is not required for expenditures. With
20 the exception of operating costs associated with the management of the
21 account by the treasurer's office as authorized in chapter 43.79A RCW,
22 the account shall be credited with all investment income earned by the
23 account.

24 **Sec. 8.** RCW 43.79A.040 and 1999 c 384 s 8 and 1999 c 182 s 2 are
25 each reenacted and amended to read as follows:

26 (1) Money in the treasurer's trust fund may be deposited, invested,
27 and reinvested by the state treasurer in accordance with RCW 43.84.080
28 in the same manner and to the same extent as if the money were in the
29 state treasury.

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

33 (3) The investment income account may be utilized for the payment
34 of purchased banking services on behalf of treasurer's trust funds
35 including, but not limited to, depository, safekeeping, and
36 disbursement functions for the state treasurer or affected state
37 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to
2 financial institutions. Payments shall occur prior to distribution of
3 earnings set forth in subsection (4) of this section.

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

7 (b) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's or fund's
9 average daily balance for the period: The future teachers conditional
10 scholarship account, the Washington advanced college tuition payment
11 program account, the agricultural local fund, the American Indian
12 scholarship endowment fund, the Washington international exchange
13 scholarship endowment fund, the developmental disabilities endowment
14 trust fund, the energy account, the fair fund, the game farm
15 alternative account, the grain inspection revolving fund, the juvenile
16 accountability incentive account, the rural rehabilitation account, the
17 stadium and exhibition center account, the youth athletic facility
18 grant account, the self-insurance revolving fund, the sulfur dioxide
19 abatement account, and the children's trust fund. However, the
20 earnings to be distributed shall first be reduced by the allocation to
21 the state treasurer's service fund pursuant to RCW 43.08.190.

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

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

32 Correct the title.

--- END ---