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HOUSE BILL 1693

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State of Washington

56th Legislature

1999 Regular Session

By Representatives Kenney, Carlson, Tokuda, Ogden, Santos and Conway;  
by request of Governor Locke

Read first time 02/02/1999. Referred to Committee on Higher Education.

1 AN ACT Relating to higher education scholarships; amending RCW  
2 43.79A.040; and adding a new chapter to Title 28B RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature intends to strengthen the  
5 link between postsecondary education and K-12 education by creating the  
6 Washington's promise scholarship program for academically successful  
7 high school graduates. The legislature finds that, increasingly, an  
8 individual's economic viability is contingent on postsecondary  
9 educational opportunities, yet the state's full financial obligation is  
10 eliminated after the twelfth grade. Students who work hard in  
11 kindergarten through twelfth grade and successfully complete high  
12 school with high academic marks may not have the financial ability to  
13 attend college because they cannot obtain financial aid or the  
14 financial aid is insufficient. The legislature finds that  
15 postsecondary education is quickly becoming a right, not a privilege.  
16 The legislature intends to support this right by providing two-year  
17 scholarships for postsecondary education.

1        NEW SECTION.    **Sec. 2.**    (1) To qualify for a Washington's promise  
2 scholarship, a student must meet both the academic and financial  
3 requirements in this section.

4        (2)(a) Beginning with the graduating class of 1999 and ending with  
5 the graduating class of 2002, students in the top fifteen percent of  
6 each high school graduating class meet the academic requirement for the  
7 scholarship.

8        (b) Beginning with the tenth grade class taking the Washington  
9 assessment of student learning during the 2000-01 school year, students  
10 who pass all subjects on their first attempt meet the academic  
11 requirement for the scholarship.

12        (3) Students must graduate from high school or its equivalent.

13        (4) To meet the financial requirement of the scholarship, the  
14 student's family income must not exceed one hundred thirty-five percent  
15 of the state median family income.

16        NEW SECTION.    **Sec. 3.**    (1) The Washington's promise scholarship  
17 program shall be administered by the higher education coordinating  
18 board.

19        (2) The office of the superintendent of public instruction shall  
20 provide data on class ranking and Washington assessment of student  
21 learning scores to the higher education coordinating board to assist  
22 the higher education coordinating board in awarding scholarships. All  
23 student data should be considered confidential and used solely for the  
24 purposes of providing scholarships to eligible students.

25        (3)(a) For students eligible under section 2(2)(a) of this act, the  
26 office of the superintendent of public instruction shall provide the  
27 higher education coordinating board with the names, addresses, and  
28 unique numeric identifiers of students in the top fifteen percent of  
29 each respective high school graduating class in Washington state. This  
30 shall be done by the end of the summer following completion of the  
31 twelfth grade to enable students to use the Washington's promise  
32 scholarship upon completion of twelfth grade. The higher education  
33 coordinating board shall make awards to qualifying students in an  
34 amount equal to the cost of a full-time class load for one academic  
35 year at a public community college for each year of these students'  
36 eligibility.

37        (b) For students eligible under section 2(2)(b) of this act, the  
38 office of the superintendent of public instruction shall provide the

1 higher education coordinating board with the names of tenth grade  
2 students who passed all subjects of the Washington assessment of  
3 student learning. This shall be done by the end of the summer  
4 following receipt of assessment scores to enable students to use the  
5 Washington's promise scholarship upon completion of twelfth grade. For  
6 each qualifying student, the higher education coordinating board shall  
7 establish an account and place in the account two years of tuition  
8 units at the community college rate, as provided for in chapter 28B.95  
9 RCW.

10 (4) The scholarship may only be used at accredited institutions of  
11 higher education in the state of Washington.

12 (5) Scholarships may not be transferred.

13 (6) Scholarships may not be refunded to students. Scholarships may  
14 only be returned to the higher education coordinating board.

15 (7) Scholarships awarded under this section may be used for  
16 college-related expenses, including but not limited to, tuition, room  
17 and board, books, materials, and transportation.

18 (8) The Washington's promise scholarship program is not intended to  
19 supplant any federal scholarship or tax program related to  
20 postsecondary education.

21 (9)(a) The Washington's promise scholarship account is created in  
22 the custody of the state treasurer. The account shall be a discrete  
23 nontreasury account retaining its interest earnings in accordance with  
24 RCW 43.79A.040.

25 (b) The higher education coordinating board shall deposit in the  
26 account all money received for the program. The account shall be self-  
27 sustaining and consist of funds appropriated by the legislature for the  
28 Washington's promise scholarship program, private contributions to the  
29 program, and receipts from refunds of tuition and fees.

30 (c) Expenditures from the account shall be used for scholarships to  
31 eligible students.

32 (d) With the exception of the operating costs associated with the  
33 management of the account by the treasurer's office as authorized in  
34 chapter 43.79A RCW, the account shall be credited with all investment  
35 income earned by the account.

36 (e) Disbursements from the account are exempt from appropriations  
37 and the allotment provisions of chapter 43.88 RCW.

38 (f) Disbursements from the account shall be made only on the  
39 authorization of the higher education coordinating board.

1 (10) The higher education coordinating board may adopt rules to  
2 implement this section.

3 **Sec. 4.** RCW 43.79A.040 and 1998 c 268 s 1 are each amended to read  
4 as follows:

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

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

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

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

23 (b) The following accounts and funds shall receive their  
24 proportionate share of earnings based upon each account's or fund's  
25 average daily balance for the period: The Washington's promise  
26 scholarship account, the Washington advanced college tuition payment  
27 program account, the agricultural local fund, the American Indian  
28 scholarship endowment fund, the Washington international exchange  
29 scholarship endowment fund, the energy account, the fair fund, the game  
30 farm alternative account, the grain inspection revolving fund, the  
31 rural rehabilitation account, the stadium and exhibition center  
32 account, the youth athletic facility grant account, the self-insurance  
33 revolving fund, the sulfur dioxide abatement account, and the  
34 children's trust fund. However, the earnings to be distributed shall  
35 first be reduced by the allocation to the state treasurer's service  
36 fund pursuant to RCW 43.08.190.

37 (c) The following accounts and funds shall receive eighty percent  
38 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The advanced right of way  
2 revolving fund, the advanced environmental mitigation revolving  
3 account, the federal narcotics asset forfeitures account, the high  
4 occupancy vehicle account, the local rail service assistance account,  
5 and the miscellaneous transportation programs account.

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

9 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute  
10 a new chapter in Title 28B RCW.

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