
THIRD SUBSTITUTE SENATE BILL 5598

State of Washington

56th Legislature

2000 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators McAuliffe, Finkbeiner, West, Jacobsen, Long, Kline, Costa, Snyder, Eide, Patterson, Hale and Winsley; by request of Governor Locke)

Read first time 01/27/2000.

1 AN ACT Relating to higher education scholarships; reenacting and
2 amending RCW 43.79A.040; adding a new chapter to Title 28B RCW;
3 creating a new section; providing an expiration date; and declaring an
4 emergency.

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

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

1 NEW SECTION. **Sec. 2.** The higher education coordinating board
2 shall design the Washington's promise scholarship program based on the
3 following parameters:

4 (1) Scholarships shall be awarded to students who graduate from
5 high school or its equivalent and who meet both academic and financial
6 eligibility criteria.

7 (a) Before the K-12 certificate of mastery is required, academic
8 eligibility criteria shall be as follows: (i) Students graduating from
9 public and approved private high schools under chapter 28A.195 RCW in
10 2001 and 2002 must be in the top fifteen percent of their graduating
11 class; (ii) beginning with the graduating class of 2003, students must
12 pass all components of the Washington assessment of student learning
13 that are required to be administered by school districts in accordance
14 with RCW 28A.655.060 on their first attempt when they take it in the
15 tenth grade or be in the top fifteen percent of their graduating class;
16 and (iii) students participating in home-based instruction as provided
17 in chapter 28A.200 RCW must pass all components of the Washington
18 assessment of student learning on their first attempt when they take it
19 in the tenth grade.

20 (b) After the K-12 certificate of mastery is required, students
21 graduating from public and approved private high schools under chapter
22 28A.195 RCW, and participants in home-based instruction as provided in
23 chapter 28A.200 RCW are academically eligible if they pass all parts of
24 the certificate of mastery on their first attempt in the tenth grade.

25 (c) To meet the financial eligibility criteria, a student's family
26 income shall not exceed one hundred thirty-five percent of the state
27 median family income adjusted for family size as determined at the time
28 of academic eligibility as determined in (a) or (b) of this subsection,
29 except as otherwise determined in subsection (2) of this section.

30 (2) Promise scholarships are not intended to supplant any
31 scholarship or tax program related to postsecondary education. If the
32 board finds that promise scholarships supplant or reduce any grant,
33 scholarship, or tax program for categories of students, then the board
34 shall adjust the financial eligibility criteria or the amount of
35 scholarship to the level necessary to avoid supplanting.

36 (3) The amount of promise scholarships shall not exceed the
37 equivalent of two years' worth of tuition at the resident, full-time,
38 community college tuition rate. Awards for the second year of the
39 scholarship shall be made only to students who successfully complete

1 their first year of postsecondary education. In determining the amount
2 of scholarships, the board shall give the highest priority to awarding
3 scholarships to the maximum number of potential eligible recipients.

4 (4) By October 15th of each year, beginning in 2001, the board
5 shall determine the amount of the scholarships, after taking into
6 consideration the availability of funds.

7 (5) The scholarships may only be used for undergraduate coursework
8 at accredited institutions of higher education in the state of
9 Washington.

10 (6) The scholarships must be used within six years of being
11 awarded.

12 (7) The scholarships may be used for college-related expenses,
13 including but not limited to, tuition, room and board, books, and
14 materials.

15 (8) The scholarships may not be awarded to any student who is
16 pursuing a degree in theology.

17 NEW SECTION. **Sec. 3.** (1) The higher education coordinating board,
18 with the assistance of the institutions of higher education and the
19 office of the superintendent of public instruction, shall evaluate the
20 impact and the effectiveness of the Washington's promise scholarship
21 program. The evaluation shall include, but not be limited to: (a) An
22 analysis of what other financial assistance promise scholarship
23 recipients are receiving through other federal, state, and
24 institutional programs, including grants, work study, tuition waivers,
25 tax credits, and loan programs; (b) an analysis of whether the
26 implementation of the promise scholarship has had an impact on student
27 indebtedness; and (c) an evaluation of what types of students are
28 successfully completing high school but do not have the financial
29 ability to attend college because they cannot obtain financial aid or
30 the financial aid is insufficient. By November 1, 2001, the board
31 shall report its findings and make recommendations to the governor and
32 the legislature.

33 (2) This section expires December 31, 2001.

34 NEW SECTION. **Sec. 4.** The higher education coordinating board,
35 with the assistance of the office of the superintendent of public
36 instruction, shall implement and administer the Washington's promise
37 scholarship program described in section 2 of this act as follows:

1 (1) The first scholarships shall be awarded to eligible students
2 enrolling in postsecondary education in academic year 2001-02.

3 (2) The office of the superintendent of public instruction shall
4 provide the information to the higher education coordinating board that
5 is necessary for implementation of the program.

6 (a) For students graduating from high school in the top fifteen
7 percent of their class, the office of the superintendent of public
8 instruction shall provide the higher education coordinating board with
9 student names, addresses, birth dates, and unique numeric identifiers
10 as determined by each respective high school at the completion of the
11 first term of the senior year.

12 (b) Beginning with the 2000-01 school year, the office of the
13 superintendent of public instruction shall provide the names,
14 addresses, birth dates, and unique numeric identifiers of tenth grade
15 students who pass all components of the Washington assessment of
16 student learning on their first attempt to the higher education
17 coordinating board to assist the higher education coordinating board in
18 awarding scholarships. This shall be done by October 1st of each year
19 following the receipt of assessment scores.

20 (c) All student data should be considered confidential and used
21 solely for the purposes of providing scholarships to eligible students.

22 (3) The higher education coordinating board may adopt rules to
23 implement this chapter.

24 NEW SECTION. **Sec. 5.** The Washington's promise scholarship program
25 shall not be funded at the expense of the state need grant program as
26 defined in RCW 28B.10.800 through 28B.10.824. In administering the
27 state need grant and promise scholarship programs, the higher education
28 coordinating board shall first ensure that eligibility for state need
29 grant recipients is at least sixty-five percent of state median family
30 income.

31 NEW SECTION. **Sec. 6.** (1) The Washington's promise scholarship
32 account is created in the custody of the state treasurer. The account
33 shall be a nontreasury account retaining its interest earnings in
34 accordance with RCW 43.79A.040.

35 (2) The higher education coordinating board shall deposit in the
36 account all money received for the program. The account shall be self-
37 sustaining and consist of funds appropriated by the legislature for the

1 Washington's promise scholarship program, private contributions to the
2 program, and refunds of Washington's promise scholarships.

3 (3) Expenditures from the account shall be used for scholarships to
4 eligible students.

5 (4) With the exception of the operating costs associated with the
6 management of the account by the treasurer's office as authorized in
7 chapter 43.79A RCW, the account shall be credited with all investment
8 income earned by the account.

9 (5) Disbursements from the account are exempt from appropriations
10 and the allotment provisions of chapter 43.88 RCW.

11 (6) Disbursements from the account shall be made only on the
12 authorization of the higher education coordinating board.

13 **Sec. 7.** RCW 43.79A.040 and 1999 c 384 s 8 and 1999 c 182 s 2 are
14 each reenacted and amended to read as follows:

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

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

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

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

33 (b) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's or fund's
35 average daily balance for the period: The Washington's promise
36 scholarship account, the Washington advanced college tuition payment
37 program account, the agricultural local fund, the American Indian
38 scholarship endowment fund, the Washington international exchange

1 scholarship endowment fund, the developmental disabilities endowment
2 trust fund, the energy account, the fair fund, the game farm
3 alternative account, the grain inspection revolving fund, the juvenile
4 accountability incentive account, the rural rehabilitation account, the
5 stadium and exhibition center account, the youth athletic facility
6 grant account, the self-insurance revolving fund, the sulfur dioxide
7 abatement account, and the children's trust fund. However, the
8 earnings to be distributed shall first be reduced by the allocation to
9 the state treasurer's service fund pursuant to RCW 43.08.190.

10 (c) The following accounts and funds shall receive eighty percent
11 of their proportionate share of earnings based upon each account's or
12 fund's average daily balance for the period: The advanced right of way
13 revolving fund, the advanced environmental mitigation revolving
14 account, the federal narcotics asset forfeitures account, the high
15 occupancy vehicle account, the local rail service assistance account,
16 and the miscellaneous transportation programs account.

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

20 NEW SECTION. **Sec. 8.** Sections 1, 2, and 4 through 6 of this act
21 constitute a new chapter in Title 28B RCW.

22 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

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