
SENATE BILL 6645

State of Washington

56th Legislature

2000 Regular Session

By Senators Eide, Swecker, Brown, Rasmussen, McAuliffe, Goings, Patterson, Hochstatter, Zarelli, Kohl-Welles, Finkbeiner, Shin and Bauer; by request of Governor Locke and Superintendent of Public Instruction

Read first time 01/21/2000. Referred to Committee on Higher Education.

1 AN ACT Relating to the future teachers conditional scholarship;
2 amending RCW 28B.102.010, 28B.102.020, 28B.102.030, 28B.102.040,
3 28B.102.050, and 28B.102.060; reenacting and amending RCW 43.79A.040;
4 and adding a new section to chapter 28B.102 RCW.

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

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

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

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

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

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

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

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

13 (4) "Eligible student" means a student who is registered for at
14 least ten credit hours or the equivalent, demonstrates achievement of
15 at least a 3.30 grade point average for students entering an
16 institution of higher education directly from high school or maintains
17 at least a 3.00 grade point average or the equivalent for each academic
18 year in an institution of higher education, is a resident student as
19 defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention
20 to complete an approved preparation program leading to initial teacher
21 certification or required for earning an additional endorsement, or a
22 college or university graduate who meets the same credit hour
23 requirements and is seeking an additional teaching endorsement or
24 initial teacher certification. Resident students defined in RCW
25 28B.15.012(2)(e) are not eligible students under this chapter.

26 (5) "Public school" means an elementary school, a middle school,
27 junior high school, or high school within the public school system
28 referred to in Article IX of the state Constitution.

29 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
30 service as a teacher in an approved education program in the state of
31 Washington in lieu of monetary repayment.

32 (7) "Satisfied" means paid-in-full.

33 (8) "Participant" means an eligible student who has received a
34 conditional scholarship under this chapter.

35 (9) (~~"Targeted ethnic minority"~~) "Historically underrepresented
36 populations" means ((a)) groups of Americans (~~((with a common ethnic or~~
37 ~~racial heritage selected))~~ identified by the board (~~((for program~~
38 ~~consideration due to societal concerns such as high dropout rates or~~
39 ~~low rates of college participation by members of the group))~~ because

1 their participation in college has been significantly lower than their
2 representation in the overall population.

3 (10) "Approved education program" means an education program in the
4 state of Washington for knowledge and skills generally learned in
5 preschool through twelfth grade. Approved education programs may
6 include but are not limited to:

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

8 (b) Early childhood education and assistance programs under RCW
9 28A.215.100 through 28A.215.200 or the federal head start program;

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

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

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

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

17 (11) "Equalization charge" means the additional amount added to the
18 principle of the loan in order to equate the debt to that which the
19 student would have incurred if the loan had been received through the
20 federal subsidized Stafford student loan program. The equalization
21 charge is only applied to those recipients who fail to satisfy their
22 teaching obligation and are required to repay all or part of the
23 conditional scholarship.

24 (12) "Teacher shortage area" means an area where there is a
25 shortage of preschool, elementary, or secondary school teachers and can
26 be designated in a specific subject matter, discipline classification,
27 or geographic area as identified by the office of superintendent of
28 public instruction.

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

31 The future teachers conditional scholarship program is established.
32 The program shall be administered by the higher education coordinating
33 board. In administering the program, the board shall have the
34 following powers and duties:

35 (1) Select students to receive conditional scholarships, with the
36 assistance of a screening committee composed of teachers and leaders in
37 government, business, and education;

38 (2) Adopt necessary rules and guidelines;

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

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

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

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

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

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

20 The board may award conditional scholarships to eligible students
21 from the funds appropriated to the board for this purpose, or from any
22 private donations, or any other funds given to the board for this
23 program. The amount of the conditional scholarship awarded an
24 individual shall not exceed (~~three thousand dollars per academic~~
25 ~~year~~) four thousand dollars in the 2000-01 academic year. The board
26 may adjust the annual award by the rate of undergraduate, resident
27 tuition increases at the public four-year research universities.
28 Students are eligible to receive conditional scholarships for a maximum
29 of five years.

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

32 (1) Participants in the conditional scholarship program incur an
33 obligation to repay the conditional scholarship, with interest and with
34 an equalization charge, unless they teach for two years in an approved
35 education program for each year of scholarship received, under rules
36 adopted by the board. Students who teach in a designated teacher

1 shortage area shall have one year of loan canceled for each year they
2 teach in the shortage area.

3 (2) The interest rate on new loans shall be ((eight percent for the
4 first four years of repayment and ten percent beginning with the fifth
5 year of repayment)) determined annually by the board. The annual
6 interest rate should generally parallel the current rate for new loans
7 in the primary federal student loan program for undergraduate students.
8 Participants who fail to complete the teaching service shall incur an
9 equalization charge of not more than three percent of the remaining
10 unforgiven balance. The equalization charge shall be added to the
11 remaining balance and repaid by the participant.

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

18 (4) The entire principal and interest of each payment shall be
19 forgiven for each payment period in which the participant teaches in an
20 approved education program until the entire repayment obligation is
21 satisfied. Should the participant cease to teach in an approved
22 education program in this state before the participant's repayment
23 obligation is completed, payments on the unsatisfied portion of the
24 principal and interest shall begin the next payment period and continue
25 until the remainder of the participant's repayment obligation is
26 satisfied.

27 (5) The board is responsible for collection of repayments made
28 under this section and shall exercise due diligence in such collection,
29 maintaining all necessary records to insure that maximum repayments are
30 made. Collection and servicing of repayments under this section shall
31 be pursued using the full extent of the law, including wage garnishment
32 if necessary. The board is responsible to forgive all or parts of such
33 repayments under the criteria established in this section and shall
34 maintain all necessary records of forgiven payments.

35 (6) Receipts from the payment of principal or interest or any other
36 subsidies to which the board as administrator is entitled, which are
37 paid by or on behalf of participants under this section, shall be
38 deposited with the higher education coordinating board and shall be
39 used to cover the costs of granting the conditional scholarships,

1 maintaining necessary records, and making collections under subsection
2 (5) of this section. The board shall maintain accurate records of
3 these costs, and all receipts beyond those necessary to pay such costs
4 shall be used to grant conditional scholarships to eligible students.

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

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

11 (9) This section applies to recipients of conditional scholarships
12 awarded before or after July 1, 1996.

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

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

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

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

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

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

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

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

30 (c) The following accounts and funds shall receive eighty percent
31 of their proportionate share of earnings based upon each account's or
32 fund's average daily balance for the period: The advanced right of way
33 revolving fund, the advanced environmental mitigation revolving
34 account, the federal narcotics asset forfeitures account, the high
35 occupancy vehicle account, the local rail service assistance account,
36 and the miscellaneous transportation programs account.

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

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