
SUBSTITUTE SENATE BILL 5404

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles, Eide, McAuliffe, Shin, Patterson, Regala, Costa, Finkbeiner, Haugen and Rasmussen; by request of Governor Locke)

READ FIRST TIME 02/28/01.

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

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

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

16 NEW SECTION. **Sec. 2.** The higher education coordinating board
17 shall design the Washington promise scholarship program based on the
18 following parameters:

1 (1) Scholarships shall be awarded to students graduating from
2 public and approved private high schools under chapter 28A.195 RCW and
3 students participating in home-based instruction as provided in chapter
4 28A.200 RCW who meet both an academic and a financial eligibility
5 criteria.

6 (a) Academic eligibility criteria shall be defined as follows:

7 (i) Students graduating from public and approved private high
8 schools under chapter 28A.195 RCW must be in the top ten percent of
9 their graduating class, as identified by each respective high school at
10 the completion of the first term of the student's senior year; or

11 (ii) Students graduating from public high schools, approved private
12 high schools under chapter 28A.195 RCW, and students participating in
13 home-based instruction as provided in chapter 28A.200 RCW must equal or
14 exceed a cumulative scholastic assessment test I score of twelve
15 hundred on their first attempt or must equal or exceed a composite
16 American college test score of twenty-seven on their first attempt.

17 (b) To meet the financial eligibility criteria, a student's family
18 income shall not exceed one hundred thirty-five percent of the state
19 median family income adjusted for family size, as determined by the
20 higher education coordinating board for each graduating class.
21 Students not meeting the eligibility requirements for the first year of
22 scholarship benefits may reapply for the second year of benefits, but
23 must still meet the income standard set by the board for the student's
24 graduating class.

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

31 (3) Within available funds, each qualifying student shall receive
32 two consecutive annual awards, the value of each not to exceed the
33 full-time annual resident tuition rates charged by Washington's
34 community colleges. The higher education coordinating board shall
35 award scholarships to as many students as possible from among those
36 qualifying under this section.

37 (4) By October 15th of each year, the board shall determine the
38 award amount of the scholarships, after taking into consideration the
39 availability of funds.

1 (5) The scholarships may only be used for undergraduate coursework
2 at accredited institutions of higher education in the state of
3 Washington.

4 (6) The scholarships may be used for undergraduate coursework at
5 Oregon institutions of higher education that are a part of the border
6 county higher education opportunity project in RCW 28B.80.806 when
7 those institutions offer programs not available at accredited
8 institutions of higher education in Washington state.

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

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

14 (9) The higher education coordinating board may establish
15 satisfactory progress standards for the continued receipt of the
16 promise scholarship.

17 (10) The higher education coordinating board shall establish the
18 time frame within which the student must use the scholarship.

19 (11) Scholarships may be awarded only to legal residents of the
20 United States residing in Washington state.

21 NEW SECTION. **Sec. 3.** The higher education coordinating board,
22 with the assistance of the office of the superintendent of public
23 instruction, shall implement and administer the Washington promise
24 scholarship program described in section 2 of this act as follows:

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

27 (2) The office of the superintendent of public instruction shall
28 provide information to the higher education coordinating board that is
29 necessary for implementation of the program. The higher education
30 coordinating board and the office of the superintendent of public
31 instruction shall jointly establish a timeline and procedures necessary
32 for accurate and timely data reporting.

33 (a) For students meeting the academic eligibility criteria as
34 provided in section 2(1)(a) of this act, the office of the
35 superintendent of public instruction shall provide the higher education
36 coordinating board with student names, addresses, birth dates, and
37 unique numeric identifiers.

1 (b) Public and approved private high schools under chapter 28A.195
2 RCW shall provide requested information necessary for implementation of
3 the program to the office of the superintendent of public instruction
4 within the established timeline.

5 (c) All student data is confidential and may be used solely for the
6 purposes of providing scholarships to eligible students.

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

9 NEW SECTION. **Sec. 4.** The Washington promise scholarship program
10 shall not be funded at the expense of the state need grant program as
11 defined in RCW 28B.10.800 through 28B.10.824. In administering the
12 state need grant and promise scholarship programs, the higher education
13 coordinating board shall first ensure that eligibility for state need
14 grant recipients is at least sixty-five percent of state median family
15 income.

16 NEW SECTION. **Sec. 5.** This chapter shall not be construed to
17 change current state requirements for students who received home-based
18 instruction under chapter 28A.200 RCW.

19 NEW SECTION. **Sec. 6.** (1) The Washington promise scholarship
20 account is created in the custody of the state treasurer. The account
21 shall be a nontreasury account retaining its interest earnings in
22 accordance with RCW 43.79A.040.

23 (2) The higher education coordinating board shall deposit in the
24 account all money received for the program. The account shall be self-
25 sustaining and consist of funds appropriated by the legislature for the
26 Washington promise scholarship program, private contributions to the
27 program, and refunds of Washington promise scholarships.

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

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

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

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

3 **Sec. 7.** RCW 43.79A.040 and 2000 c 79 s 45 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 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 basic health plan self-insurance
29 reserve account, the Washington international exchange scholarship
30 endowment fund, the developmental disabilities endowment trust fund,
31 the energy account, the fair fund, the game farm alternative account,
32 the grain inspection revolving fund, the juvenile accountability
33 incentive account, the rural rehabilitation account, the stadium and
34 exhibition center account, the youth athletic facility ((grant))
35 account, the self-insurance revolving fund, the sulfur dioxide
36 abatement account, and the children's trust fund. However, the
37 earnings to be distributed shall first be reduced by the allocation to
38 the state treasurer's service fund pursuant to RCW 43.08.190.

1 (c) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The advanced right of way
4 revolving fund, the advanced environmental mitigation revolving
5 account, the federal narcotics asset forfeitures account, the high
6 occupancy vehicle account, the local rail service assistance account,
7 and the miscellaneous transportation programs account.

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

11 NEW SECTION. **Sec. 8.** Sections 1 through 6 of this act constitute
12 a new chapter in Title 28B RCW.

13 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and takes effect
16 immediately.

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