
HOUSE BILL 1050

State of Washington

59th Legislature

2005 Regular Session

By Representatives Kenney, Hinkle, Kagi, Dunn, Quall, Clements, Morrell, McIntire, Schual-Berke, Haigh, Simpson, Linville and Santos

Read first time 01/12/2005. Referred to Committee on Higher Education.

1 AN ACT Relating to the creation of a foster care endowed
2 scholarship program; reenacting and amending RCW 43.79A.040; adding a
3 new chapter to Title 28B RCW; and making an appropriation.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that children who grow
6 up in the foster care system face many financial challenges. The
7 legislature also finds that these financial challenges can discourage
8 or prevent these children from pursuing a higher education. The
9 legislature further finds that access to a higher education will give
10 children who are in foster care hope for the future. Moreover, the
11 legislature finds that financial assistance will help these children
12 become successful, productive, contributing citizens and avoid cycles
13 of abuse, poverty, violence, and delinquency.

14 NEW SECTION. **Sec. 2.** Unless the context clearly requires
15 otherwise, the definitions in this section apply throughout this
16 chapter.

17 (1) "Institution of higher education" means a college or university

1 in the state of Washington that is accredited by an accrediting
2 association recognized as such by rule of the higher education
3 coordinating board.

4 (2) "Eligible student" means a student who:

5 (a) Is between the ages of sixteen and twenty-three;

6 (b) Has been in foster care in the state of Washington for a
7 minimum of six months since his or her fourteenth birthday;

8 (c) Is a financially needy student, as defined in RCW 28B.92.030;

9 (d) Is a resident student, as defined in RCW 28B.15.012(2);

10 (e) Has entered or will enter an institution of higher education in
11 Washington state within three years of high school graduation or having
12 successfully completed his or her GED;

13 (f) Is not pursuing a degree in theology; and

14 (g) Makes satisfactory progress towards the completion of a degree
15 or certificate program.

16 (3) "Cost of attendance" means the cost associated with the
17 attendance of the institution of higher education as determined by the
18 higher education coordinating board, including but not limited to
19 tuition, room, board, and books.

20 NEW SECTION. **Sec. 3.** The foster care endowed scholarship program
21 is created. The purpose of the program is to help students who were in
22 foster care attend an institution of higher education in the state of
23 Washington. The foster care endowed scholarship program shall be
24 administered by the higher education coordinating board. In
25 administering the program, the higher education coordinating board's
26 powers and duties shall include but not be limited to:

27 (1) Working with the department of social and health services and
28 the superintendent of public instruction to provide information about
29 the foster care endowed scholarship program to children in foster care
30 in the state of Washington and to students over the age of sixteen who
31 could be eligible for this program;

32 (2) Adopting necessary rules and guidelines;

33 (3) Publicizing the program;

34 (4) Administering the foster care endowed scholarship trust fund
35 and the foster care scholarship endowment fund;

36 (5) Contracting with a private agency to perform outreach to the
37 potentially eligible students; and

1 (6) Establishing and assisting the foster care endowed scholarship
2 advisory board in its duties as described in section 5 of this act.

3 NEW SECTION. **Sec. 4.** (1) The higher education coordinating board
4 may award scholarships to eligible students from the foster care
5 scholarship endowment fund in section 7 of this act, from funds
6 appropriated to the board for this purpose, from any private donations,
7 or from any other funds given to the board for the program.

8 (2) The board may award scholarships to eligible students from
9 moneys earned from the foster care scholarship endowment fund created
10 in section 7 of this act, or from funds appropriated to the board for
11 this purpose, or from any private donations, or from any other funds
12 given to the board for this program. For an undergraduate student, the
13 amount of the scholarship shall not exceed the student's demonstrated
14 financial need. For a graduate student, the amount of the scholarship
15 shall not exceed the student's demonstrated need; or the stipend of a
16 teaching assistant, including tuition, at the University of Washington;
17 whichever is higher. In calculating a student's need, the board shall
18 consider the student's costs for tuition, fees, books, supplies,
19 transportation, room, board, personal expenses, and child care. The
20 student's scholarship awarded under this chapter shall not exceed the
21 amount received by a student attending a state research university. A
22 student is eligible to receive a scholarship for a maximum of five
23 years. However, the length of the scholarship shall be determined at
24 the discretion of the board.

25 (3) Grants under this chapter shall not affect eligibility for the
26 state student financial aid program.

27 NEW SECTION. **Sec. 5.** (1) The foster care endowed scholarship
28 advisory board is created.

29 (2) The advisory board shall be composed of not more than seven
30 members appointed by the higher education coordinating board. The
31 advisory board should include representatives from the higher education
32 coordinating board, the office of the superintendent of public
33 instruction, the foster parent community, and community organizations
34 serving the foster children and former foster children community. The
35 advisory board membership shall be reflective of the cultural diversity
36 of the state.

1 (3) The advisory board:

2 (a) Shall assist the higher education coordinating board in
3 publicizing the foster care endowed scholarship program;

4 (b) Shall solicit grants and donations from public and private
5 sources for the program;

6 (c) Shall assist the higher education coordinating board in the
7 program development and the application screening process; and

8 (d) May assist in performing outreach to the targeted students.

9 NEW SECTION. **Sec. 6.** (1) The foster care endowed scholarship
10 trust fund is created in the custody of the state treasurer.

11 (2) Funds appropriated by the legislature for the foster care
12 endowed scholarship trust fund shall be deposited in the foster care
13 endowed scholarship trust fund. When conditions in section 8 of this
14 act are met, the higher education coordinating board shall deposit
15 state matching moneys from the trust fund into the foster care
16 scholarship endowment fund.

17 (3) No appropriation is required for expenditures from the trust
18 fund.

19 NEW SECTION. **Sec. 7.** The foster care scholarship endowment fund
20 is created in the custody of the state treasurer.

21 (1) Moneys received from the higher education coordinating board,
22 private donations, state matching moneys, and funds received from any
23 other source may be deposited into the foster care scholarship
24 endowment fund. Private moneys received as a gift subject to
25 conditions may be deposited into the endowment fund if the conditions
26 do not violate state or federal law.

27 (2) The higher education coordinating board may disburse grants to
28 eligible students from the foster care scholarship endowment fund. No
29 appropriation is required for expenditures from the endowment fund.

30 (3) When notified by court order that a condition attached to a
31 gift of private moneys from the foster care scholarship endowment fund
32 has failed, the higher education coordinating board shall release those
33 moneys to the donors according to the terms of the conditional gift.

34 (4) The principal of the foster care scholarship endowment fund
35 shall not be invaded. For the purposes of this section, only the first
36 twenty-five thousand dollars deposited into the foster care scholarship

1 endowment fund shall be considered the principal. The release of
2 moneys under subsection (3) of this section shall not constitute an
3 invasion of the corpus.

4 (5) The foster care scholarship endowment fund shall be used solely
5 for the purposes in this chapter, except when the conditional gift of
6 private moneys in the endowment fund require a portion of the earnings
7 on such moneys be reinvested in the endowment fund.

8 NEW SECTION. **Sec. 8.** (1) The higher education coordinating board
9 may deposit twenty-five thousand dollars of state matching funds into
10 the foster care scholarship endowment fund when the board can match
11 state funds with an equal amount of private cash donations.

12 (2) After the initial match of twenty-five thousand dollars, state
13 matching funds from the foster care endowed scholarship trust fund
14 shall be released to the foster care scholarship endowment fund
15 semiannually so long as there are funds available in the foster care
16 endowed scholarship trust fund.

17 NEW SECTION. **Sec. 9.** The administrative staff for the foster care
18 endowed scholarship program shall not exceed one-quarter full-time
19 equivalent.

20 **Sec. 10.** RCW 43.79A.040 and 2004 c 246 s 8 and 2004 c 58 s 10 are
21 each reenacted and amended to read as follows:

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

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

29 (3) The investment income account may be utilized for the payment
30 of purchased banking services on behalf of treasurer's trust funds
31 including, but not limited to, depository, safekeeping, and
32 disbursement functions for the state treasurer or affected state
33 agencies. The investment income account is subject in all respects to
34 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

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

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington promise
9 scholarship account, the college savings program account, the
10 Washington advanced college tuition payment program account, the
11 agricultural local fund, the American Indian scholarship endowment
12 fund, the foster care scholarship endowment fund, the foster care
13 endowed scholarship trust fund, the students with dependents grant
14 account, the basic health plan self-insurance reserve account, the
15 contract harvesting revolving account, the Washington state combined
16 fund drive account, the Washington international exchange scholarship
17 endowment fund, the developmental disabilities endowment trust fund,
18 the energy account, the fair fund, the fruit and vegetable inspection
19 account, the future teachers conditional scholarship account, the game
20 farm alternative account, the grain inspection revolving fund, the
21 juvenile accountability incentive account, the law enforcement
22 officers' and fire fighters' plan 2 expense fund, the local tourism
23 promotion account, the produce railcar pool account, the rural
24 rehabilitation account, the stadium and exhibition center account, the
25 youth athletic facility account, the self-insurance revolving fund, the
26 sulfur dioxide abatement account, the children's trust fund, the
27 Washington horse racing commission Washington bred owners' bonus fund
28 account, the Washington horse racing commission class C purse fund
29 account, and the Washington horse racing commission operating account
30 (earnings from the Washington horse racing commission operating account
31 must be credited to the Washington horse racing commission class C
32 purse fund account). However, the earnings to be distributed shall
33 first be reduced by the allocation to the state treasurer's service
34 fund pursuant to RCW 43.08.190.

35 (c) The following accounts and funds shall receive eighty percent
36 of their proportionate share of earnings based upon each account's or
37 fund's average daily balance for the period: The advanced right of way
38 revolving fund, the advanced environmental mitigation revolving

1 account, the city and county advance right-of-way revolving fund, the
2 federal narcotics asset forfeitures account, the high occupancy vehicle
3 account, the local rail service assistance account, and the
4 miscellaneous transportation programs account.

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

8 NEW SECTION. **Sec. 11.** Sections 1 through 9 of this act constitute
9 a new chapter in Title 28B RCW.

10 NEW SECTION. **Sec. 12.** The sum of one hundred fifty thousand
11 dollars, or as much thereof as may be necessary, is appropriated from
12 the general fund to the higher education coordinating board for the
13 fiscal year ending June 30, 2006, to carry out the purposes of this
14 act.

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