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**SUBSTITUTE SENATE BILL 6783**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Early Learning, K-12 & Higher Education  
(originally sponsored by Senators Shin, Pflug, Schmidt, McAuliffe,  
Berkey, Rockefeller, Eide, Delvin, Rasmussen and Kohl-Welles)

READ FIRST TIME 02/02/06.

1 AN ACT Relating to creating a scholarship for students entering  
2 mathematics and science professions; reenacting and amending RCW  
3 43.79A.040; and adding a new chapter to Title 28B RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that encouraging  
6 outstanding students to enter mathematics and science professions is of  
7 paramount importance to the state of Washington. By creating the  
8 mathematics and science professions conditional scholarship, the  
9 legislature intends to assist in the effort to recruit as mathematics  
10 and science professionals individuals who have distinguished themselves  
11 through outstanding academic achievement or demonstrated their  
12 commitment to mathematics and science professions. The legislature  
13 urges business, industry, and philanthropic community organizations to  
14 join with state government in making this program successful.

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

18 (1) "Board" means the higher education coordinating board.

1 (2) "Conditional scholarship" means a loan that is forgiven in  
2 whole or in part if the recipient renders service in a qualified  
3 profession in this state.

4 (3) "Eligible student" means a student who is registered for at  
5 least six credit hours or the equivalent, has a 3.0 grade point average  
6 at an institution of higher education, is a resident student as defined  
7 by RCW 28B.15.012 and 28B.15.013, has declared mathematics,  
8 engineering, a physical science, or a natural science for his or her  
9 major, and has a declared intention to complete a program leading to a  
10 qualified profession in the state of Washington.

11 (4) "Forgiven" or "to forgive" or "forgiveness" means to render  
12 service in a qualified profession in the state of Washington in lieu of  
13 monetary repayment.

14 (5) "Institution of higher education" or "institution" means a  
15 college or university in the state of Washington that is accredited by  
16 an accrediting association recognized as such by rule of the board.

17 (6) "Participant" means an eligible student who has received a  
18 conditional scholarship under this chapter.

19 (7) "Qualified profession" means a mathematics, engineering,  
20 physical science, or natural science profession.

21 (8) "Satisfied" means paid-in-full.

22 NEW SECTION. **Sec. 3.** The qualified professions conditional  
23 scholarship program is established. The program shall be administered  
24 by the board. In administering the program, the board has the  
25 following powers and duties:

- 26 (1) Select students to receive conditional scholarships;  
27 (2) Adopt necessary rules and guidelines;  
28 (3) Publicize the program;  
29 (4) Collect and manage repayments from students who do not meet  
30 their obligations under this chapter; and  
31 (5) Solicit and accept grants and donations from public and private  
32 sources for the program.

33 NEW SECTION. **Sec. 4.** (1) The board may select participants based  
34 on an application process conducted by the board.

35 (2) The board shall establish a selection committee for screening  
36 and selecting recipients of the qualified professions conditional

1 scholarships. The criteria shall emphasize factors demonstrating  
2 excellence including but not limited to superior scholastic  
3 achievement, leadership ability, and community contributions.

4 NEW SECTION. **Sec. 5.** To receive additional disbursements under  
5 the program under this chapter, a participant must be considered by his  
6 or her institution of higher education to be in a satisfactory progress  
7 condition.

8 NEW SECTION. **Sec. 6.** The board may award conditional scholarships  
9 to eligible students from the funds appropriated to the board for this  
10 purpose, or from any private donations, or any other funds given to the  
11 board for this program. The amount of the conditional scholarship  
12 awarded an individual shall not exceed the amount of tuition and fees  
13 at the institution of higher education attended by the participant or  
14 resident undergraduate tuition and fees at the University of Washington  
15 per academic year for a full-time student, whichever is lower.  
16 Participants are eligible to receive conditional scholarships for a  
17 maximum of five years.

18 NEW SECTION. **Sec. 7.** (1) Participants in the qualified  
19 professions conditional scholarship program incur an obligation to  
20 repay the conditional scholarship, with interest, unless they are  
21 employed in a qualified profession for each year of scholarship  
22 received, under rules adopted by the board.

23 (2) The interest rate shall be determined annually by the board.

24 (3) The minimum payment shall be set by the board. The maximum  
25 period for repayment shall be ten years, with payments of principal and  
26 interest accruing quarterly commencing six months from the date the  
27 participant completes or discontinues the course of study. Provisions  
28 for deferral of payment shall be determined by the board.

29 (4) The entire principal and interest of each payment shall be  
30 forgiven for each payment period in which the participant is employed  
31 in a qualified profession until the entire repayment obligation is  
32 satisfied. Should the participant cease to be employed in a qualified  
33 profession in this state before the participant's repayment obligation  
34 is completed, payments on the unsatisfied portion of the principal and

1 interest shall begin the next payment period and continue until the  
2 remainder of the participant's repayment obligation is satisfied.

3 (5) The board is responsible for collection of repayments made  
4 under this section and shall exercise due diligence in such collection,  
5 maintaining all necessary records to ensure that maximum repayments are  
6 made. Collection and servicing of repayments under this section shall  
7 be pursued using the full extent of the law, including wage garnishment  
8 if necessary. The board is responsible to forgive all or parts of such  
9 repayments under the criteria established in this section and shall  
10 maintain all necessary records of forgiven payments.

11 (6) Receipts from the payment of principal or interest or any other  
12 subsidies to which the board as administrator is entitled, that are  
13 paid by or on behalf of participants under this section, shall be  
14 deposited in the qualified professions conditional scholarship account  
15 and shall be used to cover the costs of granting the conditional  
16 scholarships, maintaining necessary records, and making collections  
17 under subsection (5) of this section. The board shall maintain  
18 accurate records of these costs, and all receipts beyond those  
19 necessary to pay such costs shall be used to grant conditional  
20 scholarships to eligible students.

21 (7) The board shall adopt rules to define the terms of repayment,  
22 including applicable interest rates, fees, and deferments.

23 NEW SECTION. **Sec. 8.** (1) The qualified professions conditional  
24 scholarship account is created in the custody of the state treasurer.  
25 An appropriation is not required for expenditures of funds from the  
26 account. The account is not subject to allotment procedures under  
27 chapter 43.88 RCW except for moneys used for program administration.

28 (2) The board shall deposit in the account all moneys received for  
29 the program. The account shall be self-sustaining and consist of funds  
30 appropriated by the legislature for the qualified professions  
31 conditional scholarship program, private contributions to the program,  
32 and receipts from participant repayments.

33 (3) Expenditures from the account may be used solely for  
34 conditional scholarships to participants in the program established by  
35 this chapter and costs associated with program administration by the  
36 board.

1 (4) Disbursements from the account may be made only on the  
2 authorization of the board.

3 **Sec. 9.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005  
4 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as  
5 follows:

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

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

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

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

24 (b) The following accounts and funds shall receive their  
25 proportionate share of earnings based upon each account's or fund's  
26 average daily balance for the period: The Washington promise  
27 scholarship account, the college savings program account, the  
28 Washington advanced college tuition payment program account, the  
29 agricultural local fund, the American Indian scholarship endowment  
30 fund, the foster care scholarship endowment fund, the foster care  
31 endowed scholarship trust fund, the students with dependents grant  
32 account, the basic health plan self-insurance reserve account, the  
33 contract harvesting revolving account, the Washington state combined  
34 fund drive account, the commemorative works account, the Washington  
35 international exchange scholarship endowment fund, the developmental  
36 disabilities endowment trust fund, the energy account, the fair fund,  
37 the fruit and vegetable inspection account, the future teachers

1 conditional scholarship account, the game farm alternative account, the  
2 grain inspection revolving fund, the juvenile accountability incentive  
3 account, the law enforcement officers' and fire fighters' plan 2  
4 expense fund, the local tourism promotion account, the produce railcar  
5 pool account, the qualified professions conditional scholarship  
6 account, the rural rehabilitation account, the stadium and exhibition  
7 center account, the youth athletic facility account, the self-insurance  
8 revolving fund, the sulfur dioxide abatement account, the children's  
9 trust fund, the Washington horse racing commission Washington bred  
10 owners' bonus fund account, the Washington horse racing commission  
11 class C purse fund account, the individual development account program  
12 account, the Washington horse racing commission operating account  
13 (earnings from the Washington horse racing commission operating account  
14 must be credited to the Washington horse racing commission class C  
15 purse fund account), and the life sciences discovery fund. However,  
16 the earnings to be distributed shall first be reduced by the allocation  
17 to the state treasurer's service fund pursuant to RCW 43.08.190.

18 (c) The following accounts and funds shall receive eighty percent  
19 of their proportionate share of earnings based upon each account's or  
20 fund's average daily balance for the period: The advanced right of way  
21 revolving fund, the advanced environmental mitigation revolving  
22 account, the city and county advance right-of-way revolving fund, the  
23 federal narcotics asset forfeitures account, the high occupancy vehicle  
24 account, the local rail service assistance account, and the  
25 miscellaneous transportation programs account.

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

29 NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act constitute  
30 a new chapter in Title 28B RCW.

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