
HOUSE BILL 2088

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Probst, Haler, Frockt, Zeiger, Tharinger, Asay, Orwall, Armstrong, Carlyle, Maxwell, Springer, Kenney, Seaquist, Finn, Haigh, Dammeier, Smith, Goodman, Lytton, Stanford, Dahlquist, Ladenburg, Wylie, and Rivers

Read first time 04/14/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to creating the opportunity scholarship board to
2 assist middle-income students and invest in high employer demand
3 programs; amending RCW 28B.76.525, 28B.76.526, 28B.76.540, 28B.92.010,
4 28B.92.020, 28B.92.040, 28B.92.060, 28B.92.080, 28B.92.082, 28B.92.084,
5 28B.119.030, 28B.133.010, 28B.133.020, and 28C.18.166; adding a new
6 section to chapter 82.32 RCW; adding a new chapter to Title 28B RCW;
7 creating new sections; and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that, despite
10 increases in degree production, there remain acute shortages in high
11 employer demand programs of study, particularly in the science,
12 technology, engineering, and mathematics (STEM) and health care fields
13 of study. According to the workforce training and education
14 coordinating board, seventeen percent of Washington businesses had
15 difficulty finding job applicants in 2010. Eleven thousand employers
16 did not fill a vacancy because they lacked qualified job applicants.
17 Fifty-nine percent of projected job openings in Washington state from
18 now until 2017 will require some form of postsecondary education and
19 training.

1 It is the intent of the legislature to provide jobs and opportunity
2 by making Washington the place where the world's most productive
3 companies find the world's most talented people. The legislature
4 intends to accomplish this through the creation of the opportunity
5 scholarship and the opportunity expansion programs to help mitigate the
6 impact of tuition increases, increase the number of baccalaureate
7 degrees in high employer demand and other programs, and invest in
8 programs and students to meet market demands for a knowledge-based
9 economy while filling middle-income jobs with a sufficient supply of
10 skilled workers.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

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

14 (2) "Eligible education and training programs" means high employer
15 demand and other programs of study as determined by the opportunity
16 scholarship board.

17 (3) "Eligible expenses" means reasonable expenses associated with
18 the costs of acquiring an education such as tuition, books, equipment,
19 fees, room and board, and other expenses as determined by the program
20 administrator.

21 (4) "Eligible student" means a resident student who:

22 (a) Has been accepted into an eligible education or training
23 program leading to a baccalaureate degree;

24 (b) Declares an intention to obtain a baccalaureate degree; and

25 (c) Has a family income at or below one hundred twenty-five percent
26 of the state median family income at the time the student applies for
27 an opportunity scholarship.

28 (5) "High employer demand program of study" has the same meaning as
29 provided in RCW 28B.50.030.

30 (6) "Participant" means an eligible student who has received a
31 scholarship under the opportunity scholarship program.

32 (7) "Program administrator" means the private nonprofit corporation
33 that is registered under Title 24 RCW and qualified as a tax-exempt
34 entity under section 501(c)(3) of the federal internal revenue code.

35 (8) "Resident student" has the same meaning as provided in RCW
36 28B.15.012.

37 (9) "Satisfied" means paid-in-full.

1 (10) "Scholarship" means a loan that is forgiven in whole if the
2 recipient completes an eligible education and training program.

3 NEW SECTION. **Sec. 3.** (1) The opportunity scholarship board is
4 created. The opportunity scholarship board consists of seven members:

5 (a) Two members, not legislators, one appointed by the president of
6 the senate and one appointed by the speaker of the house of
7 representatives;

8 (b) One member appointed by the governor; and

9 (c) Four foundation or business and industry representatives
10 appointed by the governor from among the state's most productive
11 industries such as aerospace, manufacturing, health sciences,
12 information technology, and others.

13 (2) Board members shall hold their offices for a term of four years
14 from the first day of September and until their successors are
15 appointed. No more than the terms of two members may expire
16 simultaneously on the last day of August in any one year.

17 (3) The members of the opportunity scholarship board shall elect
18 one of the business and industry representatives to serve as chair.

19 (4) Five members of the board constitute a quorum for the
20 transaction of business. In case of a vacancy, or when an appointment
21 is made after the date of expiration of the term, the governor or the
22 president of the senate or the speaker of the house of representatives,
23 depending upon which made the initial appointment to that position,
24 shall fill the vacancy for the remainder of the term of the board
25 member whose office has become vacant or expired.

26 (5) The opportunity scholarship board shall be staffed by the
27 program administrator.

28 (6) The purpose of the opportunity scholarship board is to provide
29 oversight and guidance for the opportunity expansion and the
30 opportunity scholarship programs and to fulfill the duties and
31 responsibilities under this chapter.

32 (7) By December 1, 2011, the opportunity scholarship board shall
33 report to the governor and the appropriate committees of the
34 legislature with recommendations as to a source or sources of funds for
35 the opportunity expansion program in addition to the voluntary
36 contributions of the high technology research and development tax
37 credit under section 9 of this act.

1 NEW SECTION. **Sec. 4.** (1) The program administrator, under
2 contract with the board, shall staff the opportunity scholarship board
3 and shall have the duties and responsibilities provided in this
4 chapter.

5 (2) With respect to the opportunity scholarship program, the
6 program administrator shall:

7 (a) Establish and manage two separate accounts into which to
8 receive grants and contributions from private sources as well as state
9 matching funds, and from which to disburse scholarship funds to
10 participants;

11 (b) Solicit and accept grants and contributions from private
12 sources for deposit into one or both of the two accounts created in
13 this subsection (2)(b) in accordance with this subsection (2)(b):

14 (i) The "scholarship account," from which principal may be invaded,
15 and from which scholarship moneys must be disbursed beginning no later
16 than December 1, 2011, and thereafter on an annual basis beginning no
17 later than May 1, 2012, and every May 1st thereafter, regardless of
18 whether state matching funds have yet been received;

19 (ii) The "endowment account," from which scholarship moneys may be
20 disbursed from earnings only in years when:

21 (A) The state match has been made into both the scholarship and the
22 endowment account;

23 (B) The state appropriations for the opportunity award program
24 under RCW 28B.92.010 meet or exceed state appropriations for the
25 opportunity award program made in the 2011-2013 biennium, adjusted for
26 inflation, and eligibility for opportunity award recipients is at least
27 seventy percent of state median family income; and

28 (C) The state has demonstrated progress toward the goal of total
29 per-student funding levels, from state appropriations plus tuition and
30 fees, of at least the sixtieth percentile of total per-student funding
31 at similar public institutions of higher education in the global
32 challenge states, as defined, measured, and reported in RCW 28B.15.068.
33 In any year in which the office of financial management reports that
34 the state has not made progress toward this goal, no new scholarships
35 may be awarded. In any year in which the office of financial
36 management reports that the percentile of total per-student funding is
37 less than the sixtieth percentile and at least five percent less than
38 the prior year, pledges of future grants and contributions may, at the

1 request of the donor, be released and grants and contributions already
2 received refunded to the extent that opportunity scholarship awards
3 already made can be fulfilled from the funds remaining in the endowment
4 account; and

5 (iii) At least fifty percent of all grants and contributions must
6 be deposited into the scholarship account until such time as twenty
7 million dollars have been deposited into the account, after which time
8 the opportunity scholarship board must determine the division between
9 the two accounts in light of the need for a long-term funding mechanism
10 and the short-term needs of families and students in Washington;

11 (c) Provide proof of receipt of grants and contributions from
12 private sources to the board, identifying the amounts received by name
13 of private source and date, and whether the amounts received were
14 deposited into the scholarship or the endowment account;

15 (d) Make an assessment of the reasonable annual eligible expenses
16 associated with eligible education and training programs identified by
17 the opportunity scholarship board;

18 (e) Determine the dollar difference between tuition fees charged by
19 institutions of higher education in the 2008-09 academic year and the
20 academic year for which an opportunity scholarship is being
21 distributed;

22 (f) Develop and implement an application, selection, and
23 notification process for awarding opportunity scholarships;

24 (g) Determine the annual amount of the opportunity scholarship for
25 each selected participant. The annual amount shall be at least one
26 thousand dollars or the amount determined under (e) of this subsection,
27 whichever is greater, but may be increased on an income-based, sliding
28 scale basis up to the amount necessary to cover all reasonable annual
29 eligible expenses as assessed pursuant to (d) of this subsection, or to
30 encourage participation in baccalaureate degree programs identified by
31 the opportunity scholarship board;

32 (h) Create and use forms that clearly notify participants, and
33 require participants to acknowledge, that an opportunity scholarship is
34 a loan that is forgiven in whole if the recipient completes an eligible
35 education and training program;

36 (i) Distribute scholarship funds to selected participants. Once
37 awarded, and to the extent funds are available for distribution, an
38 opportunity scholarship shall be automatically renewed until the

1 participant completes the program or has taken the credit or clock hour
2 equivalent of one hundred twenty-five percent of the published length
3 of time of the participant's program, whichever occurs first, and as
4 long as the participant annually submits documentation of filing both
5 a free application for federal student aid and for available federal
6 education tax credits;

7 (j) Notify institutions of scholarship recipients who will attend
8 their institutions and inform them of the terms of the students'
9 eligibility;

10 (k) Provide the opportunity scholarship board, the board, the
11 governor, and appropriate committees of the legislature with an annual
12 report regarding scholarships awarded, enrollment, and completion or
13 graduation; and

14 (l) Provide the board with complete and timely information and
15 documentation necessary for the collection and management of
16 repayments.

17 (3) With respect to the opportunity expansion program, the program
18 administrator shall:

19 (a) Assist the opportunity scholarship board in developing and
20 implementing an application, selection, and notification process for
21 making opportunity expansion awards; and

22 (b) Solicit and accept grants and contributions from private
23 sources for opportunity expansion awards.

24 NEW SECTION. **Sec. 5.** (1) The opportunity scholarship program is
25 established.

26 (2) The purpose of this conditional scholarship program is to
27 provide scholarships that will help low and middle-income Washington
28 residents earn baccalaureate degrees in high employer demand and other
29 programs of study and encourage them to remain in the state to work.
30 The program must be designed for both students starting at two-year
31 institutions of higher education and intending to transfer to four-year
32 institutions of higher education and students starting at four-year
33 institutions of higher education.

34 (3) The opportunity scholarship board shall determine which
35 programs of study, including but not limited to high employer demand
36 programs, are eligible for purposes of the opportunity scholarship.

1 (4) The source of funds for the program shall be a combination of
2 private grants and contributions and state matching funds. A state
3 match may be earned under this section for private contributions made
4 on or after the effective date of this section. A state match, up to
5 a maximum of fifty million dollars annually, shall be provided
6 beginning the later of January 1, 2014, or January 1st next following
7 the end of the fiscal year in which collections of state retail sales
8 and use tax, state business and occupation tax, and state public
9 utility tax exceed, by ten percent the amounts collected from these tax
10 resources in the fiscal year that ended June 30, 2008, as determined by
11 the department of revenue.

12 NEW SECTION. **Sec. 6.** (1) The board shall:

13 (a) Develop rules and guidelines for scholarship repayment,
14 approved leaves of absence, deferments, and exceptions to recognize
15 extenuating circumstances that may impact students;

16 (b) Determine and establish the interest rate in rule; and

17 (c) Collect and manage repayments from participants who do not meet
18 their obligations under this chapter.

19 (2) Participants in the opportunity scholarship program who are
20 awarded scholarships incur an obligation to repay the scholarship, with
21 interest, unless they complete the eligible education or training
22 program for which they have been awarded a scholarship.

23 (3) The period for repayment must commence no later than six months
24 from the date the participant discontinues the course of study or
25 training. Provisions for deferral of payment shall be determined by
26 the board.

27 (4) Participants who are unable to pay the full amount due must
28 enter into a payment arrangement with the board for repayment including
29 interest. The maximum period for repayment is ten years.

30 (5) The board is responsible for collection of repayments made
31 under this section and shall exercise due diligence in the collection,
32 maintaining all necessary records to ensure that maximum repayments are
33 made. Collection and servicing of repayments under this section must
34 be pursued using the full extent of the law, including wage garnishment
35 if necessary, and must be performed by entities approved for such
36 servicing by the Washington student loan guaranty association or its

1 successor agency. The board is responsible to forgive all or parts of
2 such repayments under the criteria established in this section and must
3 maintain all necessary records of forgiven payments.

4 (6) Receipts from the payment of principal or interest or any other
5 subsidies to which the board is entitled, that are paid by or on behalf
6 of participants under this section, must be deposited with the board
7 and must be used to cover the costs of maintaining necessary records
8 and making collections under subsection (5) of this section. The board
9 must maintain accurate records of these costs, and all receipts beyond
10 those necessary to pay such costs must be remitted to the opportunity
11 scholarship account and used to grant scholarships to eligible
12 students.

13 (7) The board may make exceptions to the conditions for
14 participation and repayment obligations should circumstances beyond the
15 control of individual participants warrant such exceptions.

16 NEW SECTION. **Sec. 7.** (1) The opportunity scholarship account is
17 created in the custody of the state treasurer as a nonappropriated
18 account to be used solely and exclusively for the opportunity
19 scholarship program created in section 5 of this act. The purpose of
20 the account is to provide matching funds for the opportunity
21 scholarship program.

22 (2) Revenues to the account shall consist of appropriations by the
23 legislature into the account, remittances from the board pursuant to
24 section 6(6) of this act, and any gifts, grants, or donations received
25 by the director of the board for this purpose.

26 (3) No expenditures from the account may be made except upon
27 receipt of proof, by the director of the board from the program
28 administrator, of private contributions to the opportunity scholarship
29 program. Expenditures, in the form of matching funds, may not exceed
30 the total amount of private contributions.

31 (4) Only the director of the board or the director's designee may
32 authorize expenditures from the opportunity scholarship account.

33 NEW SECTION. **Sec. 8.** (1) The opportunity expansion program is
34 established.

35 (2) The opportunity scholarship board shall select institutions of

1 higher education to receive opportunity expansion awards. In so doing,
2 the opportunity scholarship board must:

3 (a) Solicit, receive, and evaluate proposals from institutions of
4 higher education that are designed to directly increase the number of
5 baccalaureate degrees produced in high employer demand and other
6 programs of study, with a strong emphasis on serving students who
7 received their high school diploma or GED in Washington or are adult
8 Washington residents who are returning to school to gain a
9 baccalaureate degree;

10 (b) Develop criteria for evaluating proposals and awarding funds to
11 the proposals deemed most likely to increase the number of
12 baccalaureate degrees and degrees produced in high employer demand and
13 other programs of study;

14 (c) Give priority to proposals that include a partnership between
15 public and private partnership entities that leverage additional
16 private funds;

17 (d) Give priority to proposals that are innovative, efficient, and
18 cost-effective;

19 (e) Consult and operate in consultation with existing higher
20 education stakeholders, including but not limited to: Faculty, labor,
21 student organizations, and relevant higher education agencies; and

22 (f) Determine which proposals to improve and accelerate the
23 production of baccalaureate degrees in high employer demand and other
24 programs of study will receive opportunity expansion awards for the
25 following state fiscal year, notify the state treasurer, and announce
26 the awards.

27 (3) The state treasurer, at the direction of the opportunity
28 scholarship board, must distribute the funds that have been awarded to
29 the institutions of higher education from the opportunity expansion
30 account.

31 (4) Once awarded pursuant to the process in subsection (3) of this
32 section, the amount of the award may be included in the institution's
33 base budget in subsequent years upon a showing that the recipient
34 institution of higher education has met or exceeded the targets set in
35 its original proposal for increasing the number of high employer demand
36 and other degrees.

37 (5) Institutions of higher education receiving awards under this

1 section may not supplant existing general fund state revenues with
2 opportunity expansion awards.

3 (6) Annually, the office of financial management shall report to
4 the opportunity scholarship board, the governor, and the relevant
5 committees of the legislature regarding the:

6 (a) Increase in the number of degrees in high employer demand and
7 other programs of study awarded by institutions of higher education
8 over the average of the preceding ten academic years; and

9 (b) Percentage of Washington households with incomes in the middle-
10 income bracket or higher. For purposes of this section, "middle-income
11 bracket" means household incomes between two hundred and five hundred
12 percent of the 2010 federal poverty level, as determined by the United
13 States department of health and human services for a family of four,
14 adjusted annually for inflation.

15 (7) In its comprehensive plan, the workforce training and education
16 coordinating board shall include specific strategies to reach the goal
17 of increasing the percentage of Washington households living in the
18 middle-income bracket or higher.

19 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.32 RCW
20 to read as follows:

21 A person eligible for the high technology research and development
22 tax credit under RCW 82.04.4452 may contribute all or any portion of
23 the credit to the opportunity expansion account hereby created in the
24 state treasury. The department must create the forms and processes to
25 allow a person to make such an election easily and quickly by means of
26 checking a box. By May 1, 2012, and by May 1st of every year
27 thereafter, the department must report the amount so contributed and
28 certify the amount to the state treasurer. By July 1, 2012, and by
29 July 1st of every year thereafter, the state treasurer must transfer
30 the amount into the opportunity expansion account. Money in the
31 account may only be appropriated for the purposes specified in section
32 8 of this act.

33 **Sec. 10.** RCW 28B.76.525 and 2005 c 139 s 1 are each amended to
34 read as follows:

35 (1) The state financial aid account is created in the custody of
36 the state treasurer. The primary purpose of the account is to ensure

1 that all appropriations designated for financial aid through statewide
2 student financial aid programs are made available to eligible students.
3 The account shall be a nontreasury account.

4 (2) The higher education coordinating board shall deposit in the
5 account all money received for the (~~state need grant~~) opportunity
6 award program established under RCW 28B.92.010, the state work-study
7 program established under chapter 28B.12 RCW, the Washington scholars
8 program established under RCW 28A.600.110, the Washington award for
9 vocational excellence program established under RCW 28C.04.525, and the
10 educational opportunity grant program established under chapter 28B.101
11 RCW. The account shall consist of funds appropriated by the
12 legislature for the programs listed in this subsection and private
13 contributions to the programs. Moneys deposited in the account do not
14 lapse at the close of the fiscal period for which they were
15 appropriated. Both during and after the fiscal period in which moneys
16 were deposited in the account, the board may expend moneys in the
17 account only for the purposes for which they were appropriated, and the
18 expenditures are subject to any other conditions or limitations placed
19 on the appropriations.

20 (3) Expenditures from the account shall be used for scholarships to
21 students eligible for the programs according to program rules and
22 policies.

23 (4) Disbursements from the account are exempt from appropriations
24 and the allotment provisions of chapter 43.88 RCW.

25 (5) Only the executive director of the higher education
26 coordinating board or the executive director's designee may authorize
27 expenditures from the account.

28 **Sec. 11.** RCW 28B.76.526 and 2010 1st sp.s. c 27 s 2 are each
29 amended to read as follows:

30 The Washington opportunity pathways account is created in the state
31 treasury. Expenditures from the account may be used only for programs
32 in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW
33 (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW
34 28B.76.670 (Washington award for vocational excellence), chapter 28B.92
35 RCW (~~state need grant~~) opportunity award program), chapter 28B.101
36 RCW (educational opportunity grant), chapter 28B.105 RCW (GET ready for
37 math and science scholarship), chapter 28B.117 RCW (passport to college

1 promise), chapter 28B.118 RCW (college bound scholarship), chapter
2 28B.119 RCW (Washington promise scholarship), chapter 43.215 RCW (early
3 childhood education and assistance program), and RCW 43.330.280
4 (recruitment of entrepreneurial researchers, innovation partnership
5 zones and research teams).

6 **Sec. 12.** RCW 28B.76.540 and 2004 c 275 s 18 are each amended to
7 read as follows:

8 In addition to administrative responsibilities assigned in this
9 chapter, the board shall administer the programs set forth in the
10 following statutes: RCW 28A.600.100 through 28A.600.150 (Washington
11 scholars); chapter 28B.85 RCW (degree-granting institutions); chapter
12 28B.92 RCW (~~((state need grant))~~ opportunity award); chapter 28B.12 RCW
13 (work study); RCW 28B.15.543 (tuition waivers for Washington scholars);
14 RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW
15 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through 28B.15.736
16 (Oregon reciprocity); RCW 28B.15.750 through 28B.15.754 (Idaho
17 reciprocity); RCW 28B.15.756 and 28B.15.758 (British Columbia
18 reciprocity); chapter 28B.101 RCW (educational opportunity grant);
19 chapter 28B.102 RCW (future teachers conditional scholarship); chapter
20 28B.108 RCW (American Indian endowed scholarship); chapter 28B.109 RCW
21 (Washington international exchange scholarship); chapter 28B.115 RCW
22 (health professional conditional scholarship); chapter 28B.119 RCW
23 (Washington promise scholarship); and chapter 28B.133 RCW (gaining
24 independence for students with dependents).

25 **Sec. 13.** RCW 28B.92.010 and 2004 c 275 s 34 are each amended to
26 read as follows:

27 The purposes of this chapter are to establish the principles upon
28 which the state financial aid programs will be based and to establish
29 the state of Washington (~~((state need grant))~~ opportunity award program,
30 thus assisting financially needy or disadvantaged students domiciled in
31 Washington to obtain the opportunity of attending an accredited
32 institution of higher education. (~~((State need grants))~~ Opportunity
33 awards under this chapter are available only to students who are
34 resident students as defined in RCW 28B.15.012(2) (a) through (d).

1 **Sec. 14.** RCW 28B.92.020 and 2003 c 19 s 11 are each amended to
2 read as follows:

3 (1) The legislature finds that the higher education coordinating
4 board, in consultation with the higher education community, has
5 completed a review of the state need grant program. It is the intent
6 of the legislature to endorse the board's proposed changes to the
7 (~~state need grant~~) opportunity award program, including:

8 (a) Reaffirmation that the primary purpose of the (~~state need~~
9 ~~grant~~) opportunity award program is to assist low-income, needy, and
10 disadvantaged Washington residents attending institutions of higher
11 education;

12 (b) A goal that the base (~~state need grant~~) opportunity award
13 amount over time be increased to be equivalent to the rate of tuition
14 charged to resident undergraduate students attending Washington state
15 public colleges and universities;

16 (c) (~~State need grant~~) Opportunity award recipients be required
17 to contribute a portion of the total cost of their education through
18 self-help;

19 (d) (~~State need grant~~) Opportunity award recipients be required
20 to document their need for dependent care assistance after taking into
21 account other public funds provided for like purposes; and

22 (e) Institutional aid administrators be allowed to determine
23 whether a student eligible for a (~~state need grant~~) opportunity award
24 in a given academic year may remain eligible for the ensuing year if
25 the student's family income increases by no more than a marginal amount
26 except for funds provided through the educational assistance grant
27 program for students with dependents.

28 (2) The legislature further finds that the higher education
29 coordinating board, under its authority to implement the proposed
30 changes in subsection (1) of this section, should do so in a timely
31 manner.

32 (3) The legislature also finds that:

33 (a) In most circumstances, (~~need grant~~) opportunity award
34 eligibility should not extend beyond five years or one hundred twenty-
35 five percent of the published length of the program in which the
36 student is enrolled or the credit or clock-hour equivalent; and

37 (b) State financial aid programs should continue to adhere to the

1 principle that funding follows resident students to their choice of
2 institution of higher education.

3 **Sec. 15.** RCW 28B.92.040 and 2004 c 275 s 36 are each amended to
4 read as follows:

5 The board shall be cognizant of the following guidelines in the
6 performance of its duties:

7 (1) The board shall be research oriented, not only at its inception
8 but continually through its existence.

9 (2) The board shall coordinate all existing programs of financial
10 aid except those specifically dedicated to a particular institution by
11 the donor.

12 (3) The board shall take the initiative and responsibility for
13 coordinating all federal student financial aid programs to ensure that
14 the state recognizes the maximum potential effect of these programs,
15 and shall design state programs that complement existing federal,
16 state, and institutional programs. The board shall ensure that state
17 programs continue to follow the principle that state financial aid
18 funding follows the student to the student's choice of institution of
19 higher education.

20 (4) Counseling is a paramount function of the (~~state need grant~~)
21 opportunity award and other state student financial aid programs, and
22 in most cases could only be properly implemented at the institutional
23 levels; therefore, state student financial aid programs shall be
24 concerned with the attainment of those goals which, in the judgment of
25 the board, are the reasons for the existence of a student financial aid
26 program, and not solely with administration of the program on an
27 individual basis.

28 (5) The "package" approach of combining loans, grants and
29 employment for student financial aid shall be the conceptual element of
30 the state's involvement.

31 (6) The board shall ensure that allocations of state appropriations
32 for financial aid are made to individuals and institutions in a timely
33 manner and shall closely monitor expenditures to avoid under or
34 overexpenditure of appropriated funds.

35 **Sec. 16.** RCW 28B.92.060 and 2009 c 215 s 4 are each amended to
36 read as follows:

1 In awarding (~~need grants~~) opportunity awards, the board shall
2 proceed substantially as follows: PROVIDED, That nothing contained
3 herein shall be construed to prevent the board, in the exercise of its
4 sound discretion, from following another procedure when the best
5 interest of the program so dictates:

6 (1) The board shall annually select the financial aid award
7 recipients from among Washington residents applying for student
8 financial aid who have been ranked according to:

9 (a) Financial need as determined by the amount of the family
10 contribution; and

11 (b) Other considerations, such as whether the student is a former
12 foster youth, or is a placebound student who has completed an associate
13 of arts or associate of science degree or its equivalent.

14 (2) The financial need of the highest ranked students shall be met
15 by (~~grants~~) opportunity awards depending upon the evaluation of
16 financial need until the total allocation has been disbursed. Funds
17 from (~~grants~~) opportunity awards which are declined, forfeited or
18 otherwise unused shall be reawarded until disbursed, except that
19 eligible former foster youth shall be assured receipt of (~~a grant~~) an
20 opportunity award.

21 (3) A student shall be eligible to receive (~~a state need grant~~)
22 an opportunity award for up to five years, or the credit or clock hour
23 equivalent of five years, or up to one hundred twenty-five percent of
24 the published length of time of the student's program. A student may
25 not start a new associate degree program as (~~a state need grant~~) an
26 opportunity award recipient until at least five years have elapsed
27 since earning an associate degree as (~~a need grant~~) an opportunity
28 award recipient, except that a student may earn two associate degrees
29 concurrently. Qualifications for renewal will include maintaining
30 satisfactory academic progress toward completion of an eligible program
31 as determined by the board. Should the recipient terminate his or her
32 enrollment for any reason during the academic year, the unused portion
33 of the (~~grant~~) award shall be returned to the state educational grant
34 fund by the institution according to the institution's own policy for
35 issuing refunds, except as provided in RCW 28B.92.070.

36 (4) In computing financial need, the board shall determine a
37 maximum student expense budget allowance, not to exceed an amount equal
38 to the total maximum student expense budget at the public institutions

1 plus the current average state appropriation per student for operating
2 expense in the public institutions. Any child support payments
3 received by students who are parents attending less than half-time
4 shall not be used in computing financial need.

5 (5)(a) A student who is enrolled in three to six credit-bearing
6 quarter credits, or the equivalent semester credits, may receive ((a
7 ~~grant~~)) an opportunity award for up to one academic year before
8 beginning a program that leads to a degree or certificate.

9 (b) An eligible student enrolled on a less-than-full-time basis
10 shall receive a prorated portion of his or her ((~~state need grant~~))
11 opportunity award for any academic period in which he or she is
12 enrolled on a less-than-full-time basis, as long as funds are
13 available.

14 (c) An institution of higher education may award ((~~a state need~~
15 ~~grant~~)) an opportunity award to an eligible student enrolled in three
16 to six credit-bearing quarter credits, or the semester equivalent, on
17 a provisional basis if:

18 (i) The student has not previously received ((~~a state need grant~~))
19 an opportunity award from that institution;

20 (ii) The student completes the required free application for
21 federal student aid;

22 (iii) The institution has reviewed the student's financial
23 condition, and the financial condition of the student's family if the
24 student is a dependent student, and has determined that the student is
25 likely eligible for ((~~a state need grant~~)) an opportunity award; and

26 (iv) The student has signed a document attesting to the fact that
27 the financial information provided on the free application for federal
28 student aid and any additional financial information provided directly
29 to the institution is accurate and complete, and that the student
30 agrees to repay the institution for the ((~~grant~~)) award amount if the
31 student submitted false or incomplete information.

32 (6) As used in this section, "former foster youth" means a person
33 who is at least eighteen years of age, but not more than twenty-four
34 years of age, who was a dependent of the department of social and
35 health services at the time he or she attained the age of eighteen.

36 **Sec. 17.** RCW 28B.92.080 and 2009 c 238 s 9 are each amended to
37 read as follows:

1 Except for opportunity internship graduates whose eligibility is
2 provided under RCW 28B.92.084, for a student to be eligible for ((a
3 ~~state need grant~~)) an opportunity award a student must:

4 (1) Be a "needy student" or "disadvantaged student" as determined
5 by the board in accordance with RCW 28B.92.030 ((+3+)) (5) and ((+4+))
6 (2);

7 (2) Have been domiciled within the state of Washington for at least
8 one year;

9 (3) Be enrolled or accepted for enrollment on at least a half-time
10 basis at an institution of higher education in Washington as defined in
11 RCW 28B.92.030((+1+)) (4);

12 (4) Until June 30, 2011, to the extent funds are specifically
13 appropriated for this purpose, and subject to any terms and conditions
14 specified in the omnibus appropriations act, be enrolled or accepted
15 for enrollment for at least three quarter credits or the equivalent
16 semester credits at an institution of higher education in Washington as
17 defined in RCW 28B.92.030((+1+)) (4); and

18 (5) Have complied with all the rules adopted by the board for the
19 administration of this chapter.

20 **Sec. 18.** RCW 28B.92.082 and 2009 c 215 s 3 are each amended to
21 read as follows:

22 (1) To the extent funds are appropriated for this purpose and
23 within overall appropriations for the ((~~state need grant~~)) opportunity
24 awards, enhanced ((~~need grants~~)) opportunity awards are provided for
25 persons who meet all of the following criteria:

26 (a) Are needy students as defined in RCW 28B.92.030;

27 (b) Are placebound students as defined in RCW 28B.92.030; and

28 (c) Have completed the associate of arts or the associate of
29 science degree, or its equivalent.

30 (2) The enhanced ((~~need grants~~)) opportunity awards established in
31 this section are provided to this specific group of students in
32 addition to the base ((~~state need grant~~)) opportunity award, as defined
33 by rule of the board.

34 **Sec. 19.** RCW 28B.92.084 and 2009 c 238 s 8 are each amended to
35 read as follows:

1 (1) The board shall work with institutions of higher education to
2 assure that the institutions are aware of the eligibility of
3 opportunity internship graduates for an award under this chapter.

4 (2) If an opportunity internship graduate enrolls within one year
5 of high school graduation in a postsecondary program of study in an
6 institution of higher education, including in an apprenticeship program
7 with related and supplemental instruction provided through an
8 institution of higher education, the graduate is eligible to receive
9 ((~~a state need grant~~)) an opportunity award for up to one year. The
10 graduate shall not be required to be enrolled on at least a half-time
11 basis. The related and supplemental instruction provided to a graduate
12 through an apprenticeship program shall not be required to lead to a
13 degree or certificate.

14 (3) Except for the eligibility criteria for an opportunity
15 internship graduate that are provided under this section, other rules
16 pertaining to award of ((~~a state need grant~~)) an opportunity award
17 apply.

18 (4) Nothing in this section precludes an opportunity internship
19 graduate from being eligible to receive additional ((~~state need~~
20 ~~grants~~)) opportunity awards after the one-year ((~~grant~~)) award provided
21 in this section if the graduate meets other criteria as a needy or
22 disadvantaged student.

23 **Sec. 20.** RCW 28B.119.030 and 2004 c 275 s 71 are each amended to
24 read as follows:

25 The Washington promise scholarship program shall not be funded at
26 the expense of the ((~~state need grant~~)) opportunity award program as
27 defined in chapter 28B.92 RCW. In administering the ((~~state need~~
28 ~~grant~~)) opportunity award and promise scholarship programs, the higher
29 education coordinating board shall first ensure that eligibility for
30 ((~~state need grant~~)) opportunity award recipients is at least fifty-
31 five percent of state median family income.

32 **Sec. 21.** RCW 28B.133.010 and 2004 c 275 s 72 are each amended to
33 read as follows:

34 The educational assistance grant program for students with
35 dependents is hereby created, subject to the availability of receipts
36 of gifts, grants, or endowments from private sources. The program is

1 created to serve financially needy students with dependents eighteen
2 years of age or younger, by assisting them directly through a grant
3 program to pursue a degree or certificate at public or private
4 institutions of higher education, as defined in RCW 28B.92.030, that
5 participate in the (~~state need grant~~) opportunity award program.

6 **Sec. 22.** RCW 28B.133.020 and 2004 c 275 s 73 are each amended to
7 read as follows:

8 To be eligible for the educational assistance grant program for
9 students with dependents, applicants shall: (1) Be residents of the
10 state of Washington; (2) be needy students as defined in RCW
11 28B.92.030(~~(+3)~~) (5); (3) be eligible to participate in the (~~state~~
12 ~~need grant~~) opportunity award program as set forth under RCW
13 28B.92.080; and (4) have dependents eighteen years of age or younger
14 who are under their care.

15 **Sec. 23.** RCW 28C.18.166 and 2009 c 238 s 5 are each amended to
16 read as follows:

17 On an annual basis, each opportunity internship consortium shall
18 provide the board with a list of the opportunity internship graduates
19 from the consortium. The board shall compile the lists from all
20 consortia and shall notify the higher education coordinating board of
21 the eligibility of each graduate on the lists to receive (~~a state need~~
22 ~~grant~~) an opportunity award under chapter 28B.92 RCW if the graduate
23 enrolls in a postsecondary program of study within one year of high
24 school graduation.

25 NEW SECTION. **Sec. 24.** Implementation of the name change from
26 state need grant to opportunity award shall be effectuated at the least
27 possible cost. The higher education coordinating board shall use all
28 current supplies of forms, letterhead, promotional materials, and other
29 documents that carry the state need grant name before making or
30 ordering new supplies. Other changes, such as to the web site and
31 rules, shall be made at such time as they can be accomplished
32 efficiently and at the least expense possible.

33 NEW SECTION. **Sec. 25.** This act may be known as the opportunity
34 scholarship act.

1 NEW SECTION. **Sec. 26.** Sections 1 through 8 of this act constitute
2 a new chapter in Title 28B RCW.

3 NEW SECTION. **Sec. 27.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately.

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