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**HOUSE BILL 1154**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Bergquist, Zeiger, Muri, Haler, Pollet, Moscoso, Gregerson, Tharinger, Jinkins, and Santos

AN ACT Relating to the affordable college for everyone grant contract program; amending RCW 28B.15.102, 28B.76.502, 28B.76.525, 28B.76.526, 28B.76.540, 28B.77.020, 28B.92.010, 28B.92.020, 28B.92.040, 28B.92.060, 28B.92.080, 28B.92.082, 28B.117.020, 28B.119.030, 28B.133.010, 28B.133.020, 28B.145.030, and 28C.18.166; reenacting and amending RCW 28B.118.010; adding new sections to chapter 28B.92 RCW; adding new sections to chapter 28B.118 RCW; creating a new section; repealing RCW 28B.118.005, 28B.118.020, 28B.118.030, 28B.118.040, and 28B.118.075; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature finds that tuition at Washington public research universities has almost doubled over the past five years. While the state has a robust financial aid program, the state need grant, the program was still unable to serve over thirty-two thousand four hundred twenty-three eligible students during the 2012-13 academic year.

(2) This act is intended to expand access to need-based aid by redesigning the program to allow a larger number of qualified students to attend the state's institutions of higher education without paying for tuition up front and without relying on the increasingly expensive federal student loans.

(3) To accomplish these purposes, the legislature intends to create a program that allows all students who qualify for the state need grant and college bound programs to attend college without paying for tuition and fees. The legislature intends to establish an actuarially sound financial aid program under which only those students who can afford it will make contributions to the program fund based on a very low percentage of their income. This is intended to enable future students to participate in the program and attend an institution of higher education without having to pay tuition.

(4) Through the affordable college for everyone grant contract program, the legislature recognizes that a larger group of students could receive financial assistance without increasing reliance on federal student loans, while significantly reducing the debt and financial repayment burdens on students.

(5) The legislature recognizes that because some students who meet the income threshold would have to make contributions to the program based on the amount of aid they received, the amount of money available to future students will grow. For those students who do not meet the income threshold after graduation or exit, the program would have no requirement.

(6) The legislature intends that this redesign will allow the financial aid programs to grow, while maintaining a level of equity based on the income level of affordable college for everyone grant contract recipients.

**Sec.**  RCW 28B.15.102 and 2014 c 162 s 1 are each amended to read as follows:

(1) Beginning with the 2011-12 academic year, any four-year institution of higher education that increases tuition beyond levels assumed in the omnibus appropriations act is subject to the financial aid requirements included in this section and shall remain subject to these requirements through the 2018-19 academic year.

(2) Beginning July 1, 2011, each four‑year institution of higher education that raises tuition beyond levels assumed in the omnibus appropriations act shall, in a manner consistent with the goal of enhancing the quality of and access to their institutions, provide financial aid to offset full‑time tuition fees for resident undergraduate students as follows:

(a) Subtract from the full‑time tuition fees an amount that is equal to the maximum amount ((~~of a state need grant award that would be given~~))provided through the affordable college for everyone grant contract program to an eligible student with a family income at or below fifty percent of the state's median family income as determined by the student achievement council; and

(b) Offset the remainder as follows:

(i) Students with demonstrated need whose family incomes are at or below fifty percent of the state's median family income shall receive financial aid equal to one hundred percent of the remainder if an institution's full‑time tuition fees for resident undergraduate students is five percent or greater of the state's median family income for a family of four as provided by the student achievement council;

(ii) Students with demonstrated need whose family incomes are greater than fifty percent and no more than seventy percent of the state's median family income shall receive financial aid equal to seventy‑five percent of the remainder if an institution's full‑time tuition fees for resident undergraduate students is ten percent or greater of the state's median family income for a family of four as provided by the student achievement council;

(iii) Students with demonstrated need whose family incomes exceed seventy percent and are less than one hundred percent of the state's median family income shall receive financial aid equal to fifty percent of the remainder if an institution's full‑time tuition fees for resident undergraduate students is fifteen percent or greater of the state's median family income for a family of four as provided by the student achievement council; and

(iv) Students with demonstrated need whose family incomes are at or exceed one hundred percent and are no more than one hundred twenty‑five percent of the state's median family income shall receive financial aid equal to twenty‑five percent of the remainder if an institution's full‑time tuition fees for resident undergraduate students is twenty percent or greater of the state's median family income for a family of four as provided by the student achievement council.

(3) The financial aid required in subsection (2) of this section shall:

(a) Be reduced by the amount of other financial aid awards, not including the ((~~state need grant~~))amounts provided through the affordable college for everyone grant contract program;

(b) Be prorated based on credit load; and

(c) Only be provided to students up to demonstrated need.

(4) Financial aid sources and methods may be:

(a) Tuition revenue or locally held funds;

(b) Tuition waivers created by a four‑year institution of higher education for the specific purpose of serving low and middle-income students; or

(c) Local financial aid programs.

(5) Use of tuition waivers as specified in subsection (4)(b) of this section shall not be included in determining total state tuition waiver authority as defined in RCW 28B.15.910.

(6) By December 31st every year, four-year institutions of higher education that increase tuition beyond levels assumed in the omnibus appropriations act after January 1, 2011, shall report to the governor and relevant committees of the legislature on the effectiveness of the various sources and methods of financial aid in mitigating tuition increases. A key purpose of these reports is to provide information regarding the results of the decision to grant tuition-setting authority to the four-year institutions of higher education and whether tuition setting authority should continue to be granted to the institutions or revert back to the legislature after consideration of the impacts on students, including educational access, affordability, and quality. These reports shall include:

(a) The amount of financial aid provided to middle-income and low‑income resident students with demonstrated need in the aggregate and per student;

(b) An itemization of the sources and methods of financial aid provided by the four‑year institution of higher education in the aggregate and per student for resident undergraduate students;

(c) An analysis of the combined impact of federal tuition tax credits and financial aid provided by the institution of higher education on the net cost to students and their families resulting from tuition increases;

(d) In cases where tuition increases are greater than those assumed in the omnibus appropriations act at any four‑year institution of higher education, the institution must include an explanation in its report of why this increase was necessary and how the institution will mitigate the effects of the increase. The institution must include in this section of its report a plan and specific timelines; and

(e) An analysis of changes in resident student enrollment patterns, participation rates, graduation rates, and debt load, by race and ethnicity, gender, state and county of origin, age, and socioeconomic status, and a plan to mitigate effects of reduced diversity due to tuition increases. This analysis shall include disaggregated data for resident students in the following income brackets:

(i) Up to seventy percent of the median family income;

(ii) Between seventy-one percent and one hundred twenty-five percent of the median family income; and

(iii) Above one hundred twenty-five percent of the median family income.

(7) Beginning in the 2012-13 academic year, the University of Washington shall enroll during each academic year at least the same number of resident first-year undergraduate students at the Seattle campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10 academic year. This requirement shall not apply to nonresident undergraduate and graduate and professional students.

**Sec.**  RCW 28B.76.502 and 2013 c 23 s 59 are each amended to read as follows:

(1) The office must provide a financial aid counseling curriculum to institutions of higher education with ((~~state need grant~~))affordable college for everyone grant contract recipients. The curriculum must be available via a web site. The curriculum must include, but not be limited to:

(a) An explanation of the ((~~state need grant~~))affordable college for everyone grant contract program rules, including maintaining satisfactory progress, repayment rules, and usage limits;

(b) Information on campus and private scholarships and work‑study opportunities, including the application processes;

(c) An overview of student loan or grant contract options with an emphasis on the repayment obligations or grant contract contributions a student ((~~borrower~~)) assumes regardless of program completion, including the likely consequences of default and sample monthly repayment amounts based on a range of student levels of indebtedness;

(d) An overview of financial literacy, including basic money management skills such as living within a budget and handling credit and debt;

(e) Average salaries for a wide range of jobs;

(f) Perspectives from a diverse group of students who are or were recipients of financial aid, including student loans; and

(g) Contact information for local financial aid resources and the federal student aid ombuds's office.

(2) ((~~By the 2013-14 academic year,~~))The institution of higher education must take reasonable steps to ensure that each ((~~state need grant~~))affordable college for everyone grant contract recipient receives information outlined in subsection (1)(a) through (g) of this section by directly referencing or linking to the web site on the conditions of award statement or grant contract provided to each recipient.

(3) ((~~By July 1, 2013,~~))The office must disseminate the curriculum to all institutions of higher education participating in the ((~~state need grant~~))affordable college for everyone grant contract program. The institutions of higher education may require nonstate ((~~need grant~~))affordable college for everyone grant contract program recipients to participate in all or portions of the financial aid counseling.

**Sec.**  RCW 28B.76.525 and 2011 1st sp.s. c 11 s 110 are each amended to read as follows:

(1) The state financial aid account is created in the custody of the state treasurer. The primary purpose of the account is to ensure that all appropriations designated for financial aid through statewide student financial aid programs are made available to eligible students. The account shall be a nontreasury account.

(2) The office shall deposit in the account all money received for the ((~~state need grant~~))affordable college for everyone grant contract program established under RCW 28B.92.010, the state work-study program established under chapter 28B.12 RCW, the Washington scholars program established under RCW 28A.600.110, the Washington award for vocational excellence program established under RCW 28C.04.525, and the educational opportunity grant program established under chapter 28B.101 RCW. The account shall consist of funds appropriated by the legislature for the programs listed in this subsection and private contributions to the programs. Moneys deposited in the account do not lapse at the close of the fiscal period for which they were appropriated. Both during and after the fiscal period in which moneys were deposited in the account, the office may expend moneys in the account only for the purposes for which they were appropriated, and the expenditures are subject to any other conditions or limitations placed on the appropriations.

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

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

(5) Only the director of the office or the director's designee may authorize expenditures from the account.

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

The Washington opportunity pathways account is created in the state treasury. Expenditures from the account may be used only for programs in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW 28B.76.670 (Washington award for vocational excellence), chapter 28B.92 RCW (((~~state need grant~~))affordable college for everyone grant contract program), chapter 28B.101 RCW (educational opportunity grant), chapter 28B.105 RCW (GET ready for math and science scholarship), chapter 28B.117 RCW (passport to college promise), chapter 28B.118 RCW (college bound scholarship), chapter 28B.119 RCW (Washington promise scholarship), chapter 43.215 RCW (early childhood education and assistance program), and RCW 43.330.280 (recruitment of entrepreneurial researchers, innovation partnership zones and research teams).

**Sec.**  RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each amended to read as follows:

In addition to administrative responsibilities assigned in this chapter, the office shall administer the programs set forth in the following statutes: RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter 28B.85 RCW (degree-granting institutions); chapter 28B.92 RCW (((~~state need grant~~))affordable college for everyone grant contract program); chapter 28B.12 RCW (work-study); RCW 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through 28B.15.734 (Oregon reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho reciprocity); RCW 28B.15.756 (British Columbia reciprocity); chapter 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW (future teachers conditional scholarship); chapter 28B.108 RCW (American Indian endowed scholarship); chapter 28B.109 RCW (Washington international exchange scholarship); chapter 28B.115 RCW (health professional conditional scholarship); chapter 28B.119 RCW (Washington promise scholarship); and chapter 28B.133 RCW (gaining independence for students with dependents).

**Sec.**  RCW 28B.77.020 and 2013 2nd sp.s. c 25 s 6 are each amended to read as follows:

(1) Aligned with the state's biennial budget and policy cycles, the council shall propose educational attainment goals and priorities to meet the state's evolving needs. The council shall identify strategies for meeting the goals and priorities by means of a short-term strategic action plan and a ten-year plan that serves as a roadmap.

(a) The goals must address the needs of Washington residents to reach higher levels of educational attainment and Washington's workforce needs for certificates and degrees in particular fields of study.

(b) The council shall identify the resources it deems appropriate to meet statewide goals and also recognize current state economic conditions and state resources.

(c) In proposing goals, the council shall collaborate with the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the four-year institutions of higher education, independent colleges and degree-granting institutions, certificate-granting institutions, and the workforce training and education coordinating board.

(2) The council shall update the strategic action plan every two years with the first strategic action plan to be submitted to the governor and the legislature by December 1, 2012. The ten-year roadmap must be updated every two years with the first roadmap to be submitted to the governor and the legislature by December 1, 2013. The council must provide regular updates to the joint higher education committee created in RCW 44.04.360 as needed.

(3) In order to develop the ten-year roadmap, the council shall conduct strategic planning in collaboration with agencies and stakeholders and include input from the legislature. The council must also consult with the STEM education innovation alliance established under RCW 28A.188.030 in order to align strategies under the roadmap with the STEM framework for education and accountability developed by the alliance. The roadmap must encompass all sectors of higher education, including secondary to postsecondary transitions. The roadmap must outline strategies that address:

(a) Strategic planning, which includes setting benchmarks and goals for long-term degree production generally and in particular fields of study;

(b) Expanding access, affordability, quality, efficiency, and accountability among the various institutions of higher education;

(c) Higher education finance planning and strategic investments including budget recommendations necessary to meet statewide goals;

(d) System design and coordination;

(e) Improving student transitions;

(f) Higher education data and analysis, in collaboration with the education data center, which includes outcomes for recruitment, retention, and success of students;

(g) College and career access preparedness, in collaboration with the office of the superintendent of public instruction and the state board of education;

(h) Expanding participation and success for racial and ethnic minorities in higher education;

(i) Development and expansion of innovations in higher education including innovations to increase attainment of postsecondary certificates, and associate, baccalaureate, graduate, and professional degrees; and innovations to improve precollege education in terms of cost-effectiveness and transitions to college-level education;

(j) Strengthening the education pipeline and degree production in science, technology, engineering, and mathematics fields, and aligning strategies under the roadmap with the STEM framework for action and accountability developed under RCW 28A.188.030; and

(k) Relevant policy research.

(4) As needed, the council must conduct system reviews consistent with RCW 28B.77.080.

(5) The council shall facilitate the development and expansion of innovative practices within, between, and among the sectors to increase educational attainment and assess the effectiveness of the innovations.

(6) The council shall use the data and analysis produced by, and in consultation with, the education data center created in RCW 43.41.400 in developing policy recommendations and proposing goals. In conducting research and analysis the council at a minimum must:

(a) Identify barriers to increasing educational attainment, evaluate effectiveness of various educational models, identify best practices, and recommend methods to overcome barriers;

(b) Analyze data from multiple sources including data from academic research and from areas and agencies outside of education including but not limited to data from the department of health, the department of corrections, and the department of social and health services to determine best practices to remove barriers and to improve educational attainment;

(c) Assess educational achievement disaggregated by income level, age, gender, race and ethnicity, country of origin, and other relevant demographic groups working with data from the education data center;

(d) Track progress toward meeting the state's goals;

(e) Communicate results and provide access to data analysis to policymakers, the superintendent of public instruction, institutions of higher education, students, and the public; and

(f) Use data from the education data center wherever appropriate to conduct duties in (a) through (e) of this subsection.

(7) The council shall collaborate with the appropriate state agencies and stakeholders, including the state board of education, the office of the superintendent of public instruction, the state board for community and technical colleges, the workforce training and education coordinating board, and the four-year institutions of higher education to improve student transitions and success including but not limited to:

(a) Setting minimum college admission standards for four-year institutions of higher education, including a requirement that coursework in American sign language or an American Indian language satisfies any requirement for instruction in a language other than English that the council or the institutions may establish as a general undergraduate admissions requirement;

(b) Proposing comprehensive policies and programs to encourage students to prepare for, understand how to access, and pursue postsecondary college and career programs, including specific policies and programs for students with disabilities;

(c) Recommending policies that require coordination between or among sectors such as dual high school-college programs, awarding college credit for advanced high school work, and transfer between two and four-year institutions of higher education or between different four-year institutions of higher education; and

(d) Identifying transitions issues and solutions for students, from high school to postsecondary education including community and technical colleges, four-year institutions of higher education, apprenticeships, training, or workplace education; between two-year and four-year institutions of higher education; and from postsecondary education to career. In addressing these issues the council must recognize that these transitions may occur multiple times as students continue their education.

(8) The council directs the work of the office, which includes administration of student financial aid programs under RCW 28B.76.090, including ((~~the state need grant and other~~)) scholarships, the affordable college for everyone grant contract program, the Washington advanced college tuition payment program, and work-study programs.

(9) The council may administer state and federal grants and programs including but not limited to those programs that provide incentives for improvements related to increased access and success in postsecondary education.

(10) The council shall protect higher education consumers including:

(a) Approving degree-granting postsecondary institutions consistent with existing statutory criteria;

(b) Establishing minimum criteria to assess whether students who attend proprietary institutions of higher education shall be eligible for the ((~~state need grant~~))affordable college for everyone grant contract program and other forms of state financial aid.

(i) The criteria shall include retention rates, completion rates, ((~~loan~~))contribution default rates, and annual tuition increases, among other criteria for students who receive ((~~state need grant~~))affordable college for everyone grant contracts as in chapter 28B.92 RCW and any other state financial aid.

(ii) The council may remove proprietary institutions of higher education from eligibility for the ((~~state need grant~~))affordable college for everyone grant contract program or other form of state financial aid if it finds that the institution or college does not meet minimum criteria.

(iii) The council shall report by December 1, 2014, to the joint higher education committee in RCW 44.04.360 on the outcomes of students receiving ((~~state need grants~~))affordable college for everyone grant contracts, impacts on meeting the state's higher education goals for educational attainment, and options for prioritization of the ((~~state need grant~~))affordable college for everyone grant contracts and possible consequences of implementing each option. When examining options for prioritizing the ((~~state need grant~~))affordable college for everyone grant contracts the council shall consider ((~~awarding grants~~))providing affordable college for everyone grant contracts based on need rather than date of application and making awards based on other criteria selected by the council.

(11) The council shall adopt residency requirements by rule.

(12) The council shall arbitrate disputes between and among four-year institutions of higher education and the state board for community and technical colleges at the request of one or more of the institutions involved, or at the request of the governor, or from a resolution adopted by the legislature. The decision of the council shall be binding on the participants in the dispute.

(13) The council may solicit, accept, receive, and administer federal funds or private funds, in trust, or otherwise, and contract with foundations or with for-profit or nonprofit organizations to support the purposes and functions of the council.

(14) The council shall represent the broad public interest above the interests of the individual institutions of higher education.

**Sec.**  RCW 28B.92.010 and 2014 c 1 s 1 are each amended to read as follows:

The purposes of this chapter are to establish the principles upon which the state financial aid programs will be based and to establish the state of Washington ((~~state need grant~~))affordable college for everyone grant contract program, thus assisting financially needy or disadvantaged students domiciled in Washington to obtain the opportunity of attending an accredited institution of higher education. ((~~State need grants~~))Affordable college for everyone grant contracts under this chapter are available only to students who are resident students as defined in RCW 28B.15.012(2) (a) through (e) or any person who has completed the full senior year of high school and obtained a high school diploma, either at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington state for at least three years immediately before receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an eligible institution of higher education and has been granted deferred action for childhood arrival status pursuant to the rules and regulations adopted by the United States citizenship and immigration services.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

(1) The office of student financial assistance shall design the Washington affordable college for everyone grant contract program based on the parameters in this section.

(2)(a) Affordable college for everyone grant contract amounts shall be applied to all or a portion of an eligible student's tuition and fees as long as the recipient agrees to make contributions to the program as provided in this section.

(b) Student eligibility for an affordable college for everyone grant contract is provided in RCW 28B.92.060 and 28B.92.080.

(c) A student who elects to participate in the affordable college for everyone grant contract program shall enter into an affordable college for everyone grant contract developed by the office that defines the terms of the contract.

(3) A recipient of a grant contract shall make contributions to the affordable college for everyone grant contract program based on the total grant amount that was applied toward his or her tuition and fees and as provided in this section.

(a) A recipient shall begin contributing to the affordable college for everyone grant contract program one year after completion or discontinuation of the recipient's higher education.

(b) A recipient shall make contributions to the program based on the number of years that the recipient received an affordable college for everyone grant.

(i) For a recipient who received grants for two years or less, contributions are four percent of the recipient's eligible taxable income each year.

(ii) For a recipient who received grants for more than two years, contributions are 5.9 percent of the recipient's eligible taxable income each year.

(c)(i) Eligible taxable income is based on a grant contract recipient's tax status and amount of taxable income as follows:

(A) For a grant contract recipient with a federal income tax filing status of single with no dependents, eligible taxable income is any income over thirty thousand dollars;

(B) For a grant contract recipient with a federal income tax filing status of single, head of household, or qualifying widow or widow(er) with dependent child, eligible taxable income depends on the number of qualifying dependent children:

(I) For one qualifying dependent child, eligible taxable income is any income over forty thousand dollars;

(II) For two qualifying dependent children, eligible taxable income is any income over fifty thousand dollars; and

(III) For three or more qualifying dependent children, eligible taxable income is any income over sixty thousand dollars; and

(C) For a grant contract recipient with a federal income tax filing status of married filing jointly or married filing separately, eligible taxable income is any income over sixty thousand dollars.

(ii) In order to encourage savings for retirement, the calculation of a recipient's eligible taxable income may include the deduction of contributions toward a Roth individual retirement account as defined in the internal revenue code.

(d) A grant contract recipient whose federal and state loan repayments are ten percent or more of their annual taxable income is not required to make contributions. A recipient whose other federal and state loan repayments are less than ten percent of their annual taxable income are required to make contributions according to this section, however the recipient's contributions must be adjusted to ensure that the combined total of other loan repayments and affordable college for everyone grant contract program contributions does not exceed ten percent of the recipient's annual taxable income in any year.

(e) An interest rate of two percent of the program recipient's total grant contract amount minus contributions made in previous years must be applied to the recipient's contributions for the first ten years. After ten years, the interest rate must increase to four percent of the recipient's total grant contract amount.

(f) An affordable college for everyone grant contract recipient who has an eligible taxable income greater than that provided in (c) of this subsection shall continue to contribute to the program until either:

(i) The recipient contributes an amount equal to the total grant contract amount plus interest, as defined in (e) of this subsection; or

(ii) Twenty-one years pass from the time the recipient completes or discontinues his or her higher education.

(g) A grant contract recipient who elects to contribute the remainder of his or her affordable college for everyone grant contract amount plus interest in a lump sum payment shall receive a ten percent discount as long as the remaining amount is at least two thousand dollars.

(4) The office shall develop measures to recover contributions from and impose penalties on a grant contract recipient who does not make contributions to the affordable college for everyone grant contract program in a timely manner.

(5) The office shall allow a recipient with eligible taxable income to forgo making contributions for up to two one-year periods. However, the contribution time described in subsection (3)(f)(ii) of this section must be increased accordingly.

(6) An affordable college for everyone grant contract recipient with eligible taxable income is not required to make contributions under this section, unless the sum of four hundred million dollars is appropriated to the Washington opportunity pathways account under RCW 28B.76.526 each year beginning in fiscal year 2015, with an additional average of ten percent appropriated to this account each subsequent biennium.

(7) The office shall annually report on the program along with its annual financial aid report. The report must provide information on the program fund growth from contributions and make recommendations regarding increasing the income thresholds for recipients in the program.

(8) By December 1, 2017, the office, in consultation with the office of the state actuary, shall estimate contributions to the program over the next twenty years.

**Sec.**  RCW 28B.92.020 and 2011 1st sp.s. c 11 s 158 are each amended to read as follows:

(1) ((~~The legislature finds that the higher education community, has completed a review of the state need grant program.~~)) It is the intent of the legislature to endorse ((~~the proposed changes to the state need grant~~))certain components of the affordable college for everyone grant contract program, including:

(a) ((~~Reaffirmation~~))Affirmation that the primary purpose of the ((~~state need grant~~))affordable college for everyone grant contract program is to assist low-income, needy, and disadvantaged Washington residents attending institutions of higher education;

(b) A goal that the base ((~~state need grant~~))affordable college for everyone grant contract amount over time be increased to be equivalent to the rate of tuition charged to resident undergraduate students attending Washington state public colleges and universities and to enable participation by all students regardless of income level;

(c) ((~~State need grant~~))Affordable college for everyone grant contract recipients be required to contribute a portion of the total cost of their education through self-help at the time they are attending institutions of higher education;

(d) ((~~State need grant~~))Affordable college for everyone grant contract recipients be required to document their need for dependent care assistance after taking into account other public funds provided for like purposes; and

(e) Institutional aid administrators be allowed to determine whether a student eligible for ((~~a state need grant~~))an affordable college for everyone grant contract in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than a marginal amount except for funds provided through the educational assistance grant program for students with dependents.

(2) The legislature further finds that the changes in subsection (1) of this section((~~,~~)) should do so in a timely manner.

(3) The legislature also finds that:

(a) In most circumstances, ((~~need grant~~))affordable college for everyone grant contract eligibility should not extend beyond five years or one hundred twenty-five percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent; and

(b) State financial aid programs should continue to adhere to the principle that funding follows resident students to their choice of institution of higher education.

**Sec.**  RCW 28B.92.040 and 2011 1st sp.s. c 11 s 160 are each amended to read as follows:

The office shall be cognizant of the following guidelines in the performance of its duties:

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

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

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

(4) Counseling is a paramount function of the ((~~state need grant~~))affordable college for everyone grant contract program and other state student financial aid programs, and in most cases could only be properly implemented at the institutional levels; therefore, state student financial aid programs shall be concerned with the attainment of those goals which, in the judgment of the office, are the reasons for the existence of a student financial aid program, and not solely with administration of the program on an individual basis.

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

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

**Sec.**  RCW 28B.92.060 and 2012 c 229 s 558 are each amended to read as follows:

In ((~~awarding need grants~~))administering the affordable college for everyone grant contract program, the office shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to prevent the office, in the exercise of its sound discretion, from following another procedure when the best interest of the program so dictates:

(1) The office shall annually select the ((~~financial aid award~~))affordable college for everyone grant contract recipients from among Washington residents applying for student financial aid who have been ranked according to:

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

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

(2) The financial need of the highest ranked students shall be met by ((~~grants~~))affordable college for everyone grant contracts depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from ((~~grants~~))affordable college for everyone grant contracts which are declined, forfeited, or otherwise unused shall be ((~~reawarded~~))reallocated until disbursed, except that eligible former foster youth shall be assured receipt of a grant contract. The office, in consultation with four-year institutions of higher education, the council, and the state board for community and technical colleges, shall develop ((~~award~~))affordable college for everyone grant contract disbursement criteria and methods of disbursement based on level of need, and not solely rely on a first-come, first-served basis.

(3) A student shall be eligible to receive ((~~a state need grant~~))an affordable college for everyone grant contract for up to a combined total of five years, or the credit or clock hour equivalent of a combined total of five years, or up to one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as ((~~a state need grant~~))an affordable college for everyone grant contract recipient until at least five years have elapsed since earning an associate degree as ((~~a need grant~~))an affordable college for everyone grant contract recipient, except that a student may earn two associate degrees concurrently. Qualifications for renewal will include maintaining satisfactory academic progress toward completion of an eligible program as determined by the office. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant contract amount shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.92.070.

(4) In computing financial need, the office shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average state appropriation per student for operating expense in the public institutions. Any child support payments received by students who are parents attending less than half-time shall not be used in computing financial need.

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

(b) An eligible student enrolled on a less-than-full-time basis shall receive a prorated portion of his or her ((~~state need grant~~))affordable college for everyone grant contract amount for any academic period in which he or she is enrolled on a less-than-full-time basis, as long as funds are available.

(c) An institution of higher education may ((~~award a state need grant~~))provide an affordable college for everyone grant contract to an eligible student enrolled in three to six credit-bearing quarter credits, or the semester equivalent, on a provisional basis if:

(i) The student has not previously received a state need grant or an affordable college for everyone grant contract from that institution;

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

(iii) The institution has reviewed the student's financial condition, and the financial condition of the student's family if the student is a dependent student, and has determined that the student is likely eligible for ((~~a state need grant~~))an affordable college for everyone grant contract; and

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

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

**Sec.**  RCW 28B.92.080 and 2012 c 229 s 605 are each amended to read as follows:

Except for opportunity internship graduates whose eligibility is provided under RCW 28B.92.084 and college bound affordable college for everyone grant contract program recipients whose eligibility is provided in section 18 of this act, for a student to be eligible for ((~~a state need grant~~))the affordable college for everyone grant contract program a student must:

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

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

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

(4) Until June 30, 2011, to the extent funds are specifically appropriated for this purpose, and subject to any terms and conditions specified in the omnibus appropriations act, be enrolled or accepted for enrollment for at least three quarter credits or the equivalent semester credits at an institution of higher education in Washington as defined in RCW 28B.92.030((~~(3)~~))(4); and

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

**Sec.**  RCW 28B.92.082 and 2012 c 229 s 560 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose and within overall appropriations for the ((~~state need grant~~))affordable college for everyone grant contract program, enhanced ((~~need grants~~))affordable college for everyone grant contract amounts are provided for persons who meet all of the following criteria:

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

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

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

(2) The ((~~enhanced need grants~~))affordable college for everyone grant contracts established in this section are provided to this specific group of students in addition to the base ((~~state need grant~~))affordable college for everyone grant contract amount, as defined by rule of the council.

**Sec.**  RCW 28B.117.020 and 2012 c 163 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Cost of attendance" means the cost associated with attending a particular institution of higher education as determined by the office, including but not limited to tuition, fees, room, board, books, personal expenses, and transportation, plus the cost of reasonable additional expenses incurred by an eligible student and approved by a financial aid administrator at the student's school of attendance.

(2) "Financial need" means the difference between a student's cost of attendance and the student's total family contribution as determined by the method prescribed by the United States department of education.

(3) "Independent college or university" means a private, nonprofit institution of higher education, open to residents of the state, providing programs of education beyond the high school level leading to at least the baccalaureate degree, and accredited by the Northwest association of schools and colleges, and other institutions as may be developed that are approved by the board as meeting equivalent standards as those institutions accredited under this section.

(4) "Institution of higher education" means any institution eligible to and participating in the ((~~state need grant~~))affordable college for everyone grant contract program.

(5) "Office" means the office of student financial assistance.

(6) "Program" means the passport to college promise program created in this chapter.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.92 RCW to read as follows:

(1) When creating an acronym for the affordable college for everyone grant contract program in this chapter for the purposes of information and marketing materials created by state agencies, including institutions of higher education, the program shall be referred to as the "ACE" program.

(2) When creating an acronym for the Washington college bound affordable college for everyone grant contract program in section 18 of this act for the purposes of information and marketing materials created by state agencies, including schools and institutions of higher education, the program shall be referred to as the "Washington college bound ACE" program.

**Sec.**  RCW 28B.118.010 and 2012 c 229 s 402 and 2012 c 163 s 8 are each reenacted and amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the ((~~state need grant~~))affordable college for everyone grant contract program in chapter 28B.92 RCW unless otherwise provided in this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches. If a student qualifies in the seventh or eighth grade, the student remains eligible even if the student does not ((~~receive~~))qualify for free or reduced-price lunches thereafter; or

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through twelve; or

(ii) Are between the ages of eighteen and twenty-one and have not graduated from high school.

(2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.

(3)(a) To be eligible for a Washington college bound scholarship, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.

(b) A student eligible under subsection (1)(b) of this section shall be automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social and health services to the ((~~higher education coordinating board or its successor~~))office of student financial assistance by mail or electronically, as indicated on the form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

(13) Students who enroll in the college bound scholarship program by June 30, 2015, are eligible for college bound scholarships, and students who enroll after June 30, 2015, are eligible only for the college bound affordable college for everyone grant contract program in section 18 of this act.

NEW SECTION. **Sec.**  The office of student financial assistance shall design the Washington college bound affordable college for everyone grant contract program in accordance with this section and in alignment with the affordable college for everyone grant contract program in chapter 28B.92 RCW unless otherwise provided in this section.

(1) "Eligible students" are those students who:

(a) Qualify for the free and reduced-price lunch program. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free and reduced-price lunches thereafter; or

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) Are in grades seven through twelve; or

(ii) Are between the ages of eighteen and twenty-one and have not graduated from high school.

(2) Eligible students shall be notified of their eligibility for the Washington college bound affordable college for everyone grant contract program beginning in their seventh grade school year. Students shall also be notified of the requirements for eligibility for the grant contract.

(3)(a) To be eligible for the Washington college bound affordable college for everyone grant contract program, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a "C" average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.

(b) A student eligible under subsection (1)(b) of this section is automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social and health services to the student achievement council by mail or electronically, as indicated on the form.

(4)(a) Grant contracts shall be awarded to eligible students graduating from public high schools or approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b) To receive the Washington college bound affordable college for everyone grant contract, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).

(5) A student's family income will be assessed upon graduation before awarding the grant contract.

(6) At graduation from high school, grant contract amounts and contributions shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the grant contract amount shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the grant contract amount shall be the representative average of awards granted to students in public research universities in Washington.

(c) For students attending private vocational schools in Washington, the grant contract amount shall be the representative average of awards granted to students in public community and technical colleges in Washington.

(7) Recipients may receive no more than four full-time years' worth of grant contracts.

(8) Institutions of higher education must award the student all need-based and merit-based financial aid for which the student would otherwise qualify.

(9) Contributions shall be aligned with terms developed for the affordable college for everyone grant contract program in section 9 of this act.

(10) The office shall annually report on the program along with its annual financial aid report.

(11) By December 1, 2017, the office, in consultation with the office of the state actuary, shall estimate payments back to the program over the next twenty years.

NEW SECTION. **Sec.**  The office of the superintendent of public instruction shall:

(1) Notify elementary, middle, and junior high schools about the Washington college bound affordable college for everyone grant contract program using methods in place for communicating with schools and school districts; and

(2) Work with the office of student financial assistance to develop application collection and student tracking procedures.

NEW SECTION. **Sec.**  Each school district shall notify students, parents, teachers, counselors, and principals about the Washington college bound affordable college for everyone grant contract program through existing channels. Notification methods may include, but are not limited to, regular school district and building communications, online scholarship bulletins and announcements, notices posted on school walls and bulletin boards, information available in each counselor's office, and school or district scholarship information sessions.

NEW SECTION. **Sec.**  The office of student financial assistance shall:

(1) With the assistance of the office of the superintendent of public instruction, implement and administer the Washington college bound affordable college for everyone grant contract program;

(2) Develop and distribute, to all schools with students enrolled in grade seven or eight, a pledge form that can be completed and returned electronically or by mail by the student or the school to the office of student financial assistance;

(3) Develop and implement a student application, selection, and notification process for grant contracts;

(4) Track grant contract recipients to ensure continued eligibility and determine student compliance for awarding of grant contracts;

(5) Subject to appropriation, deposit funds into the state educational trust fund;

(6) Purchase tuition units under the advanced college tuition payment program in chapter 28B.95 RCW to be owned and held in trust by the student achievement council, for the purpose of grant contracts as provided for in this section; and

(7) Distribute program funds, in the form of tuition units purchased under the advanced college tuition payment program in chapter 28B.95 RCW or through direct payments from the state educational trust fund, to institutions of higher education on behalf of grant contract recipients identified by the office, as long as recipients maintain satisfactory academic progress.

NEW SECTION. **Sec.**  The caseload forecast council shall estimate the anticipated caseload of the Washington college bound affordable college for everyone grant contract program and shall submit this forecast as specified in RCW 43.88C.020.

**Sec.**  RCW 28B.119.030 and 2011 1st sp.s. c 11 s 233 are each amended to read as follows:

The Washington promise scholarship program shall not be funded at the expense of the ((~~state need grant~~))affordable college for everyone grant contract program as defined in chapter 28B.92 RCW. In administering the ((~~state need grant~~))affordable college for everyone grant contract program and promise scholarship programs, the office of student financial assistance shall first ensure that eligibility for ((~~state need grant~~))affordable college for everyone grant contract recipients is at least fifty-five percent of state median family income.

**Sec.**  RCW 28B.133.010 and 2013 c 248 s 4 are each amended to read as follows:

The educational assistance grant program for students with dependents is hereby created, subject to the availability of receipts of gifts, grants, or endowments from private sources. The program is created to serve financially needy students with dependents eighteen years of age or younger, by assisting them directly through a grant program to pursue a degree or certificate at public or private institutions of higher education, as defined in RCW 28B.92.030(4) (a) and (b) (i) and (ii), that participate in the ((~~state need grant~~))affordable college for everyone grant contract program.

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

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

**Sec.**  RCW 28B.145.030 and 2014 c 208 s 3 are each amended to read as follows:

(1) The program administrator, under contract with the council, shall staff the board and shall have the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting ((~~participants~~))recipients for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the board.

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

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

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into one or both of the two accounts created in this subsection (2)(b) in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every October 1st thereafter;

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

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

(B) The state appropriations for the ((~~state need grant~~))affordable college for everyone grant contract program under RCW 28B.92.010 meet or exceed state appropriations for the ((~~state need grant~~))affordable college for everyone grant contract program made in the 2011-2013 biennium, adjusted for inflation, and eligibility for ((~~state need grant~~))affordable college for everyone grant contract program recipients is at least seventy percent of state median family income; and

(C) The state has demonstrated progress toward the goal of total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states, as defined, measured, and reported in RCW 28B.15.068. In any year in which the office of financial management reports that the state has not made progress toward this goal, no new scholarships may be awarded. In any year in which the office of financial management reports that the percentile of total per-student funding is less than the sixtieth percentile and at least five percent less than the prior year, pledges of future grants and contributions may, at the request of the donor, be released and grants and contributions already received refunded to the extent that opportunity scholarship awards already made can be fulfilled from the funds remaining in the endowment account. In fulfilling the requirements of this subsection, the office of financial management shall use resources that facilitate measurement and comparisons of the most recently completed academic year. These resources may include, but are not limited to, the data provided in a uniform dashboard format under RCW 28B.77.090 as the statewide public four-year dashboard and academic year reports prepared by the state board for community and technical colleges;

(iii) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the account, after which time the private donors may designate whether their contributions must be deposited to the scholarship or the endowment account. The board and the program administrator must work to maximize private sector contributions to both the scholarship account and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the two accounts in the case of undesignated grants and contributions, taking into account the need for a long‑term funding mechanism and the short‑term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the two accounts in equal proportion to the private funds deposited in each account; and

(iv) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account or endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account and endowment account are not considered state money, common cash, or revenue to the state;

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

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs identified by the board;

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

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

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

(h) Distribute scholarship funds to selected ((~~participants~~))recipients. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed until the ((~~participant~~))recipient withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the ((~~participant's~~))recipient's program, whichever occurs first, and as long as the ((~~participant~~))recipient annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits, including but not limited to the American opportunity tax credit; and

(i) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility.

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

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

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

**Sec.**  RCW 28C.18.166 and 2011 1st sp.s. c 11 s 242 are each amended to read as follows:

On an annual basis, each opportunity internship consortium shall provide the board with a list of the opportunity internship graduates from the consortium. The board shall compile the lists from all consortia and shall notify the office of student financial assistance of the eligibility of each graduate on the lists to receive ((~~a state need grant~~))an affordable college for everyone grant contract under chapter 28B.92 RCW if the graduate enrolls in a postsecondary program of study within one year of high school graduation.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 28B.118.005 (Intent—Finding) and 2007 c 405 s 1;

(2)RCW 28B.118.020 (Duties of the office of the superintendent of public instruction) and 2011 1st sp.s. c 11 s 227 & 2007 c 405 s 3;

(3)RCW 28B.118.030 (Duty of school districts—Notification) and 2007 c 405 s 4;

(4)RCW 28B.118.040 (Duties of the office of student financial assistance) and 2011 1st sp.s. c 11 s 228 & 2007 c 405 s 5; and

(5)RCW 28B.118.075 (Caseload estimate) and 2011 c 304 s 1.

NEW SECTION. **Sec.**  Sections 18 through 22 of this act are each added to chapter 28B.118 RCW.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2015.

**--- END ---**