
SENATE BILL 6601

State of Washington 64th Legislature 2016 Regular Session

By Senators Frockt, Bailey, Braun, Mullet, Carlyle, and McAuliffe

Read first time 01/28/16. Referred to Committee on Higher Education.

1 AN ACT Relating to creating the Washington college savings
2 program; amending RCW 28B.95.010, 28B.95.020, 28B.95.025, 28B.95.035,
3 28B.95.040, 28B.95.080, 28B.95.090, 28B.95.100, 28B.95.150, and
4 28B.95.900; reenacting and amending RCW 43.79A.040; and adding new
5 sections to chapter 28B.95 RCW.

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

7 **Sec. 1.** RCW 28B.95.010 and 1997 c 289 s 1 are each amended to
8 read as follows:

9 (1) The Washington advanced college tuition payment program is
10 established to help make higher education affordable and accessible
11 to all citizens of the state of Washington by offering a savings
12 incentive that will protect purchasers and beneficiaries against
13 rising tuition costs. (~~The program is~~)

14 (2) The Washington college savings program is established to
15 provide an additional financial option for individuals,
16 organizations, and families to save for college.

17 (3) These programs are designed to encourage savings and enhance
18 the ability of Washington citizens to obtain financial access to
19 institutions of higher education. In addition, the programs
20 encourage(~~s~~) elementary and secondary school students to do well in
21 school as a means of preparing for and aspiring to higher education

1 attendance. (~~This program is~~) These programs are intended to
2 promote a well-educated and financially secure population to the
3 ultimate benefit of all citizens of the state of Washington.

4 **Sec. 2.** RCW 28B.95.020 and 2015 3rd sp.s. c 36 s 6 are each
5 amended to read as follows:

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

8 (1) "Academic year" means the regular nine-month, three-quarter,
9 or two-semester period annually occurring between August 1st and July
10 31st.

11 (2) "Account" means the Washington advanced college tuition
12 payment program account established for the deposit of all money
13 received by the office from eligible purchasers and interest earnings
14 on investments of funds in the account, as well as for all
15 expenditures on behalf of eligible beneficiaries for the redemption
16 of tuition units and for the development of any authorized college
17 savings program pursuant to RCW 28B.95.150.

18 (3) "College savings program account" means the Washington
19 college savings program account established pursuant to RCW
20 28B.95.010.

21 (4) "Committee on advanced tuition payment and college savings"
22 or "committee" means a committee of the following members: The state
23 treasurer, the director of the office of financial management, the
24 director of the office, or their designees, and two members to be
25 appointed by the governor, one representing program participants and
26 one private business representative with marketing, public relations,
27 or financial expertise.

28 (~~(4)~~) (5) "Contractual obligation" means a legally binding
29 contract of the state with the purchaser and the beneficiary
30 establishing that purchases of tuition units in the advanced college
31 tuition payment program will be worth the same number of tuition
32 units at the time of redemption as they were worth at the time of the
33 purchase, except as provided in RCW 28B.95.030(7).

34 (~~(5)~~) (6) "Dual credit fees" means any fees charged to a
35 student for participation in college in the high school under RCW
36 28A.600.290 or running start under RCW 28A.600.310.

37 (~~(6)~~) (7) "Eligible beneficiary" means the person (~~for whom~~
38 ~~the tuition unit will be redeemed for attendance at an institution of~~
39 ~~higher education, participation in college in the high school under~~

1 ~~RCW 28A.600.290, or participation in running start under RCW~~
2 ~~28A.600.310. The beneficiary is that person named by the purchaser at~~
3 ~~the time that a tuition unit contract is accepted by the governing~~
4 ~~body)) designated as the individual whose education expenses are to~~
5 ~~be paid from the advanced college tuition payment program or the~~
6 ~~college savings program. Qualified organizations, as allowed under~~
7 ~~section 529 of the federal internal revenue code, purchasing tuition~~
8 ~~unit contracts as future scholarships need not designate a~~
9 ~~beneficiary at the time of purchase.~~

10 ~~((7))~~ (8) "Eligible contributor" means an individual or
11 organization that contributes money for the purchase of tuition
12 units, and for an individual college savings account established
13 pursuant to this chapter for an eligible beneficiary.

14 (9) "Eligible purchaser" means an individual or organization that
15 has entered into a tuition unit contract with the governing body for
16 the purchase of tuition units in the advanced college tuition payment
17 program for an eligible beneficiary, or that has entered into a
18 participant college savings program account contract for an eligible
19 beneficiary. The state of Washington may be an eligible purchaser for
20 purposes of purchasing tuition units to be held for granting
21 Washington college bound scholarships.

22 ~~((8))~~ (10) "Full-time tuition charges" means resident tuition
23 charges at a state institution of higher education for enrollments
24 between ten credits and eighteen credit hours per academic term.

25 ~~((9))~~ (11) "Governing body" means the committee empowered by
26 the legislature to administer the Washington advanced college tuition
27 payment program and the Washington college savings program.

28 ~~((10))~~ (12) "Individual college savings program account" means
29 the formal record of transactions relating to a Washington college
30 savings program beneficiary.

31 (13) "Institution of higher education" means an institution that
32 offers education beyond the secondary level and is recognized by the
33 internal revenue service under chapter 529 of the internal revenue
34 code.

35 ~~((11))~~ (14) "Investment board" means the state investment board
36 as defined in chapter 43.33A RCW.

37 ~~((12))~~ (15) "Office" means the office of student financial
38 assistance as defined in chapter 28B.76 RCW.

39 ~~((13))~~ (16) "Owner" means the eligible purchaser or the
40 purchaser's successor in interest who shall have the exclusive

1 authority to make decisions with respect to the tuition unit contract
2 or the individual college savings program contract. The owner has
3 exclusive authority and responsibility to establish and change the
4 asset allocation for a beneficiaries' participant college savings
5 account.

6 (17) "Participant college savings program account contract" means
7 a contract to participate in the Washington college savings program
8 between an eligible purchaser and the office.

9 (18) "State institution of higher education" means institutions
10 of higher education as defined in RCW 28B.10.016.

11 ~~((14))~~ (19) "Tuition and fees" means undergraduate tuition and
12 services and activities fees as defined in RCW 28B.15.020 and
13 28B.15.041 rounded to the nearest whole dollar. For purposes of this
14 chapter, services and activities fees do not include fees charged for
15 the payment of bonds heretofore or hereafter issued for, or other
16 indebtedness incurred to pay, all or part of the cost of acquiring,
17 constructing, or installing any lands, buildings, or facilities.

18 ~~((15))~~ (20) "Tuition unit contract" means a contract between an
19 eligible purchaser and the governing body, or a successor agency
20 appointed for administration of this chapter, for the purchase of
21 tuition units in the advanced college tuition payment program for a
22 specified beneficiary that may be redeemed at a later date for an
23 equal number of tuition units, except as provided in RCW
24 28B.95.030(7).

25 ~~((16))~~ (21) "Unit purchase price" means the minimum cost to
26 purchase one tuition unit in the advanced college tuition payment
27 program for an eligible beneficiary. Generally, the minimum purchase
28 price is one percent of the undergraduate tuition and fees for the
29 current year, rounded to the nearest whole dollar, adjusted for the
30 costs of administration and adjusted to ensure the actuarial
31 soundness of the account. The analysis for price setting shall also
32 include, but not be limited to consideration of past and projected
33 patterns of tuition increases, program liability, past and projected
34 investment returns, and the need for a prudent stabilization reserve.

35 **Sec. 3.** RCW 28B.95.025 and 2011 1st sp.s. c 11 s 169 are each
36 amended to read as follows:

37 The office shall maintain appropriate offices and employ and fix
38 compensation of such personnel as may be necessary to perform the
39 advanced college tuition payment program and the Washington college

1 savings program duties. The office shall consult with the governing
2 body on the selection, compensation, and other issues relating to the
3 employment of the program director. The positions are exempt from
4 classified service under chapter 41.06 RCW. The employees shall be
5 employees of the office.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.95
7 RCW to read as follows:

8 (1) The Washington college savings program shall be administered
9 by the committee, which shall be chaired by the director of the
10 office. The committee shall be supported by staff of the office.

11 (2) The Washington college savings program shall consist of the
12 college savings plan account and the individual college savings plan
13 accounts, and shall allow an eligible purchaser to establish an
14 individual college savings program account for an eligible
15 beneficiary whereby the money in the account may be invested and used
16 for enrollment at any institution of higher education that is
17 recognized by the internal revenue service under chapter 529 of the
18 internal revenue code. Money in the account may also be used to pay
19 for dual credit fees.

20 (3) The Washington college savings program is open to eligible
21 purchasers and eligible beneficiaries who are residents or
22 nonresidents of Washington state.

23 (4) The committee may contract with other state or nonstate
24 entities that are authorized to do business in the state for the
25 investment of moneys in the college savings program, including other
26 college savings plans established pursuant to section 529 of the
27 internal revenue code. The investment of eligible contributors'
28 deposits may be in the types of instruments, obligations, securities,
29 and properties in which moneys are invested by the Washington
30 deferred compensation plan established pursuant to RCW 41.50.770.

31 (5) The governing body shall determine the conditions under which
32 control or the beneficiary of an individual college savings program
33 account may be transferred to another family member. In permitting
34 such transfers, the governing body may not allow the individual
35 college savings program account to be bought, sold, bartered, or
36 otherwise exchanged for goods and services by either the beneficiary
37 or the purchaser.

1 (6) The governing body shall administer the Washington college
2 savings program in a manner reasonably designed to be actuarially
3 sound.

4 (7) The governing body shall promote, advertise, and publicize
5 the Washington college savings program.

6 (8) In addition to any other powers conferred by this chapter,
7 the governing body may:

8 (a) Impose limits on the amount of contributions that may be made
9 on behalf of any eligible beneficiary;

10 (b) Determine and set age limits and any time limits for the use
11 of benefits under this chapter;

12 (c) Establish incentives to encourage participation in the
13 Washington college savings program to include but not be limited to
14 entering into agreements with any public or private employer under
15 which an employee may agree to have a designated amount deducted in
16 each payroll period from the wages due the employee for the purpose
17 of making contributions to a participant college savings program
18 account;

19 (d) Impose and collect administrative fees and charges in
20 connection with any transaction under this chapter;

21 (e) Appoint and use advisory committees and the state actuary as
22 needed to provide program direction and guidance;

23 (f) Formulate and adopt all other policies and rules necessary
24 for the efficient administration of the program;

25 (g) Purchase insurance from insurers licensed to do business in
26 the state, to provide for coverage against any loss in connection
27 with the account's property, assets, or activities or to further
28 insure the value of the tuition units;

29 (h) Make, execute, and deliver contracts, conveyances, and other
30 instruments necessary to the exercise and discharge of its powers and
31 duties under this chapter;

32 (i) Contract for the provision for all or part of the services
33 necessary for the management and operation of the Washington college
34 savings program with other state or nonstate entities authorized to
35 do business in the state for the investment of moneys;

36 (j) Contract for other services or for goods needed by the
37 governing body in the conduct of its business under this chapter;

38 (k) Contract with financial consultants, actuaries, auditors, and
39 other consultants as necessary to carry out its responsibilities
40 under this chapter;

1 (l) Solicit and accept gifts, bequests, cash donations, and
2 grants from any person, governmental agency, private business, or
3 organization; and

4 (m) Perform all acts necessary and proper to carry out the duties
5 and responsibilities of the Washington college savings program under
6 this chapter.

7 **Sec. 5.** RCW 28B.95.035 and 1998 c 69 s 3 are each amended to
8 read as follows:

9 No member of the committee is liable for the negligence, default,
10 or failure of any other person or members of the committee to perform
11 the duties of office and no member may be considered or held to be an
12 insurer of the funds or assets of any of the advanced college tuition
13 payment program or any of the Washington college savings program.

14 **Sec. 6.** RCW 28B.95.040 and 2011 1st sp.s. c 11 s 171 are each
15 amended to read as follows:

16 The governing body may, at its discretion, allow an organization
17 to purchase tuition units or establish savings plans for future use
18 as scholarships. Such organizations electing to purchase tuition
19 units or establish Washington college savings program accounts for
20 this purpose must enter into a contract with the governing body
21 which, at a minimum, ensures that the scholarship shall be freely
22 given by the purchaser to a scholarship recipient. For such
23 purchases, the purchaser need not name a beneficiary until four
24 months before the date when the tuition units are first expected to
25 be used.

26 The governing body shall formulate and adopt such rules as are
27 necessary to determine which organizations may qualify to purchase
28 tuition units or establish Washington college savings program
29 accounts for scholarships under this section. The governing body also
30 may consider additional rules for the use of tuition units or
31 Washington college savings program accounts if purchased as
32 scholarships.

33 The governing body may establish a scholarship fund with moneys
34 from the Washington advanced college tuition payment program account.
35 A scholarship fund established under this authority shall be
36 administered by the office and shall be provided to students who
37 demonstrate financial need. Financial need is not a criterion that
38 any other organization need consider when using tuition units as

1 scholarships. The office also may establish its own corporate-
2 sponsored scholarship fund under this chapter.

3 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.95
4 RCW to read as follows:

5 (1) The Washington college savings plan account is created in the
6 custody of the state treasurer. The account shall be a discrete
7 nontreasury account retaining its interest earnings in accordance
8 with RCW 43.79A.040.

9 (2) The governing body shall deposit in the account all moneys
10 received for the program. The account shall be self-sustaining and
11 consist of payments received for the purposes of college savings for
12 the beneficiary. With the exception of investment and operating costs
13 associated with the investment of money by a nonstate entity or the
14 investment board paid under RCW 43.33A.160 and 43.84.160, the account
15 shall be credited with all investment income earned by the account.
16 Disbursements from the account are exempt from appropriations and the
17 allotment provisions of chapter 43.88 RCW. Money used for program
18 administration is subject to the allotment of all expenditures.
19 However, an appropriation is not required for such expenditures.
20 Program administration includes, but is not limited to: The salaries
21 and expenses of the Washington college savings program personnel
22 including lease payments, travel, and goods and services necessary
23 for program operation; contracts for Washington college savings
24 program promotion and advertisement, audits, and account management;
25 and other general costs of conducting the business of the Washington
26 college savings program.

27 (3) The assets of the account may be spent without appropriation
28 for the purpose of making payments to institutions of higher
29 education on behalf of the qualified beneficiaries, making refunds,
30 transfers, or direct payments upon the termination of the Washington
31 college savings program. Disbursements from the account shall be made
32 only on the authorization of the governing body.

33 (4) With regard to the assets of the account, the state acts in a
34 fiduciary, not ownership, capacity. Therefore the assets of the
35 program are not considered state money, common cash, or revenue to
36 the state.

37 **Sec. 8.** RCW 28B.95.080 and 2011 1st sp.s. c 12 s 3 are each
38 amended to read as follows:

1 The governing body shall annually evaluate, and cause to be
2 evaluated by the state actuary, the soundness of the advanced college
3 tuition payment program account and determine the additional assets
4 needed, if any, to defray the obligations of the account. The
5 governing body may, at its discretion, consult with a nationally
6 recognized actuary for periodic assessments of the account.

7 If funds are determined by the governing body, based on actuarial
8 analysis to be insufficient to ensure the actuarial soundness of the
9 account, the governing body shall adjust the price of subsequent
10 tuition credit purchases to ensure its soundness.

11 If there are insufficient numbers of new purchases to ensure the
12 actuarial soundness of the account, the governing body shall request
13 such funds from the legislature as are required to ensure the
14 integrity of the program. Funds may be appropriated directly to the
15 account or appropriated under the condition that they be repaid at a
16 later date. The repayment shall be made at such time that the account
17 is again determined to be actuarially sound.

18 **Sec. 9.** RCW 28B.95.090 and 2005 c 272 s 3 are each amended to
19 read as follows:

20 (1) In the event that the state determines that the advanced
21 college tuition payment program is not financially feasible, or for
22 any other reason, the state may declare the discontinuance of the
23 program. At the time of such declaration, the governing body will
24 cease to accept any further tuition unit contracts or purchases.

25 (2) The remaining tuition units for all beneficiaries who have
26 either enrolled in higher education or who are within four years of
27 graduation from a secondary school shall be honored until such
28 tuition units have been exhausted, or for ten fiscal years from the
29 date that the program has been discontinued, whichever comes first.
30 All other contract holders shall receive a refund equal to the value
31 of the current tuition units in effect at the time that the program
32 was declared discontinued.

33 (3) At the end of the ten-year period, any tuition units
34 remaining unused by currently active beneficiaries enrolled in higher
35 education shall be refunded at the value of the current tuition unit
36 in effect at the end of that ten-year period.

37 (4) At the end of the ten-year period, all other funds remaining
38 in the account not needed to make refunds or to pay for
39 administrative costs shall be deposited to the state general fund.

1 (5) The governing body may make refunds under other exceptional
2 circumstances as it deems fit, however, no tuition units may be
3 honored after the end of the tenth fiscal year following the
4 declaration of discontinuance of the program.

5 NEW SECTION. **Sec. 10.** A new section is added to chapter 28B.95
6 RCW to read as follows:

7 (1) The investment manager, which may be the state investment
8 board or a nonstate entity authorized to do business in the state for
9 the investment of moneys as the committee may choose, has the full
10 power to establish investment options for moneys contributed to
11 individual Washington college savings program accounts. All
12 investment and operating costs associated with the investment of
13 money shall be paid to the state investment board pursuant to RCW
14 43.33A.160 and 43.84.160, or to a private entity as established by
15 contract.

16 (2) All investments made by the investment manager shall be made
17 with the exercise of that degree of judgment and care expressed in
18 RCW 43.33A.140 and the investment policies established by the state
19 investment board or the committee.

20 (3) As deemed appropriate by the investment manager, money in the
21 Washington college savings program account may be commingled for
22 investment with other funds subject to investment by the investment
23 manager.

24 (4) The authority to establish all policies relating to the
25 Washington college savings program account, other than the investment
26 policies as provided in subsections (1) through (3) of this section,
27 resides with the governing body. With the exception of expenses of
28 the investment manager as provided in subsection (1) of this section,
29 disbursements from the Washington college savings program account
30 shall be made only on the authorization of the governing body, and
31 money in the account may be spent only for the purposes of the
32 Washington college savings program as specified in this chapter.

33 (5) The investment manager shall routinely consult and
34 communicate with the governing body on the investment policy,
35 earnings of the trust, and related needs of the Washington college
36 savings program.

37 **Sec. 11.** RCW 28B.95.100 and 2000 c 14 s 7 are each amended to
38 read as follows:

1 (1) The governing body, in planning and devising the advanced
2 college tuition payment program and the Washington college savings
3 program, shall consult with the investment board, the state
4 treasurer, the office of financial management, and the institutions
5 of higher education.

6 (2) The governing body may seek the assistance of the state
7 agencies named in subsection (1) of this section, private financial
8 institutions, and any other qualified party with experience in the
9 areas of accounting, actuary, risk management, or investment
10 management to assist with preparing an accounting of the programs and
11 ensuring the fiscal soundness of the advanced college tuition payment
12 program account and the Washington college savings program account.

13 (3) State agencies and public institutions of higher education
14 shall fully cooperate with the governing body in matters relating to
15 the programs in order to ensure the solvency of the advanced college
16 tuition payment account and the Washington college savings program
17 account and ability of the governing body to meet outstanding
18 commitments.

19 NEW SECTION. **Sec. 12.** A new section is added to chapter 28B.95
20 RCW to read as follows:

21 The intent of the Washington college savings program is to make
22 distributions from individual college savings program accounts for
23 beneficiaries' attendance at public or private institutions of higher
24 education. Refunds shall be issued under specific conditions that may
25 include the following:

26 (1) Certification that the beneficiary, who is eighteen years of
27 age or older, will not attend a public or private institution of
28 higher education, will result in a refund not to exceed the current
29 value at the time of such certification minus a penalty at the rate
30 established by the governing body. The refund shall be made no sooner
31 than ninety days after such certification, less any administrative
32 processing fees assessed by the governing body;

33 (2) If there is certification of the death or disability of the
34 beneficiary, the refund shall be equal to one hundred percent of the
35 current value at the time that such certification is submitted to the
36 governing body, less any administrative processing fees assessed by
37 the governing body;

38 (3) If there is certification by the student of graduation or
39 program completion, the refund shall be as great as one hundred

1 percent of the current value at the time that such certification is
2 submitted to the governing body, less any administrative processing
3 fees assessed by the governing body. The governing body may, at its
4 discretion, impose a penalty if needed to comply with federal tax
5 rules;

6 (4) If there is certification of other tuition and fee
7 scholarships that will cover the cost of tuition for the eligible
8 beneficiary, the refund shall be equal to one hundred percent of the
9 current value in effect at the time of the refund request, less any
10 administrative processing fees assessed by the governing body. The
11 refund under this subsection may not exceed the value of the
12 scholarship;

13 (5) Incorrect or misleading information provided by the purchaser
14 or beneficiaries may result in a refund of the purchaser's and
15 contributors' contributions, less any administrative processing fees
16 assessed by the governing body. The value of the refund must not
17 exceed the actual dollar value of the purchaser's or contributors'
18 contributions; and

19 (6) The governing body may determine other circumstances
20 qualifying for refunds of remaining unused participant Washington
21 college savings program account balances and may determine the value
22 of that refund.

23 NEW SECTION. **Sec. 13.** A new section is added to chapter 28B.95
24 RCW to read as follows:

25 With regard to bankruptcy filings and enforcement of judgments
26 under Title 6 RCW, participant Washington college savings program
27 account deposits made more than two years before the date of filing
28 or judgment are considered excluded personal assets.

29 **Sec. 14.** RCW 28B.95.150 and 2012 c 198 s 16 are each amended to
30 read as follows:

31 (1) The committee may establish a college savings program. If
32 such a program is established, the college savings program shall be
33 established, in such form as may be determined by the committee, to
34 be a qualified state tuition program as defined by the internal
35 revenue service under section 529 of the internal revenue code, and
36 shall be administered in a manner consistent with the Washington
37 advanced college tuition payment program. The committee, in planning
38 and devising the program, shall consult with the state investment

1 board, the state treasurer, the state actuary, the legislative fiscal
2 and higher education committees, and the institutions of higher
3 education. The governing body may, at its discretion, consult with a
4 qualified actuarial consulting firm with appropriate expertise to
5 evaluate such plans for periodic assessments of the program.

6 (2) Up to two hundred thousand dollars of administrative fees
7 collected from guaranteed education tuition program participants may
8 be applied as a loan to fund the development and start-up of a
9 college savings program. This loan must be repaid with interest
10 before the conclusion of the biennium following the biennium in which
11 the committee draws funds for this purpose from the advanced college
12 tuition payment program account.

13 (3) The committee, after consultation with the state investment
14 board or other contracted investment manager, shall determine the
15 investment policies for the college savings program. Program
16 contributions may be invested by the state investment board, in which
17 case it and not the committee shall determine the investment policies
18 for the college savings program, or the committee may contract with
19 an investment company licensed to conduct business in this state to
20 do the investing. The committee shall keep or cause to be kept full
21 and adequate accounts and records of the assets of each individual
22 participant in the college savings program.

23 (4)(a) The governing body may elect to have the state investment
24 board serve as investment manager for the funds in the college
25 savings program. If the governing body so elects, the state
26 investment board has the full power to invest, reinvest, manage,
27 contract, sell, or exchange investment money in the college savings
28 program, and to establish investment options for the moneys
29 contributed for beneficiaries in the participant college savings
30 program accounts.

31 (b) All investment and operating costs associated with the
32 investment of money shall be paid under RCW 43.33A.160 and 43.84.160.
33 With the exception of these expenses, the earnings from the
34 investment of the money shall be retained by the individual
35 participant college savings program accounts.

36 (c) All investment decisions made by the state investment board
37 shall be made with the exercise of that degree of judgment and care
38 under RCW 43.33A.140 and the investment policy established by the
39 state investment board.

1 (d) As deemed appropriate by the state investment board, money in
2 the college savings program and individual participant college
3 savings program accounts may be commingled for investment with other
4 funds subject to investment by the state investment board.

5 (e) Members of the state investment board shall not be considered
6 an insurer of the funds or assets and are not liable for any action
7 or inaction.

8 (f) Members of the state investment board are not liable to the
9 state, to the fund, or to any other person as a result of their
10 activities as members, whether ministerial or discretionary, except
11 for willful dishonesty or intentional violations of law. The state
12 investment board in its discretion may purchase liability insurance
13 for members.

14 (g) The authority to establish all policies relating to the
15 college savings program, other than the investment policies as
16 provided in RCW 28B.95.150(3), resides with the committee acting in
17 accordance with the principles set forth in this chapter. With the
18 exception of expenses of the state investment board in RCW
19 28B.95.150(4)(b), disbursements from the college savings program
20 account shall be made only on the authorization of the opportunity
21 scholarship board or its designee, and moneys in the accounts may be
22 spent only for the purposes specified in this chapter.

23 (h) The state investment board shall routinely consult and
24 communicate with the committee on the investment policy, earnings of
25 the accounts, and related needs of the college savings program.

26 (5) The owner has exclusive authority and responsibility to
27 establish and change the asset allocation for an individual
28 participant college savings program account.

29 (6) Neither the state nor any eligible educational institution
30 may be considered or held to be an insurer of the funds or assets of
31 the individual participant accounts in the college savings program
32 created under this section nor may any such entity be held liable for
33 any shortage of funds in the event that balances in the individual
34 participant accounts are insufficient to meet the educational
35 expenses of the institution chosen by the student for which the
36 individual participant account was intended.

37 ~~((+5))~~ (7) The committee shall adopt rules to implement this
38 section. Such rules shall include but not be limited to
39 administration, investment management, recordkeeping, promotion, and
40 marketing; compliance with internal revenue service standards and

1 applicable securities regulations; application procedures and fees;
2 start-up costs; phasing in the savings program and withdrawals
3 therefrom; deterrents to early withdrawals and provisions for
4 hardship withdrawals; and reenrollment in the savings program after
5 withdrawal.

6 ~~((+6+))~~ (8) The committee may, at its discretion, determine to
7 cease operation of the college savings program if it determines the
8 continuation is not in the best interest of the state. The committee
9 shall adopt rules to implement this section addressing the orderly
10 distribution of assets.

11 **Sec. 15.** RCW 28B.95.900 and 1997 c 289 s 11 are each amended to
12 read as follows:

13 This chapter shall not be construed as a promise that any
14 beneficiary shall be granted admission to any institution of higher
15 education, will earn any specific or minimum number of academic
16 credits, or will graduate from any such institution. In addition,
17 this chapter shall not be construed as a promise of either course or
18 program availability.

19 Participation in ~~((this))~~ the advanced college tuition payment
20 program or the Washington college savings program does not guarantee
21 an eligible beneficiary the right to resident tuition and fees. To
22 qualify for resident and respective tuition subsidies, the eligible
23 beneficiary must meet the applicable provisions of RCW 28B.15.011
24 through 28B.15.015.

25 This chapter shall not be construed to imply that the redemption
26 of tuition units in the advanced college tuition payment program
27 shall be equal to any value greater than the undergraduate tuition
28 and services and activities fees at a state institution of higher
29 education as computed under this chapter. Eligible beneficiaries will
30 be responsible for payment of any other fee that does not qualify as
31 a services and activities fee including, but not limited to, any
32 expenses for tuition surcharges, tuition overload fees, laboratory
33 fees, equipment fees, book fees, rental fees, room and board charges,
34 or fines.

35 **Sec. 16.** RCW 43.79A.040 and 2013 c 251 s 5 and 2013 c 88 s 1 are
36 each reenacted and amended to read as follows:

37 (1) Money in the treasurer's trust fund may be deposited,
38 invested, and reinvested by the state treasurer in accordance with

1 RCW 43.84.080 in the same manner and to the same extent as if the
2 money were in the state treasury, and may be commingled with moneys
3 in the state treasury for cash management and cash balance purposes.

4 (2) All income received from investment of the treasurer's trust
5 fund must be set aside in an account in the treasury trust fund to be
6 known as the investment income account.

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

15 (4)(a) Monthly, the state treasurer must distribute the earnings
16 credited to the investment income account to the state general fund
17 except under (b), (c), and (d) of this subsection.

18 (b) The following accounts and funds must receive their
19 proportionate share of earnings based upon each account's or fund's
20 average daily balance for the period: The Washington promise
21 scholarship account, the Washington advanced college tuition payment
22 program account, the Washington college savings plan account, the
23 accessible communities account, the community and technical college
24 innovation account, the agricultural local fund, the American Indian
25 scholarship endowment fund, the foster care scholarship endowment
26 fund, the foster care endowed scholarship trust fund, the contract
27 harvesting revolving account, the Washington state combined fund
28 drive account, the commemorative works account, the county enhanced
29 911 excise tax account, the toll collection account, the
30 developmental disabilities endowment trust fund, the energy account,
31 the fair fund, the family leave insurance account, the food animal
32 veterinarian conditional scholarship account, the fruit and vegetable
33 inspection account, the future teachers conditional scholarship
34 account, the game farm alternative account, the GET ready for math
35 and science scholarship account, the Washington global health
36 technologies and product development account, the grain inspection
37 revolving fund, the industrial insurance rainy day fund, the juvenile
38 accountability incentive account, the law enforcement officers' and
39 firefighters' plan 2 expense fund, the local tourism promotion
40 account, the multiagency permitting team account, the pilotage

1 account, the produce railcar pool account, the regional
2 transportation investment district account, the rural rehabilitation
3 account, the stadium and exhibition center account, the youth
4 athletic facility account, the self-insurance revolving fund, the
5 children's trust fund, the Washington horse racing commission
6 Washington bred owners' bonus fund and breeder awards account, the
7 Washington horse racing commission class C purse fund account, the
8 individual development account program account, the Washington horse
9 racing commission operating account, the life sciences discovery
10 fund, the Washington state heritage center account, the reduced
11 cigarette ignition propensity account, the center for childhood
12 deafness and hearing loss account, the school for the blind account,
13 the Millersylvania park trust fund, the public employees' and
14 retirees' insurance reserve fund, and the radiation perpetual
15 maintenance fund.

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

23 (d) Any state agency that has independent authority over accounts
24 or funds not statutorily required to be held in the custody of the
25 state treasurer that deposits funds into a fund or account in the
26 custody of the state treasurer pursuant to an agreement with the
27 office of the state treasurer shall receive its proportionate share
28 of earnings based upon each account's or fund's average daily balance
29 for the period.

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

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