

SB 5635 - H COMM AMD

By Committee on College & Workforce Development

NOT CONSIDERED 12/23/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 28B.50.271 and 2007 c 277 s 101 are each amended to
4 read as follows:

5 (1) The college board shall develop and implement a workforce
6 education program known as the opportunity grant program to provide
7 financial and other assistance for students enrolled at qualified
8 institutions of higher education in opportunity grant-eligible
9 programs of study as described in RCW 28B.50.273. Students enrolled
10 in the opportunity grant program are eligible for:

11 (a) Funding for tuition and mandatory fees at the public
12 community and technical college rate, prorated if the credit load is
13 less than full time, paid directly to the educational institution;
14 and

15 (b) An additional one thousand dollars per academic year for
16 books, tools, and supplies, prorated if the credit load is less than
17 full time.

18 (2) Funding under subsection (1)(a) and (b) of this section is
19 limited to ~~((a maximum))~~:

20 (a) Forty-five credits or the equivalent in ~~((a))~~ any
21 opportunity grant-eligible program of study, including required
22 related courses, unless the student is pursuing a certificate or
23 degree under (b) of this subsection. No student may receive
24 opportunity grant funding for more than forty-five credits or for
25 more than three years from initial receipt of grant funds in one or a
26 combination of programs, unless the student is pursuing a certificate
27 or degree under (b) of this subsection; or

28 (b) Ninety credits for students in an opportunity grant-eligible
29 program of study, including required related courses, that result in
30 a certificate or degree required for employment in a behavioral
31 health profession. Extended opportunity grant funding is limited to

1 no more than a total of ninety credits or for more than four years
2 from initial receipt of grant funds.

3 (3) Grants awarded under this section are subject to the
4 availability of amounts appropriated for this specific purpose.

5 **Sec. 2.** RCW 28B.145.005 and 2018 c 209 s 5 and 2018 c 114 s 1
6 are each reenacted and amended to read as follows:

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

17 It is the intent of the legislature to provide jobs and
18 opportunity by making Washington the place where the world's most
19 productive companies find the world's most talented people. The
20 legislature intends to accomplish this through the creation of the
21 opportunity scholarship and the opportunity expansion programs to
22 help mitigate the impact of tuition increases, increase the number of
23 professional-technical certificates, professional-technical degrees,
24 ((and)) baccalaureate degrees in high employer demand and other
25 programs ((and)), advanced degrees in health professions ((needed in
26 service obligation areas)), and invest in programs and students to
27 meet market demands for a knowledge-based economy while filling
28 middle-income jobs with a sufficient supply of skilled workers.

29 **Sec. 3.** RCW 28B.145.020 and 2018 c 254 s 2, 2018 c 209 s 7, and
30 2018 c 114 s 3 are each reenacted and amended to read as follows:

31 (1) The opportunity scholarship board is created. The board
32 consists of eleven members:

33 (a) Six members appointed by the governor. For three of the six
34 appointments, the governor shall consider names from a list provided
35 by the president of the senate and the speaker of the house of
36 representatives; and

37 (b) Five foundation or business and industry representatives
38 appointed by the governor from among the state's most productive

1 industries such as aerospace, manufacturing, health care, information
2 technology, engineering, agriculture, and others, as well as
3 philanthropy. The foundation or business and industry representatives
4 shall be selected from among nominations provided by the private
5 sector donors to the opportunity scholarship and opportunity
6 expansion programs. However, the governor may request, and the
7 private sector donors shall provide, an additional list or lists from
8 which the governor shall select these representatives.

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

13 (3) The members of the board shall elect one of the business and
14 industry representatives to serve as chair.

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

22 (5) The board shall be staffed by a program administrator, under
23 contract with the board and the council.

24 (6) The purpose of the board is to provide oversight and guidance
25 for the opportunity expansion (~~([program])~~) program, the opportunity
26 scholarship program(~~(s—[program])~~), and the rural jobs program, in
27 light of established legislative priorities and to fulfill the duties
28 and responsibilities under this chapter, including but not limited to
29 determining eligible education programs and eligible advanced degree
30 programs for purposes of the opportunity scholarship program and
31 rural jobs program. In determining eligible advanced degree programs,
32 the board shall consider advanced degree programs that lead to
33 credentials in health professions that include, but are not limited
34 to, primary care, dental care, behavioral health, and public health.
35 Duties, exercised jointly with the program administrator, include
36 soliciting funds and setting annual fund-raising goals.

37 (7) The board may report to the governor and the appropriate
38 committees of the legislature with recommendations as to:

1 (a) Whether some or all of the scholarships should be changed to
2 conditional scholarships that must be repaid in the event the
3 participant does not complete the eligible education program;

4 (b) A source or sources of funds for the opportunity expansion
5 program in addition to the voluntary contributions of the high-
6 technology research and development tax credit under RCW 82.32.800;
7 and

8 (c) Whether the program should include a loan repayment or low-
9 interest or no-interest loan component for the advanced degree
10 portion of the program.

11 ~~((8) The board shall report to the governor and the appropriate
12 committees of the legislature by December 1st of each biennium,
13 beginning December 1, 2019, on the following:~~

14 ~~(a) A list of the eligible advanced degree programs and service
15 obligation areas;~~

16 ~~(b) The number of participants in eligible advanced degree
17 programs, the number of participants completing their service
18 obligations in a service obligation area, and the number of
19 participants who have completed their service obligation; and~~

20 ~~(c) The number of participants who did not complete their service
21 obligation who now owe a repayment obligation and the reasons why the
22 participants did not complete their service obligations.))~~

23 **Sec. 4.** RCW 28B.145.010 and 2018 c 254 s 9, 2018 c 209 s 6, and
24 2018 c 114 s 2 are each reenacted and amended to read as follows:

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

27 (1) "Board" means the opportunity scholarship board.

28 (2) "Council" means the student achievement council.

29 (3) "Eligible advanced degree program" means a health
30 professional degree program beyond the baccalaureate level and
31 includes graduate and professional degree programs.

32 (4) "Eligible county" has the same meaning as "rural county" as
33 defined in RCW 82.14.370 and also includes any county that shares a
34 common border with Canada and has a population of over one hundred
35 twenty-five thousand.

36 (5) "Eligible education programs" means high employer demand
37 ~~((and other))~~ programs of study as ~~((determined))~~ identified by the
38 board.

1 (6) "Eligible expenses" means reasonable expenses associated with
2 the costs of acquiring an education such as tuition, books,
3 equipment, fees, room and board, and other expenses as determined by
4 the program administrator in consultation with the council and the
5 state board for community and technical colleges.

6 (7) "Eligible school district" means a school district of the
7 second class as identified in RCW 28A.300.065(2).

8 (8) "Eligible student" means a resident student who received his
9 or her high school diploma or high school equivalency certificate as
10 provided in RCW 28B.50.536 in Washington and who:

11 (a) (i) Has been accepted at a four-year institution of higher
12 education into an eligible education program leading to a
13 baccalaureate degree;

14 (ii) Will attend a two-year institution of higher education and
15 intends to transfer to an eligible education program at a four-year
16 institution of higher education;

17 (iii) Has been accepted at an institution of higher education
18 into a professional-technical degree program in an eligible education
19 program; (~~(e)~~)

20 (iv) Has been accepted at an institution of higher education into
21 a professional-technical certificate program in an eligible education
22 program; or

23 (v) Has been accepted at an institution of higher education into
24 an eligible advanced degree program (~~(and has agreed to the service~~
25 ~~obligation established by the board)~~);

26 (b) Declares an intention to obtain a professional-technical
27 certificate, professional-technical degree, (~~(e)~~) baccalaureate
28 degree(~~(f)~~), or an advanced degree; and

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

32 (9) "Gift aid" means financial aid received from the federal Pell
33 grant, the state need grant program in chapter 28B.92 RCW, the
34 college bound scholarship program in chapter 28B.118 RCW, the
35 opportunity grant program in chapter 28B.50 RCW, the opportunity
36 scholarship program in this chapter, or any other state grant,
37 scholarship, or worker retraining program that provides funds for
38 educational purposes with no obligation of repayment. "Gift aid" does
39 not include student loans, work-study programs, the basic food
40 employment and training program administered by the department of

1 social and health services, or other employment assistance programs
2 that provide job readiness opportunities and support beyond the costs
3 of tuition, books, and fees.

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

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

8 (12) "Professional-technical certificate" means a program as
9 approved by the state board for community and technical colleges
10 under RCW 28B.50.090(7)(c), that is offered by an institution of
11 higher education.

12 (13) "Professional-technical degree" means a program as approved
13 by the state board for community and technical colleges under RCW
14 28B.50.090(7)(c), that is offered by an institution of higher
15 education.

16 (14) "Program administrator" means a private nonprofit
17 corporation registered under Title 24 RCW and qualified as a tax-
18 exempt entity under section 501(c)(3) of the federal internal revenue
19 code.

20 (15) "Resident student" has the same meaning as provided in RCW
21 28B.15.012.

22 (16) "Rural jobs program" means the rural county high employer
23 demand jobs program created in this chapter.

24 ~~((17) "Service obligation" means an obligation by the~~
25 ~~participant to be employed in a service obligation area in the state~~
26 ~~for a specific period to be established by the board.~~

27 ~~(18) "Service obligation area" means a location that meets one of~~
28 ~~the following conditions:~~

29 ~~(a) Has been designated by the council as an eligible site under~~
30 ~~the health professional conditional scholarship program established~~
31 ~~under chapter 28B.115 RCW;~~

32 ~~(b) Serves at least forty percent uninsured or medicaid enrolled~~
33 ~~patients;~~

34 ~~(c) Is located in a rural county as defined in RCW 82.14.370 and~~
35 ~~serves a combination of uninsured, medicaid enrolled patients, and~~
36 ~~medicare enrolled patients, equal to at least forty percent of the~~
37 ~~practice location's total patients; or~~

38 ~~(d) Serves a public agency, nonprofit organization, or local~~
39 ~~health jurisdiction as defined in RCW 43.70.575 by providing public~~
40 ~~health services necessary to preserve, protect, and promote the~~

1 ~~health of the state's population, as determined by the board after~~
2 ~~consultation with the department of health.))~~

3 **Sec. 5.** RCW 28B.145.030 and 2018 c 209 s 8, 2018 c 204 s 2, and
4 2018 c 114 s 4 are each reenacted and amended to read as follows:

5 (1) The program administrator shall provide administrative
6 support to execute the duties and responsibilities provided in this
7 chapter, including but not limited to publicizing the program,
8 selecting participants for the opportunity scholarship award,
9 distributing opportunity scholarship awards, and achieving the
10 maximum possible rate of return on investment of the accounts in
11 subsection (2) of this section, while ensuring transparency in the
12 investment decisions and processes. Duties, exercised jointly with
13 the board, include soliciting funds and setting annual fund-raising
14 goals. The program administrator shall be paid an administrative fee
15 as determined by the board.

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

18 (a) Establish and manage (~~three separate~~) the specified
19 accounts created in (b) of this subsection, into which to receive
20 grants and contributions from private sources as well as state
21 matching funds, and from which to disburse scholarship funds to
22 participants;

23 (b) Solicit and accept grants and contributions from private
24 sources, via direct payment, pledge agreement, or escrow account, of
25 private sources for deposit into any of the (~~three~~) specified
26 accounts created in this subsection (2)(b) upon the direction of the
27 donor and in accordance with this subsection (2)(b):

28 (i) The "scholarship account," whose principal may be invaded,
29 and from which scholarships must be disbursed for baccalaureate
30 programs beginning no later than December 1, 2011, if, by that date,
31 state matching funds in the amount of five million dollars or more
32 have been received. Thereafter, scholarships shall be disbursed on an
33 annual basis beginning no later than May 1, 2012, and every October
34 1st thereafter;

35 (ii) The "student support pathways account," whose principal may
36 be invaded, and from which scholarships may be disbursed for
37 professional-technical certificate or degree programs in the fiscal
38 year following appropriations of state matching funds. Thereafter,
39 scholarships shall be disbursed on an annual basis;

1 (iii) The "advanced degrees pathways account," whose principal
2 may be invaded, and from which scholarships may be disbursed for
3 eligible advanced degree programs in the fiscal year following
4 appropriations of state matching funds. Thereafter, scholarships
5 shall be disbursed on an annual basis;

6 (iv) The "endowment account," from which scholarship moneys may
7 be disbursed for baccalaureate programs from earnings only in years
8 when:

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

11 (B) The state appropriations for the state need grant under RCW
12 28B.92.010 meet or exceed state appropriations for the state need
13 grant made in the 2011-2013 biennium, adjusted for inflation, and
14 eligibility for state need grant recipients is at least seventy
15 percent of state median family income;

16 (v) An amount equal to at least fifty percent of all grants and
17 contributions must be deposited into the scholarship account until
18 such time as twenty million dollars have been deposited into the
19 scholarship account, after which time the private donors may
20 designate whether their contributions must be deposited to the
21 scholarship account, the student support pathways account, the
22 advanced degrees pathways account, or the endowment account((s)). The
23 board and the program administrator must work to maximize private
24 sector contributions to ((the scholarship account, the student
25 support pathways account, the advanced degrees pathways account, and
26 the endowment account,)) these accounts to maintain a robust
27 scholarship program while simultaneously building the endowment, and
28 to determine the division between the ((scholarship, the student
29 support pathways, the advanced degrees pathways, and the endowment))
30 accounts in the case of undesignated grants and contributions, taking
31 into account the need for a long-term funding mechanism and the
32 short-term needs of families and students in Washington. The first
33 five million dollars in state match, as provided in RCW 28B.145.040,
34 shall be deposited into the scholarship account and thereafter the
35 state match shall be deposited into the ((three)) specified accounts
36 created in this subsection (2)(b) in equal proportion to the private
37 funds deposited in each account, except that no more than one million
38 dollars in state match shall be deposited into the advanced degrees
39 pathways account in a single fiscal biennium; and

1 (vi) Once moneys in the opportunity scholarship match transfer
2 account are subject to an agreement under RCW 28B.145.050(5) and are
3 deposited in the scholarship account, the student support pathways
4 account, the advanced degrees pathways account, or the endowment
5 account under this section, the state acts in a fiduciary rather than
6 ownership capacity with regard to those assets. Assets in the
7 scholarship account, the student support pathways account, the
8 advanced degrees pathways account, and the endowment account are not
9 considered state money, common cash, or revenue to the state;

10 (c) Provide proof of receipt of grants and contributions from
11 private sources to the council, identifying the amounts received by
12 name of private source and date, and whether the amounts received
13 were deposited into the scholarship account, the student support
14 pathways account, the advanced degrees pathways account, or the
15 endowment account((~~s~~));

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

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

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

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

37 (h) Distribute scholarship funds to selected participants. Once
38 awarded, and to the extent funds are available for distribution, an
39 opportunity scholarship shall be automatically renewed as long as the
40 participant annually submits documentation of filing both a free

1 application for federal student aid (FAFSA) and for available federal
2 education tax credits including, but not limited to, the American
3 opportunity tax credit, or if ineligible to apply for federal student
4 aid, the participant annually submits documentation of filing a state
5 financial aid application as approved by the office of student
6 financial assistance; and until the participant withdraws from or is
7 no longer attending the program, completes the program, or has taken
8 the credit or clock hour equivalent of one hundred twenty-five
9 percent of the published length of time of the participant's program,
10 whichever occurs first; and

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

14 ~~(j) Establish a required service obligation for participants~~
15 ~~enrolled in an eligible advanced degree program, and establish a~~
16 ~~process for verifying a participant's employment in a service~~
17 ~~obligation area; and~~

18 ~~(k) Establish a repayment obligation and appeals process for~~
19 ~~participants who serve less than the required service obligation,~~
20 ~~unless the program administrator determines the circumstances are~~
21 ~~beyond the participant's control. If the participant is unable to pay~~
22 ~~the repayment obligation in full, the participant may enter into~~
23 ~~payment arrangements with the program administrator. The program~~
24 ~~administrator is responsible for the collection of repayment~~
25 ~~obligations on behalf of participants who fail to complete their~~
26 ~~service obligation)).~~

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

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

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

34 **Sec. 6.** RCW 28B.145.040 and 2018 c 209 s 9 and 2018 c 114 s 5
35 are each reenacted and amended to read as follows:

36 (1) The opportunity scholarship program is established.

37 (2) The purpose of this scholarship program is to provide
38 scholarships that will help low and middle-income Washington
39 residents earn professional-technical certificates, professional-

1 technical degrees, or baccalaureate degrees in high employer demand
2 and other programs of study and advanced degrees in health
3 professions (~~(needed in service obligation areas)~~), and encourage
4 them to remain in the state to work. The program must be designed for
5 students starting professional-technical certificate or degree
6 programs, students starting at two-year institutions of higher
7 education and intending to transfer to four-year institutions of
8 higher education, students starting at four-year institutions of
9 higher education, and students enrolled in an eligible advanced
10 degree program.

11 (3) The opportunity scholarship board shall (~~(determine)~~)
12 identify which programs of study(~~(, including but not limited to)~~)
13 are high employer demand programs, (~~(are)~~) eligible for purposes of
14 the opportunity scholarship. For eligible advanced degree programs,
15 the board shall limit scholarships to eligible students enrolling in
16 programs that lead to credentials in health professions (~~(needed in~~
17 ~~service obligation areas)~~).

18 (4) The source of funds for the program shall be a combination of
19 private grants and contributions and state matching funds. A state
20 match may be earned under this section for private contributions made
21 on or after June 6, 2011. A state match, up to a maximum of fifty
22 million dollars annually, shall be provided beginning the later of
23 January 1, 2014, or January 1st next following the end of the fiscal
24 year in which collections of state retail sales and use tax, state
25 business and occupation tax, and state public utility tax exceed, by
26 ten percent the amounts collected from these tax resources in the
27 fiscal year that ended June 30, 2008, as determined by the department
28 of revenue.

29 **Sec. 7.** RCW 28B.145.090 and 2018 c 254 s 3, 2018 c 209 s 10, and
30 2018 c 114 s 6 are each reenacted and amended to read as follows:

31 (1) The board may elect to have the state investment board invest
32 the funds in the scholarship account, the student support pathways
33 account, the advanced degrees pathways account, and the endowment
34 account described under RCW 28B.145.030(2)(b). If the board so
35 elects, the state investment board has the full power to invest,
36 reinvest, manage, contract, sell, or exchange investment money in
37 (~~(the three)~~) these accounts. All investment and operating costs
38 associated with the investment of money shall be paid under RCW
39 43.33A.160 and 43.84.160. With the exception of these expenses, the

1 earnings from the investment of the money shall be retained by the
2 accounts.

3 (2) All investments made by the state investment board shall be
4 made with the exercise of that degree of judgment and care under RCW
5 43.33A.140 and the investment policy established by the state
6 investment board.

7 (3) As deemed appropriate by the state investment board, money in
8 the scholarship account, the student support pathways account, the
9 advanced degrees pathways account, and the endowment account may be
10 commingled for investment with other funds subject to investment by
11 the state investment board.

12 (4) Members of the state investment board shall not be considered
13 an insurer of the funds or assets and are not liable for any action
14 or inaction.

15 (5) Members of the state investment board are not liable to the
16 state, to the fund, or to any other person as a result of their
17 activities as members, whether ministerial or discretionary, except
18 for willful dishonesty or intentional violations of law. The state
19 investment board in its discretion may purchase liability insurance
20 for members.

21 (6) The authority to establish all policies relating to the
22 scholarship account, the student support pathways account, the
23 advanced degrees pathways account, and the endowment account, other
24 than the investment policies as provided in subsections (1) through
25 (3) of this section, resides with the board and program administrator
26 acting in accordance with the principles set forth in this chapter.
27 With the exception of expenses of the state investment board in
28 subsection (1) of this section, disbursements from the scholarship
29 account, the student support pathways account, the advanced degrees
30 pathways account, and the endowment account shall be made only on the
31 authorization of the opportunity scholarship board or its designee,
32 and moneys in the accounts may be spent only for the purposes
33 specified in this chapter.

34 (7) The state investment board shall routinely consult and
35 communicate with the board on the investment policy, earnings of the
36 accounts, and related needs of the program."

37 Correct the title.

EFFECT: (1) Strikes the definition of "behavioral health profession" for the purpose of the Opportunity Grant expansion.

(2) Strikes the service obligation for advanced degrees in health professions under the Washington State Opportunity Scholarship Program.

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