
HOUSE BILL 2578

State of Washington

66th Legislature

2020 Regular Session

By Representatives Dye, Van Werven, and Gildon

Read first time 01/15/20. Referred to Committee on College & Workforce Development.

1 AN ACT Relating to establishing the Washington excels scholarship
2 program; amending RCW 28A.230.090; adding a new section to chapter
3 82.04 RCW; and adding a new chapter to Title 28B RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that Washington
6 has made historic investments in financial aid in recent years and
7 has one of the most generous need-based financial aid programs in the
8 country. However, the legislature also recognizes that the state does
9 not offer any merit-based financial aid for students who excel in
10 academics. In addition, institutional merit-based financial aid
11 provided by public institutions may be more limited than that
12 provided based on financial need or athletic ability. The legislature
13 further recognizes that hardworking, academically bright students
14 from middle class families are often left without grant aid to pursue
15 higher education in Washington. As a result, some of the most
16 academically prepared and bright students may leave the state to
17 attend private institutions across the country with large endowments
18 that can offer more generous financial aid packages. The legislature
19 intends to encourage these students to stay in state by recognizing
20 their academic achievements and their future potential contributions

1 to the state's workforce by providing them with a scholarship to
2 attend a public institution of higher education.

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

6 (1) "Council" means the student achievement council.

7 (2) "Eligible student" means a resident student who completed
8 grades nine through twelve at a Washington public school as defined
9 in RCW 28A.150.010, a Washington private school approved under
10 chapter 28A.195 RCW, or as part of home-based instruction as defined
11 in RCW 28A.200.010.

12 (3) "Foundation" means the Washington excels scholarship
13 foundation.

14 (4) "Full-time" means fifteen quarter credits or the equivalent
15 per term.

16 (5) "Private contributions" means donations from private
17 organizations, corporations, and other nonstate sources.

18 (6) "Program" means the Washington excels scholarship program.

19 (7) "Recipient" means a student who has received a scholarship
20 under the Washington excels scholarship program.

21 NEW SECTION. **Sec. 3.** (1) The Washington excels scholarship
22 program is established to provide scholarships to high performing
23 Washington high school students who excel in academic pursuits
24 beginning with the 2021-22 academic year.

25 (2) To qualify for a Washington excels scholarship upon
26 graduation from high school, an eligible student must meet the
27 following requirements:

28 (a) Have a cumulative high school grade point average of 3.65 or
29 higher;

30 (b) For the 2021-22 academic year, score at least one thousand
31 two hundred fifty on the SAT or twenty-seven on the ACT. For
32 subsequent academic years, the council shall determine appropriate
33 SAT and ACT scores that represent the top two percent of students in
34 Washington;

35 (c) Fill out a federal or state application for financial aid;
36 and

37 (d) Enroll full-time in a community or technical college.

1 (3) (a) A Washington excels scholarship recipient must maintain at
2 least a cumulative grade point average of 3.5 during their first
3 academic year at the community or technical college in order to
4 receive the scholarship for the second year.

5 (b) (i) If the recipient graduates from the community and
6 technical college with a cumulative grade point average of 3.85, the
7 recipient qualifies to continue receiving the Washington excels
8 scholarship at a public four-year institution of higher education; or

9 (ii) If the recipient is enrolled in the honors program at a
10 community or technical college and graduates with a cumulative grade
11 point average of at least 3.65, the recipient qualifies to continue
12 receiving the Washington excels scholarship at a public four-year
13 institution of higher education.

14 (4) A recipient who graduates from a community or technical
15 college and qualifies to receive the scholarship at a public four-
16 year institution of higher education must enroll full-time at the
17 public four-year institution of higher education and maintain a
18 cumulative grade point average of at least 3.3 to continue to receive
19 the scholarship.

20 (5) A recipient shall receive a scholarship with the following
21 value:

22 (a) The cost of tuition fees as defined in RCW 28B.15.020 and
23 services and activities fees as defined in RCW 28B.15.041 for fifteen
24 quarter credit hours or the equivalent, less the value of any state-
25 funded or federal-funded grant, scholarship, or waiver assistance the
26 student receives; and

27 (b) An annual stipend of one thousand dollars, prorated per term.

28 (6) The recipient may receive the scholarship for the estimated
29 length of the recipient's degree program.

30 NEW SECTION. **Sec. 4.** (1) The source of the program funding is a
31 combination of private contributions and state matching funds.

32 (2) The state match must be based on donations and pledges
33 received as of the date each official state caseload forecast is
34 submitted by the caseload forecast council to the legislative fiscal
35 committees, as provided under RCW 43.88C.020. This subsection ensures
36 the predictable treatment of the program in the budget process by
37 clarifying the calculation process of the state match required by
38 this section and ensuring the program is budgeted at maintenance
39 level.

1 (3) A state match, up to a maximum of fifty million dollars
2 annually, shall be provided beginning January 1, 2021.

3 NEW SECTION. **Sec. 5.** (1) The Washington excels scholarship
4 foundation is created. The foundation shall consist of six members
5 appointed by the governor as follows:

6 (a) One member representing the public four-year institutions of
7 higher education;

8 (b) One member representing the community and technical college
9 system;

10 (c) Four members representing foundation interests selected from
11 nominations provided by private sector donors who gave private
12 contributions to the Washington excels scholarship program. However,
13 the governor may request, and the private sector donors shall
14 provide, an additional list of names from which the governor may
15 select these representatives.

16 (2) The foundation members shall hold their offices for a term of
17 four years from the first day of September and until their successors
18 are appointed. No more than the terms of two members may expire
19 simultaneously on the last day of August in any given year.

20 (3) The foundation shall elect one member to serve as chair.

21 (4) Four members of the foundation constitute a quorum for the
22 transaction of business. In case of a vacancy, or when an appointment
23 is made after the date of expiration of the term, the governor shall
24 fill the vacancy for the remainder of the term of the foundation
25 member whose office has become vacant or expired.

26 (5) The council shall staff the foundation.

27 (6) The foundation's purpose is to provide oversight and guidance
28 for the program, including soliciting funds and setting annual fund-
29 raising goals. The foundation shall also promote and market the
30 program and provide oversight of the program's administrative costs
31 by annually approving the Washington excels scholarship program's
32 budget.

33 (7) The foundation is responsible for hosting an annual reception
34 on behalf of the governor to recognize eligible students for their
35 academic achievement. Scholars shall be given a certificate with the
36 Washington state seal and be provided the opportunity to meet the
37 governor, or his or her designee, and be applauded for their
38 commitment to academic excellence.

1 NEW SECTION. **Sec. 6.** The council shall provide administrative
2 support to execute the duties and responsibilities provided in this
3 chapter. The council shall;

4 (1) Publicize and conduct outreach regarding the program to
5 educate students about the Washington excels scholarship program,
6 including providing information for the high school and beyond plan
7 required by the state board of education and the ready set grad web
8 site maintained by the council;

9 (2) Solicit and accept private contributions for the program and
10 maintain records of the private contributions; and

11 (3) Establish and manage the account established in section 7 of
12 this act, into which to receive private contributions as well as
13 state matching funds, and from which to disburse scholarship funds to
14 participants.

15 NEW SECTION. **Sec. 7.** (1) The Washington excels scholarship
16 account is created in the custody of the state treasury as a
17 nonappropriated account to be used solely and exclusively for the
18 Washington excels scholarship program created in section 3 of this
19 act. The purpose of the account is to provide matching funds for the
20 Washington excels scholarship program.

21 (2) Receipts to the account consist of appropriations made by the
22 legislature into the account and any private contributions received
23 by the executive director of the council for the program.

24 (3) Only the executive director of the council or the executive
25 director's designee may authorize expenditures from the Washington
26 excels scholarship account.

27 (4) For private contributions and state match dollars deposited
28 into the account, the state acts in a fiduciary rather than ownership
29 capacity with regard to those assets. Assets in the account are not
30 considered state money, common cash, or revenue to the state.

31 NEW SECTION. **Sec. 8.** (1) The council shall invest the funds in
32 the Washington excels scholarship account with the state investment
33 board. The state investment board has the full power to invest,
34 reinvest, manage, contract, sell, or exchange investment money in the
35 Washington excels scholarship account. All investment and operating
36 costs associated with the investment of money shall be paid under RCW
37 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 account.

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 Washington excels scholarship account may be commingled for
9 investment with other funds subject to investment by the state
10 investment board.

11 (4) Members of the state investment board are not insurers of the
12 funds or assets and are not liable for any action or inaction.

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

19 (6) The authority to establish all policies relating to the
20 Washington excels scholarship account, other than investment policies
21 as provided in subsections (1) through (3) of this section, resides
22 with the foundation and the council acting in accordance with the
23 principles set forth in this chapter.

24 (7) The state investment board shall routinely consult and
25 communicate with the foundation and the council on the investment
26 policy, earnings of the account, and related needs of the program.

27 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.04
28 RCW to read as follows:

29 (1) Subject to the limitations in this section, a company that is
30 taxable under this chapter is allowed a credit against the tax for
31 contributions made by that company to the Washington excels
32 scholarship program.

33 (2) The credit is equal to the total amount of contributions made
34 to the Washington excels scholarship program in a calendar year. The
35 credit may not exceed the amount of the tax due under this chapter.
36 The credit may be used against the tax due on tax returns due after
37 January 31st of the calendar year in which the application was
38 approved and before February 1st of the following calendar year. No
39 refunds may be granted for credits under this section. A company

1 taking an exemption under this subsection must keep and preserve
2 records for the period required by RCW 82.32.070, documenting
3 contributions made to the Washington excels scholarship program.

4 (3) To receive the credit, a company must submit an application
5 to the department. Applications for tax credits under this section
6 must be received by the department between the first day of January
7 and the thirty-first day of January, following the calendar year in
8 which the applicant made contributions to the Washington excels
9 scholarship program. The application must be made to the department
10 in a form and manner prescribed by the department. The application
11 must contain information including the number of contributions made,
12 the contribution amounts, and any other information required by the
13 department.

14 (4) If the Washington excels scholarship foundation returns any
15 qualifying contribution to the company for any reason, the company
16 must file an amended tax return.

17 **Sec. 10.** RCW 28A.230.090 and 2019 c 252 s 103 are each amended
18 to read as follows:

19 (1) The state board of education shall establish high school
20 graduation requirements or equivalencies for students, except as
21 provided in RCW 28A.230.122 and 28A.655.250 and except those
22 equivalencies established by local high schools or school districts
23 under RCW 28A.230.097. The purpose of a high school diploma is to
24 declare that a student is ready for success in postsecondary
25 education, gainful employment, and citizenship, and is equipped with
26 the skills to be a lifelong learner.

27 (a) Any course in Washington state history and government used to
28 fulfill high school graduation requirements shall consider including
29 information on the culture, history, and government of the American
30 Indian peoples who were the first inhabitants of the state.

31 (b) Except as provided otherwise in this subsection, the
32 certificate of academic achievement requirements under RCW
33 28A.655.061 or the certificate of individual achievement requirements
34 under RCW 28A.155.045 are required for graduation from a public high
35 school but are not the only requirements for graduation. The
36 requirement to earn a certificate of academic achievement to qualify
37 for graduation from a public high school concludes with the
38 graduating class of 2019. The obligation of qualifying students to
39 earn a certificate of individual achievement as a prerequisite for

1 graduation from a public high school concludes with the graduating
2 class of 2021.

3 (c) (i) Each student must have a high school and beyond plan to
4 guide the student's high school experience and inform course taking
5 that is aligned with the student's goals for education or training
6 and career after high school.

7 (ii) (A) A high school and beyond plan must be initiated for each
8 student during the seventh or eighth grade. In preparation for
9 initiating that plan, each student must first be administered a
10 career interest and skills inventory.

11 (B) For students with an individualized education program, the
12 high school and beyond plan must be developed in alignment with their
13 individualized education program. The high school and beyond plan
14 must be developed in a similar manner and with similar school
15 personnel as for all other students.

16 (iii) (A) The high school and beyond plan must be updated to
17 reflect high school assessment results in RCW 28A.655.070(3)(b) and
18 to review transcripts, assess progress toward identified goals, and
19 revised as necessary for changing interests, goals, and needs. The
20 plan must identify available interventions and academic support,
21 courses, or both, that are designed for students who are not on track
22 to graduate, to enable them to fulfill high school graduation
23 requirements. Each student's high school and beyond plan must be
24 updated to inform junior year course taking.

25 (B) For students with an individualized education program, the
26 high school and beyond plan must be updated in alignment with their
27 school to postschool transition plan. The high school and beyond plan
28 must be updated in a similar manner and with similar school personnel
29 as for all other students.

30 (iv) School districts are encouraged to involve parents and
31 guardians in the process of developing and updating the high school
32 and beyond plan, and the plan must be provided to the students'
33 parents or guardians in their native language if that language is one
34 of the two most frequently spoken non-English languages of students
35 in the district. Nothing in this subsection (1)(c)(iv) prevents
36 districts from providing high school and beyond plans to parents and
37 guardians in additional languages that are not required by this
38 subsection.

39 (v) All high school and beyond plans must, at a minimum, include
40 the following elements:

1 (A) Identification of career goals, aided by a skills and
2 interest assessment;

3 (B) Identification of educational goals;

4 (C) Identification of dual credit programs and the opportunities
5 they create for students, including eligibility for automatic
6 enrollment in advanced classes under RCW 28A.320.195, career and
7 technical education programs, running start programs, AP courses,
8 international baccalaureate programs, and college in the high school
9 programs;

10 (D) Information about the college bound scholarship program
11 established in chapter 28B.118 RCW and the Washington excels
12 scholarship program established in section 3 of this act;

13 (E) A four-year plan for course taking that:

14 (I) Includes information about options for satisfying state and
15 local graduation requirements;

16 (II) Satisfies state and local graduation requirements;

17 (III) Aligns with the student's secondary and postsecondary
18 goals, which can include education, training, and career;

19 (IV) Identifies course sequences to inform academic acceleration,
20 as described in RCW 28A.320.195 that include dual credit courses or
21 programs and are aligned with the student's goals; and

22 (V) Includes information about the college bound scholarship
23 program;

24 (F) Evidence that the student has received the following
25 information on federal and state financial aid programs that help pay
26 for the costs of a postsecondary program:

27 (I) Information about the documentation necessary for completing
28 the applications; application timeliness and submission deadlines;
29 the importance of submitting applications early; information specific
30 to students who are or have been in foster care; information specific
31 to students who are, or are at risk of being, homeless; information
32 specific to students whose family member or guardians will be
33 required to provide financial and tax information necessary to
34 complete applications; and

35 (II) Opportunities to participate in sessions that assist
36 students and, when necessary, their family members or guardians, fill
37 out financial aid applications; and

38 (G) By the end of the twelfth grade, a current resume or activity
39 log that provides a written compilation of the student's education,
40 any work experience, and any community service and how the school

1 district has recognized the community service pursuant to RCW
2 28A.320.193.

3 (d) Any decision on whether a student has met the state board's
4 high school graduation requirements for a high school and beyond plan
5 shall remain at the local level. Effective with the graduating class
6 of 2015, the state board of education may not establish a requirement
7 for students to complete a culminating project for graduation. A
8 district may establish additional, local requirements for a high
9 school and beyond plan to serve the needs and interests of its
10 students and the purposes of this section.

11 (e)(i) The state board of education shall adopt rules to
12 implement the career and college ready graduation requirement
13 proposal adopted under board resolution on November 10, 2010, and
14 revised on January 9, 2014, to take effect beginning with the
15 graduating class of 2019 or as otherwise provided in this subsection
16 (1)(e). The rules must include authorization for a school district to
17 waive up to two credits for individual students based on a student's
18 circumstances, provided that none of the waived credits are
19 identified as mandatory core credits by the state board of education.
20 School districts must adhere to written policies authorizing the
21 waivers that must be adopted by each board of directors of a school
22 district that grants diplomas. The rules must also provide that the
23 content of the third credit of mathematics and the content of the
24 third credit of science may be chosen by the student based on the
25 student's interests and high school and beyond plan with agreement of
26 the student's parent or guardian or agreement of the school counselor
27 or principal.

28 (ii) School districts may apply to the state board of education
29 for a waiver to implement the career and college ready graduation
30 requirement proposal beginning with the graduating class of 2020 or
31 2021 instead of the graduating class of 2019. In the application, a
32 school district must describe why the waiver is being requested, the
33 specific impediments preventing timely implementation, and efforts
34 that will be taken to achieve implementation with the graduating
35 class proposed under the waiver. The state board of education shall
36 grant a waiver under this subsection (1)(e) to an applying school
37 district at the next subsequent meeting of the board after receiving
38 an application.

39 (iii) A school district must update the high school and beyond
40 plans for each student who has not earned a score of level 3 or level

1 4 on the middle school mathematics assessment identified in RCW
2 28A.655.070 by ninth grade, to ensure that the student takes a
3 mathematics course in both ninth and tenth grades. This course may
4 include career and technical education equivalencies in mathematics
5 adopted pursuant to RCW 28A.230.097.

6 (2)(a) In recognition of the statutory authority of the state
7 board of education to establish and enforce minimum high school
8 graduation requirements, the state board shall periodically
9 reevaluate the graduation requirements and shall report such findings
10 to the legislature in a timely manner as determined by the state
11 board.

12 (b) The state board shall reevaluate the graduation requirements
13 for students enrolled in vocationally intensive and rigorous career
14 and technical education programs, particularly those programs that
15 lead to a certificate or credential that is state or nationally
16 recognized. The purpose of the evaluation is to ensure that students
17 enrolled in these programs have sufficient opportunity to earn a
18 certificate of academic achievement, complete the program and earn
19 the program's certificate or credential, and complete other state and
20 local graduation requirements.

21 (c) The state board shall forward any proposed changes to the
22 high school graduation requirements to the education committees of
23 the legislature for review. The legislature shall have the
24 opportunity to act during a regular legislative session before the
25 changes are adopted through administrative rule by the state board.
26 Changes that have a fiscal impact on school districts, as identified
27 by a fiscal analysis prepared by the office of the superintendent of
28 public instruction, shall take effect only if formally authorized and
29 funded by the legislature through the omnibus appropriations act or
30 other enacted legislation.

31 (3) Pursuant to any requirement for instruction in languages
32 other than English established by the state board of education or a
33 local school district, or both, for purposes of high school
34 graduation, students who receive instruction in American sign
35 language or one or more American Indian languages shall be considered
36 to have satisfied the state or local school district graduation
37 requirement for instruction in one or more languages other than
38 English.

39 (4) Unless requested otherwise by the student and the student's
40 family, a student who has completed high school courses before

1 attending high school shall be given high school credit which shall
2 be applied to fulfilling high school graduation requirements if:

3 (a) The course was taken with high school students, if the
4 academic level of the course exceeds the requirements for seventh and
5 eighth grade classes, and the student has successfully passed by
6 completing the same course requirements and examinations as the high
7 school students enrolled in the class; or

8 (b) The academic level of the course exceeds the requirements for
9 seventh and eighth grade classes and the course would qualify for
10 high school credit, because the course is similar or equivalent to a
11 course offered at a high school in the district as determined by the
12 school district board of directors.

13 (5) Students who have taken and successfully completed high
14 school courses under the circumstances in subsection (4) of this
15 section shall not be required to take an additional competency
16 examination or perform any other additional assignment to receive
17 credit.

18 (6) At the college or university level, five quarter or three
19 semester hours equals one high school credit.

20 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act
21 constitute a new chapter in Title 28B RCW.

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