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HOUSE BILL 1805

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State of Washington

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2022 Regular Session

By Representatives Paul, Boehnke, and Shewmake

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1 AN ACT Relating to the opportunity scholarship program; and  
2 amending RCW 28B.145.010, 28B.145.030, and 28B.145.100.

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

4 **Sec. 1.** RCW 28B.145.010 and 2021 c 133 s 2 are each amended to  
5 read as follows:

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

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

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

10 (3) "Eligible advanced degree program" means a health  
11 professional degree program beyond the baccalaureate level and  
12 includes graduate and professional degree programs.

13 (4) "Eligible county" has the same meaning as "rural county" as  
14 defined in RCW 82.14.370 and also includes any county that shares a  
15 common border with Canada and has a population of over (~~one hundred~~  
16 ~~twenty-five thousand~~) 125,000.

17 (5) "Eligible education programs" means high employer demand and  
18 other programs of study as determined by the board.

19 (6) "Eligible expenses" means reasonable expenses associated with  
20 the costs of acquiring an education such as tuition, books,  
21 equipment, fees, room and board, and other expenses as determined by

1 the program administrator in consultation with the council and the  
2 state board for community and technical colleges.

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

5 (8) (a) "Eligible student" means a resident student who:

6 ~~((a))~~ (i) (A) Received his or her high school diploma or high  
7 school equivalency certificate as provided in RCW 28B.50.536 in  
8 Washington and has been accepted at a four-year institution of higher  
9 education into an eligible education program leading to a  
10 baccalaureate degree;

11 ~~((ii))~~ (B) Received his or her high school diploma or high  
12 school equivalency certificate as provided in RCW 28B.50.536 in  
13 Washington and will attend a two-year institution of higher education  
14 and intends to transfer to an eligible education program at a four-  
15 year institution of higher education;

16 ~~((iii))~~ (C) Received his or her high school diploma or  
17 equivalent and has been accepted at an institution of higher  
18 education into a professional-technical certificate or degree program  
19 in an eligible education program; or

20 ~~((iv))~~ (D) Has been accepted at an institution of higher  
21 education into an eligible advanced degree program that leads to  
22 credentials in health professions;

23 ~~((b))~~ (ii) Declares an intention to obtain a professional-  
24 technical certificate, professional-technical degree, baccalaureate  
25 degree, or an advanced degree; and

26 ~~((e))~~ (iii) Has a family income at or below ~~((one hundred  
27 twenty-five))~~ 125 percent of the state median family income at the  
28 time the student applies for an opportunity scholarship. For the  
29 advanced degree program, state median family income may be greater  
30 than 125 percent if the eligible student can demonstrate financial  
31 need through other factors such as a history of prior household  
32 income, income loss caused by entering the advanced degree program,  
33 level of student debt at application and annually thereafter, or  
34 other factors determined by the program.

35 (b) To remain eligible for scholarship funds under the  
36 opportunity scholarship program the student must meet satisfactory  
37 academic progress toward completion of an eligible program as  
38 determined by the office of student financial assistance in the  
39 Washington college grant program under chapter 28B.92 RCW.

1 (9) "Gift aid" means financial aid received from the federal Pell  
2 grant, the Washington college grant program in chapter 28B.92 RCW,  
3 the college bound scholarship program in chapter 28B.118 RCW, the  
4 opportunity grant program in chapter 28B.50 RCW, or any other state  
5 grant, scholarship, or worker retraining program that provides funds  
6 for educational purposes with no obligation of repayment. "Gift aid"  
7 does not include student loans, work-study programs, the basic food  
8 employment and training program administered by the department of  
9 social and health services, or other employment assistance programs  
10 that provide job readiness opportunities and support beyond the costs  
11 of tuition, books, and fees.

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

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

16 (12) "Private sources," "private funds," "private contributions,"  
17 or "private sector contributions" means donations from private  
18 organizations, corporations, federally recognized Indian tribes,  
19 municipalities, counties, and other sources, but excludes state  
20 dollars.

21 (13) "Professional-technical certificate" means a program as  
22 approved by the state board for community and technical colleges  
23 under RCW 28B.50.090(7)(c), that is offered by an institution of  
24 higher education or an eligible registered apprenticeship program  
25 under chapter 28B.92 RCW.

26 (14) "Professional-technical degree" means a program as approved  
27 by the state board for community and technical colleges under RCW  
28 28B.50.090(7)(c), that is offered by an institution of higher  
29 education or an eligible registered apprenticeship program under  
30 chapter 28B.92 RCW.

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

35 (16) "Resident student" (~~((has the same meaning as provided in RCW~~  
36 ~~28B.15.012))~~) means a student meeting the requirements under RCW  
37 28B.92.200(5)(c) as defined in the Washington college grant program.

38 (17) "Rural jobs program" means the rural county high employer  
39 demand jobs program created in this chapter.

1           **Sec. 2.** RCW 28B.145.030 and 2021 c 170 s 5 are each amended to  
2 read as follows:

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

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

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

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

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

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

37           (iii) The "advanced degrees pathways account," whose principal  
38 may be invaded, and from which scholarships may be disbursed for  
39 eligible advanced degree programs in the fiscal year following

1 appropriations of state matching funds. Thereafter, scholarships  
2 shall be disbursed on an annual basis;

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

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

8 (B) The state appropriations for the Washington college grant  
9 program under chapter 28B.92 RCW meet or exceed state appropriations  
10 for the state need grant made in the 2011-2013 biennium, adjusted for  
11 inflation, and eligibility for Washington college grant recipients is  
12 at least seventy percent of state median family income;

13 (v) An amount equal to at least fifty percent of all grants and  
14 contributions must be deposited into the scholarship account until  
15 such time as twenty million dollars have been deposited into the  
16 scholarship account, after which time the private donors may  
17 designate whether their contributions must be deposited to the  
18 scholarship account, the student support pathways account, the  
19 advanced degrees pathways account, or the endowment account. The  
20 board and the program administrator must work to maximize private  
21 sector contributions to these accounts to maintain a robust  
22 scholarship program while simultaneously building the endowment, and  
23 to determine the division between the accounts in the case of  
24 undesignated grants and contributions, taking into account the need  
25 for a long-term funding mechanism and the short-term needs of  
26 families and students in Washington. The first five million dollars  
27 in state match, as provided in RCW 28B.145.040, shall be deposited  
28 into the scholarship account and thereafter the state match shall be  
29 deposited into the specified accounts created in this subsection  
30 (2)(b) in equal proportion to the private funds deposited in each  
31 account, except that no more than \$5,000,000 in state match shall be  
32 deposited into the advanced degrees pathways account in a single  
33 fiscal biennium; and

34 (vi) Once moneys in the opportunity scholarship match transfer  
35 account are subject to an agreement under RCW 28B.145.050(5) and are  
36 deposited in the scholarship account, the student support pathways  
37 account, the advanced degrees pathways account, or the endowment  
38 account under this section, the state acts in a fiduciary rather than  
39 ownership capacity with regard to those assets. Assets in the  
40 scholarship account, the student support pathways account, the

1 advanced degrees pathways account, and the endowment account are not  
2 considered state money, common cash, or revenue to the state;

3 (c) Provide proof of receipt of grants and contributions from  
4 private sources to the council, identifying the amounts received by  
5 name of private source and date, and whether the amounts received  
6 were deposited into the scholarship account, the student support  
7 pathways account, the advanced degrees pathways account, or the  
8 endowment account;

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

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

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

20 (g) Ensure that if the private source is from a federally  
21 recognized Indian tribe, municipality, or county, an amount at least  
22 equal to the value of the private source plus the state match is  
23 awarded to participants within that federally recognized Indian  
24 tribe, municipality, or county according to the federally recognized  
25 Indian tribe's, municipality's, or county's program rules;

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

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

1 education tax credits including, but not limited to, the American  
2 opportunity tax credit, or if ineligible to apply for federal student  
3 aid, the participant annually submits documentation of filing a state  
4 financial aid application as approved by the office of student  
5 financial assistance; and until the participant withdraws from or is  
6 no longer attending the program, completes the program, or has  
7 (~~taken the credit or clock hour equivalent of one hundred twenty-~~  
8 ~~five percent of the published length of time of the participant's~~  
9 ~~program, whichever occurs first~~) extended beyond five years or 125  
10 percent of the published program length of the program in which the  
11 student is enrolled or the credit or clock-hour equivalent as defined  
12 in the Washington college grant program;

13 (j) Notify institutions of scholarship recipients who will attend  
14 their institutions and inform them of the terms of the students'  
15 eligibility; and

16 (k) For participants enrolled in an eligible advanced degree  
17 program, document each participant's employment following graduation.

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

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

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

25 **Sec. 3.** RCW 28B.145.100 and 2021 c 133 s 3 are each amended to  
26 read as follows:

27 (1)(a) The rural county high employer demand jobs program is  
28 created to meet the workforce needs of business and industry in rural  
29 counties by assisting students in earning certificates, associate  
30 degrees, or other industry-recognized credentials necessary for  
31 employment in high employer demand fields.

32 (b) Subject to the requirements of this section, the rural jobs  
33 program provides selected students scholarship funds and support  
34 services, as determined by the board, to help students meet their  
35 eligible expenses when they enroll in a community or technical  
36 college program that prepares them for high employer demand fields.

37 (c) The source of funds for the rural jobs program shall be a  
38 combination of private donations, grants, and contributions and state  
39 matching funds.

1 (d) The state match must be based on donations and pledges  
2 received as of the date each official state caseload forecast is  
3 submitted by the caseload forecast council to the legislative fiscal  
4 committees as provided under RCW 43.88C.020. The purpose of this  
5 subsection (1)(d) is to ensure the predictable treatment of the  
6 program in the budget process by clarifying the calculation process  
7 of the state match required by this section and to ensure the program  
8 is budgeted at maintenance level.

9 (2) The program administrator has the duties and responsibilities  
10 provided under this section, including but not limited to:

11 (a) Publicize the rural jobs program and conducting outreach to  
12 eligible counties;

13 (b) In consultation with the state board for community and  
14 technical colleges, any interested community or technical college  
15 located in an eligible county, and the county's workforce development  
16 council, identify high employer demand fields within the eligible  
17 counties. When identifying high employer demand fields, the board  
18 must consider:

19 (i) County-specific employer demand reports issued by the  
20 employment security department or the list of statewide high-demand  
21 programs for secondary career and technical education established  
22 under RCW 28A.700.020; and

23 (ii) The ability and capacity of the community and technical  
24 college to meet the needs of qualifying students and industry in the  
25 eligible county;

26 (c) Develop and implement an application, selection, and  
27 notification process for awarding rural jobs program scholarship  
28 funds. In making determinations on scholarship recipients, the board  
29 shall use county-specific employer high-demand data;

30 (d) Determine the annual scholarship fund amounts to be awarded  
31 to selected students;

32 (e) Distribute funds to selected students;

33 (f) Notify institutions of higher education of the rural jobs  
34 program recipients who will attend their institutions of higher  
35 education and inform them of the scholarship fund amounts and terms  
36 of the awards; and

37 (g) Establish and manage an account as provided under RCW  
38 28B.145.110 to receive donations, grants, contributions from private  
39 sources, and state matching funds, and from which to disburse  
40 scholarship funds to selected students.



1 (3) To be eligible for scholarship funds under the rural jobs  
2 program, a student must:

3 (a) ~~((Either:~~

4 ~~(i) Be a resident of an eligible county and be enrolled in a~~  
5 ~~community or technical college established under chapter 28B.50 RCW;~~  
6 ~~or~~

7 ~~(ii) Have attended and graduated from a school in an eligible~~  
8 ~~school district and be enrolled in a community or technical college~~  
9 ~~established under chapter 28B.50 RCW that is located in an eligible~~  
10 ~~county)) Be a resident of an eligible county or have attended and~~  
11 ~~graduated from a school in an eligible school district;~~

12 (b) Be a resident student as defined ~~((in RCW 28B.15.012;~~

13 ~~(e)) in the Washington college grant program in RCW~~  
14 ~~28B.92.200(5)(c);~~

15 (c) Be enrolled in either a community or technical college  
16 established under chapter 28B.50 RCW located in an eligible county or  
17 an eligible registered apprenticeship program under chapter 28B.92  
18 RCW in an eligible county;

19 (d) Be in a certificate, degree, or other industry-recognized  
20 credential or training program that has been identified by the board  
21 as a program that prepares students for a high employer demand field;

22 ~~((d)) (e) Have a family income that does not exceed seventy~~  
23 ~~percent of the state median family income adjusted for family size;~~  
24 and

25 ~~((e)) (f) Demonstrate financial need according to the free~~  
26 ~~application for federal student aid or the Washington application for~~  
27 ~~state financial aid.~~

28 (4) To remain eligible for scholarship funds under the rural jobs  
29 program, the student must ~~((maintain a cumulative grade point average~~  
30 ~~of 2.0)) meet satisfactory academic progress toward completion of an~~  
31 ~~eligible program as established by the program. Rural jobs program~~  
32 ~~eligibility may not extend beyond five years or 125 percent of the~~  
33 ~~published length of the program in which the student is enrolled or~~  
34 ~~the credit or clock-hour equivalent.~~

35 (5) A scholarship award under the rural jobs program may not  
36 result in a reduction of any gift aid. Nothing in this section  
37 creates any right or entitlement.

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