
SUBSTITUTE HOUSE BILL 1289

State of Washington

68th Legislature

2023 Regular Session

By House Postsecondary Education & Workforce (originally sponsored by Representatives Reed, Ybarra, Berry, Ortiz-Self, Riccelli, Paul, Reeves, Leavitt, and Timmons)

READ FIRST TIME 02/02/23.

1 AN ACT Relating to program administration for the Washington
2 state opportunity scholarship program; amending RCW 28B.145.010,
3 28B.145.020, and 28B.145.040; and declaring an emergency.

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

5 **Sec. 1.** RCW 28B.145.010 and 2022 c 211 s 1 are each amended to
6 read as follows:

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

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

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

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

14 (4) "Eligible county" has the same meaning as "rural county" as
15 defined in RCW 82.14.370 and also includes any county that shares a
16 common border with Canada and has a population of over 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 (i)(A) Received his or her high school diploma or high school
7 equivalency certificate as provided in RCW 28B.50.536 in Washington
8 and has been accepted at a four-year institution of higher education
9 into an eligible education program leading to a baccalaureate degree;

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

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

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

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

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

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

38 (9) "Gift aid" means financial aid received from the federal Pell
39 grant, the Washington college grant program in chapter 28B.92 RCW,
40 the college bound scholarship program in chapter 28B.118 RCW, the

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

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

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

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

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

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

28 (15) "Program administrator" means ((a)) one or more private
29 nonprofit corporations registered under Title 24 RCW and qualified as
30 a tax-exempt entity under section 501(c)(3) of the federal internal
31 revenue code.

32 (16) "Resident student" means a student meeting the requirements
33 under RCW 28B.92.200(5)(c) as defined in the Washington college grant
34 program.

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

37 **Sec. 2.** RCW 28B.145.020 and 2019 c 406 s 64 are each amended to
38 read as follows:

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

3 (a) Six members appointed by the governor. For three of the six
4 appointments, the governor shall consider names from a list provided
5 by the president of the senate and the speaker of the house of
6 representatives; and

7 (b) Five foundation or business and industry representatives
8 appointed by the governor from among the state's most productive
9 industries such as aerospace, manufacturing, health care, information
10 technology, engineering, agriculture, and others, as well as
11 philanthropy. The foundation or business and industry representatives
12 shall be selected from among nominations provided by the private
13 sector donors to the opportunity scholarship and opportunity
14 expansion programs. However, the governor may request, and the
15 private sector donors shall provide, an additional list or lists from
16 which the governor shall select these representatives.

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

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

23 (4) Seven members of the board constitute a quorum for the
24 transaction of business. In case of a vacancy, or when an appointment
25 is made after the date of expiration of the term, the governor or the
26 president of the senate or the speaker of the house of
27 representatives, depending upon which made the initial appointment to
28 that position, shall fill the vacancy for the remainder of the term
29 of the board member whose office has become vacant or expired.

30 (5) The board shall be staffed by ((a)) one or more program
31 administrators, under contract with the board and the council. The
32 board may cause one or more tax-exempt nonprofit corporations to be
33 created, organized, and operated exclusively to perform some or all
34 of the program administrator duties under this act. The board and
35 council may contract directly with any such nonprofit corporation.

36 (6) The purpose of the board is to provide oversight and guidance
37 for the opportunity expansion program, the opportunity scholarship
38 program, and the rural jobs program, in light of established
39 legislative priorities and to fulfill the duties and responsibilities
40 under this chapter, including but not limited to determining eligible

1 education programs and eligible advanced degree programs for purposes
2 of the opportunity scholarship program and rural jobs program. In
3 determining eligible advanced degree programs, the board shall
4 consider advanced degree programs that lead to credentials in health
5 professions that include, but are not limited to, primary care,
6 dental care, behavioral health, and public health. Duties, exercised
7 jointly with the program administrator, include soliciting funds and
8 setting annual fund-raising goals.

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

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

14 (b) A source or sources of funds for the opportunity expansion
15 program in addition to the voluntary contributions of the high-
16 technology research and development tax credit under RCW 82.32.800;
17 and

18 (c) Whether the program should include a loan repayment or low-
19 interest or no-interest loan component for the advanced degree
20 portion of the program.

21 **Sec. 3.** RCW 28B.145.040 and 2019 c 406 s 66 are each amended to
22 read as follows:

23 (1) The opportunity scholarship program is established.

24 (2) The purpose of this scholarship program is to provide
25 scholarships that will help low and middle-income Washington
26 residents earn professional-technical certificates, professional-
27 technical degrees, baccalaureate degrees in high employer demand and
28 other programs of study, and advanced degrees in health professions,
29 and encourage them to remain in the state to work. The program must
30 be designed for students starting professional-technical certificate
31 or degree programs, students starting at two-year institutions of
32 higher education and intending to transfer to four-year institutions
33 of higher education, students starting at four-year institutions of
34 higher education, and students enrolled in eligible advanced degree
35 programs.

36 (3) The opportunity scholarship board shall determine which
37 programs of study, including but not limited to high employer demand
38 programs, are eligible for purposes of the opportunity scholarship.
39 For eligible advanced degree programs, the board shall limit

1 scholarships to eligible students enrolling in programs that lead to
2 credentials in health professions.

3 (4) (a) The source of funds for the program shall be a combination
4 of private grants and contributions and state matching funds. A state
5 match may be earned under this section for private contributions made
6 on or after June 6, 2011.

7 (b) The state match must be based on donations and pledges
8 received as of the date each official state caseload forecast is
9 submitted by the caseload forecast council to the legislative fiscal
10 committees, as provided under RCW 43.88C.020. The purpose of this
11 subsection (4) (b) is to ensure the predictable treatment of the
12 program in the budget process by clarifying the calculation process
13 of the state match required by this section and ensuring the program
14 is budgeted at maintenance level.

15 (c) A state match, up to a maximum of fifty million dollars shall
16 be provided annually (~~(, shall be provided beginning the later of~~
17 ~~January 1, 2014, or January 1st next following the end of the fiscal~~
18 ~~year in which collections of state retail sales and use tax, state~~
19 ~~business and occupation tax, and state public utility tax exceed, by~~
20 ~~ten percent the amounts collected from these tax resources in the~~
21 ~~fiscal year that ended June 30, 2008, as determined by the department~~
22 ~~of revenue)~~).

23 NEW SECTION. **Sec. 4.** Section 2 of this act is necessary for the
24 immediate preservation of the public peace, health, or safety, or
25 support of the state government and its existing public institutions,
26 and takes effect immediately.

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