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**SECOND SUBSTITUTE HOUSE BILL 1587**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Bergquist, Rude, Reed, Pollet, Reeves, Zahn, Timmons, Doglio, Salahuddin, and Nance)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to encouraging local government partner promise  
2 scholarship programs within the Washington state opportunity  
3 scholarship program; amending RCW 28B.145.050 and 28B.145.070; adding  
4 new sections to chapter 28B.145 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that  
7 postsecondary credentials are vital for creating and maintaining a  
8 skilled workforce. To increase Washington's skilled workforce, local  
9 governments are encouraged to establish their own local government  
10 partner promise scholarship programs within the Washington state  
11 opportunity scholarship program to further reduce barriers for  
12 students within their jurisdiction. Current barriers may include  
13 scholarship applications, income limits, and degree program  
14 requirements. The purpose of this act is for local governments that  
15 establish local government partner promise scholarship programs to  
16 have minimal administrative duties, making benefits to students  
17 substantial. Therefore, it is the intent of the legislature to  
18 encourage additional local government partner promise scholarship  
19 programs to serve more students with fewer barriers.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.145

2 RCW to read as follows:

3 (1) A local government partner may establish its own promise  
4 scholarship program within the opportunity scholarship program. The  
5 local government partner promise scholarship program shall be  
6 administered by the Washington state opportunity scholarship program.  
7 The program administrator shall assist the local government partner  
8 in the selection, notification, and disbursement of scholarship  
9 awards.

10 (2) To be eligible to participate in a local government partner  
11 promise scholarship program, a student must have received his or her  
12 high school diploma or high school equivalency certificate as  
13 provided in RCW 28B.50.536 in Washington and attend a public two-year  
14 institution of higher education or a professional-technical  
15 certificate or degree program in an education program at an  
16 institution of higher education as defined by the local government  
17 partner. Eligibility may not extend beyond three years or 125 percent  
18 of the published length of the program in which the student is  
19 enrolled or the credit or clock-hour equivalent.

20 (3) A local government partner that establishes a promise  
21 scholarship program may establish separate rules for its program that  
22 are independent from the broader Washington state opportunity  
23 scholarship program.

24 (4) The value of the scholarship award under the local government  
25 partner promise scholarship program is, at minimum, the difference  
26 between the recipient's total tuition fees as defined in RCW  
27 28B.15.020 and services and activities fees as defined in RCW  
28 28B.15.041, less the value of any state-funded grant including the  
29 college bound scholarship program established in chapter 28B.118 RCW  
30 and the Washington college grant created in RCW 28B.92.200,  
31 scholarship, gift aid, or waiver assistance the recipient receives.  
32 The local government partner may provide additional scholarship  
33 awards to cover reasonable expenses associated with the costs of  
34 acquiring an education such as books, equipment, room and board, and  
35 other expenses as determined by the local government partner.

36 (5) The office of student financial assistance and the  
37 institutions of higher education may not consider awards made under a  
38 local government partner's promise scholarship program to be state-  
39 funded for the purpose of determining the value of an award for other  
40 state financial aid programs.

1 (6) If a student participating in a local government partner  
2 promise scholarship program transfers to an institution not eligible  
3 under the local government partner's promise scholarship program  
4 rules, the student must reapply to the broader opportunity  
5 scholarship program and meet all eligibility requirements. A local  
6 government partner may continue to provide funds to the student  
7 through its own promise scholarship program if the local government  
8 partner's program rules allow continued payment. A student may not  
9 receive funds from the broader Washington state opportunity  
10 scholarship program and the local government partner promise  
11 scholarship program at the same time.

12 (7) A participating student's eligibility must be reconfirmed  
13 prior to each disbursement of funds.

14 (8) In consultation with the local government partner, the  
15 administrator's duties include:

16 (a) Implementing a selection and notification process for  
17 awarding local government scholarship funds;

18 (b) Distributing funds to selected students; and

19 (c) Notifying institutions of higher education of the local  
20 government scholarship recipients who will attend their institutions  
21 of higher education and informing the institutions of the scholarship  
22 fund amounts and terms of the awards.

23 (9) Ten percent of the local government partner funds, excluding  
24 state matching funds, may be used for the operational costs listed in  
25 subsection (8) of this section. The local government partner may opt  
26 to have additional programmatic support from the broader Washington  
27 opportunity scholarship program, such as application or marketing  
28 support, for an additional agreed-upon fee.

29 (10) In the event that there are not enough funds to serve all  
30 eligible applicants, priority must be given to applicants to the  
31 broader Washington state opportunity scholarship program over  
32 applicants to a government partner promise scholarship program.

33 (11) For each local government partner promise scholarship  
34 program, state matching funds shall be limited to \$250,000 per fiscal  
35 year.

36 (12) For purposes of this section, "government partner" means  
37 municipalities, counties, or federally recognized Indian tribes.

38 (13) To be eligible for a state match in the 2025-27 biennium, a  
39 local government partner shall submit a pledge amount to the program

1 administrator referencing the local government partner promise  
2 scholarship program by February 1, 2025.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.145  
4 RCW to read as follows:

5 (1) All institutions of higher education that participate in the  
6 opportunity scholarship program, including a local government partner  
7 promise scholarship program pursuant to section 2 of this act, shall  
8 provide timely verification of eligibility information to the program  
9 administrator.

10 (2) Beginning in 2025, the education research and data center  
11 shall provide data on the outcomes of Washington state opportunity  
12 scholarship recipients and graduates by November 1st of each year.

13 **Sec. 4.** RCW 28B.145.050 and 2020 c 357 s 912 are each amended to  
14 read as follows:

15 (1) The opportunity scholarship match transfer account is created  
16 in the custody of the state treasurer as a nonappropriated account to  
17 be used solely and exclusively for the opportunity scholarship  
18 program created in RCW 28B.145.040 and the local government partner  
19 promise programs authorized in section 2 of this act. The purpose of  
20 the account is to provide matching funds for the opportunity  
21 scholarship program and the local government partner promise  
22 programs.

23 (2) Revenues to the account shall consist of appropriations by  
24 the legislature into the account and any gifts, grants, or donations  
25 received by the executive director of the council for this purpose.

26 (3) No expenditures from the account may be made except upon  
27 receipt of proof, by the executive director of the council from the  
28 program administrator, of private contributions to the opportunity  
29 scholarship program. Expenditures, in the form of matching funds, may  
30 not exceed the total amount of private contributions.

31 (4) Only the executive director of the council or the executive  
32 director's designee may authorize expenditures from the opportunity  
33 scholarship match transfer account. Such authorization must be made  
34 as soon as practicable following receipt of proof as required under  
35 subsection (3) of this section.

36 (5) The council shall enter into an appropriate agreement with  
37 the program administrator to demonstrate exchange of consideration  
38 for the matching funds.

1 (6) During the 2019-2021 fiscal biennium, expenditures from the  
2 opportunity scholarship match transfer account may be used for  
3 payment to the program administrator for administrative duties  
4 carried out under this chapter in an amount not to exceed two hundred  
5 fifty thousand dollars per fiscal year.

6 **Sec. 5.** RCW 28B.145.070 and 2018 c 254 s 8 are each amended to  
7 read as follows:

8 (1) Annually each December 1st, the board, together with the  
9 program administrator, shall report to the council, the governor, and  
10 the appropriate committees of the legislature regarding the rural  
11 jobs program (~~and~~), the opportunity scholarship program, and the  
12 opportunity expansion program(~~s~~), including but not limited to:

13 (a) Which education programs the board determined were eligible  
14 for purposes of the opportunity scholarship and which high employer  
15 demand fields within eligible counties were identified for purposes  
16 of the rural jobs program;

17 (b) The number of applicants for the opportunity scholarship and  
18 rural jobs program, disaggregated, to the extent possible, by race,  
19 ethnicity, gender, county of origin, age, and median family income;

20 (c) The number of participants in the opportunity scholarship  
21 program and rural jobs program, disaggregated, to the extent  
22 possible, by race, ethnicity, gender, county of origin, age, and  
23 median family income;

24 (d) The number and amount of the scholarships actually awarded,  
25 whether the scholarships were paid from the student support pathways  
26 account, the scholarship account, or the endowment account, and the  
27 number and amount of scholarships actually awarded under the rural  
28 jobs program;

29 (e) The institutions and eligible education programs in which  
30 opportunity scholarship participants enrolled, together with data  
31 regarding participants' completion and graduation, and the  
32 institutions and programs in which recipients of the rural jobs  
33 program scholarship enrolled, together with recipients' data on  
34 completion and graduation;

35 (f) The total amount of private contributions and state match  
36 moneys received for the rural jobs program and the opportunity  
37 scholarship program, how the funds under the opportunity scholarship  
38 program were distributed between the student support pathways  
39 account, the scholarship account, and the endowment account, the

1 interest or other earnings on all the accounts created under this  
2 chapter, and the amount of any administrative fee paid to the program  
3 administrator; (~~and~~)

4 (g) Identification of the programs the board selected to receive  
5 opportunity expansion awards and the amount of such awards; and

6 (h) For local government partners as defined in section 2 of this  
7 act:

8 (i) The total amount of private contributions and state match  
9 moneys received; and

10 (ii) The total number of students served by each local government  
11 partner.

12 (2) In the next succeeding legislative session following receipt  
13 of a report required under subsection (1) of this section, the  
14 appropriate committees of the legislature shall review the report and  
15 consider whether any legislative action is necessary with respect to  
16 the rural jobs program, the opportunity scholarship program, or the  
17 opportunity expansion program, including but not limited to  
18 consideration of whether any legislative action is necessary with  
19 respect to the nature and level of focus on high employer demand  
20 fields and the number and amount of scholarships.

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