
HOUSE BILL 1123

State of Washington

66th Legislature

2019 Regular Session

By Representatives Pollet and Kilduff

Prefiled 01/11/19.

1 AN ACT Relating to establishing the Washington promise, providing
2 for affordable access to postsecondary education; amending RCW
3 43.88C.010, 28B.92.010, 28B.92.030, 28B.92.060, and 28B.118.005;
4 reenacting and amending RCW 28B.145.030, 28B.145.040, and
5 28B.145.090; adding a new section to chapter 28B.92 RCW; adding a new
6 chapter to Title 28B RCW; repealing RCW 28B.119.005, 28B.119.010,
7 28B.119.020, 28B.119.030, 28B.119.040, 28B.119.050, and 28B.119.900;
8 making an appropriation; providing an effective date; providing an
9 expiration date; and declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** The Washington promise is the state's
12 commitment to provide access to affordable higher education for low-
13 income and moderate-income students. This commitment includes the
14 state's successful college bound scholarship program and the state
15 need grant. The legislature recognizes that these programs help
16 fulfill this promise, but finds that the state can do more to provide
17 affordable access to postsecondary opportunities. Therefore, the
18 legislature intends to expand the Washington promise by strengthening
19 funding for the state need grant and by creating a new Washington
20 promise program.

1 The Washington promise program is established to make the first
2 two years of college affordable and accessible to low-income and
3 moderate-income Washingtonians by offering a tuition waiver for
4 eligible students enrolled in an associate degree or certificate
5 program offered by Washington's community and technical colleges. The
6 program's purpose is to encourage Washington residents who have not
7 yet earned an associate's degree to enroll in and successfully
8 complete an associate's degree or certificate that will lead to
9 better career opportunities and further education. The legislature
10 finds that increasing the number of residents with associate degrees
11 will lead to increased attainment for higher-level degrees as
12 students may transfer to comprehensive or research universities. By
13 making a higher education credential more affordable and accessible,
14 Washington will progress towards the legislature's attainment goal of
15 seventy percent of Washington adults having a postsecondary
16 credential by 2023.

17 The legislature intends to implement the Washington promise
18 program in phases, starting with a pilot and then a free thirteenth
19 year. The legislature recognizes that free thirteenth year programs
20 and promise programs are proven to significantly increase high school
21 graduation rates by ensuring high school graduates know they can
22 attend a community or technical college regardless of their family
23 income. Thus, investment in these programs is an evidence-based means
24 to improve high school graduation rates and to reduce, or even
25 eliminate, opportunity gaps in postsecondary education for students
26 from underrepresented minority groups, for low-income students, for
27 foster youth, and for students with disabilities. The Washington
28 promise program will help fulfill Washington's ultimate promise of
29 affordable and accessible higher education for all.

30 NEW SECTION. **Sec. 2.** The definitions in this section apply
31 throughout this chapter unless the context clearly requires
32 otherwise.

33 (1) "Board" means the state board for community and technical
34 colleges.

35 (2) "Community or technical college" means the community or
36 technical colleges governed under chapter 28B.50 RCW.

37 (3) "Eligible degree or certificate program" means:

38 (a) An associate degree program;

1 (b) Academic programs with credits that can fully transfer via an
2 articulation agreement toward a baccalaureate degree or
3 postbaccalaureate degree at an institution of higher education; or

4 (c) Professional and technical programs that lead to a recognized
5 postsecondary credential.

6 (4) "Gift aid" means financial aid received from the federal Pell
7 grant, the state need grant program under chapter 28B.92 RCW, the
8 college bound scholarship program under chapter 28B.118 RCW, the
9 opportunity grant program under chapter 28B.50 RCW, the opportunity
10 scholarship program under chapter 28B.145 RCW, or any other state
11 grant or scholarship program that provides funds for educational
12 purposes with no obligation of repayment. "Gift aid" does not include
13 student loans and work-study programs.

14 (5) "Office" means the office of student financial assistance.

15 (6) "Program" means the Washington promise program.

16 (7) "Resident student" has the same meaning as in RCW
17 28B.15.012(2) (a) through (e).

18 NEW SECTION. **Sec. 3.** (1) For the 2019-20 academic year, the
19 office, in consultation with the board, shall establish a Washington
20 promise pilot program at up to five cities or counties within the
21 following parameters:

22 (a) The two largest cities in the state;

23 (b) One city or county must be located on the east side of the
24 Cascade mountains; and

25 (c) One or two cities or counties must be located on the west
26 side of the Cascade mountains.

27 (2) The Washington promise pilot program shall provide tuition
28 free access to community and technical colleges within the
29 participating city or county for students who have recently earned a
30 high school diploma or the equivalent. To participate in the pilot
31 program, selected cities and counties must match any state funds they
32 receive to implement the pilot program. The city or county matching
33 funds for the pilot program may be the same contributions the city or
34 county provided to the Washington state opportunity scholarship
35 program for the student support pathways account.

36 NEW SECTION. **Sec. 4.** (1) Subject to the availability of amounts
37 appropriated for this specific purpose, the office shall administer
38 the Washington promise program for resident students seeking an

1 associate's degree or certificate from a community or technical
2 college under the terms and conditions in this section.

3 (2) To be eligible for the program, a resident student who has
4 not previously earned an associate's degree must be enrolled in a
5 community or technical college in an eligible degree or certificate
6 program.

7 (3) Students must complete the free application for federal
8 student aid or the Washington application for state financial aid
9 each academic year in which they seek eligibility for the program.

10 (4) To remain eligible for the program, once a student has earned
11 forty-five credits, the student must maintain a cumulative grade
12 point average of 2.0.

13 (5) For the 2020-21 academic year, eligible students shall
14 receive an award for a free thirteenth year, or three academic
15 quarters, if they meet the following requirements:

16 (a) Have graduated high school within the past six calendar
17 months before enrolling in a community or technical college; and

18 (b) Have a family income that does not exceed seventy percent of
19 the state median family income, adjusted for family size.

20 (6) For the 2021-22 academic year, eligible students shall
21 receive an award for six academic quarters if they meet the following
22 requirements:

23 (a) Have obtained a high school diploma or its equivalent within
24 the past six calendar months before enrolling in a community or
25 technical college; and

26 (b) Have a family income that does not exceed seventy percent of
27 the state median family income, adjusted for family size.

28 (7) For the 2022-23 and 2023-24 academic years, eligible students
29 shall receive an award for six academic quarters if they meet the
30 following requirements:

31 (a) Have obtained a high school diploma or its equivalent within
32 the past sixteen calendar months before enrolling in a community or
33 technical college; and

34 (b) Have a family income that does not exceed the state median
35 family income, adjusted for family size.

36 (8) Beginning with the 2024-25 academic year, eligible students
37 shall receive an award for six academic quarters if they meet the
38 following requirements:

39 (a) Have obtained a high school diploma or its equivalent; and

1 (b) Have a family income that does not exceed the state median
2 family income, adjusted for family size.

3 (9) (a) The office shall award grants to eligible students for an
4 amount up to the cost of tuition fees as defined in RCW 28B.15.020,
5 and services and activities fees as defined in RCW 28B.15.041, less
6 all other gift aid. The student shall also receive a cost of
7 attendance stipend if the student meets the criteria in (b) of this
8 subsection. The calculation in this subsection (9) (a) shall not
9 result in a reduction of gift aid.

10 (b) Eligible students with a family income that does not exceed
11 seventy percent of the state median family income, adjusted for
12 family size, shall receive an annual stipend of five hundred dollars
13 for books and other related higher education expenses. If a student
14 eligible for the stipend under this subsection (9) (b) is enrolled
15 less than full time, the student must receive a prorated stipend
16 based on the number of credits in which the student is enrolled.

17 (10) The office shall advertise and market the Washington promise
18 program, state need grant program, and college bound scholarship
19 program as the Washington promise to ensure that Washington students
20 and residents understand that there is an affordable, easily
21 accessible path to higher education.

22 NEW SECTION. **Sec. 5.** The board shall develop a plan to provide
23 all program students who are enrolled at a community or technical
24 college with a quarter-long student success course, during or before
25 their first enrollment period, that teaches essential skills for
26 college success. Essential skills may include tips for study habits
27 and time management, financial aid information and resources,
28 connecting students with advisors, encouraging student mentoring,
29 helping establish student cohorts, and providing information about
30 services available on campus. The plan must address how the board
31 will ensure that students receiving a Washington promise program
32 grant are enrolled in a quarter-long student success course during or
33 before their first quarter of eligibility. The board shall provide
34 the plan to the relevant committees of the legislature by December 1,
35 2019, and begin implementation of the plan for the 2020-21 academic
36 year.

37 NEW SECTION. **Sec. 6.** (1) The office, in collaboration with the
38 state board for community and technical colleges, shall conduct a

1 study on the effectiveness of the Washington promise program
2 including, but not limited to: Any increase in enrollments in
3 community or technical colleges; any decreases in enrollments
4 elsewhere in institutions of higher education; and changes in student
5 persistence, completion, and time-to-degree rates in eligible degree
6 and certificate programs. The study shall include an analysis on the
7 demand for student services, such as advising and student success
8 courses, recommendations to improve student services and outcomes,
9 and the financial impact of the program on Washington promise
10 students. The office shall report its findings to the relevant
11 committees of the legislature by December 1, 2024.

12 (2) This section expires December 1, 2025.

13 NEW SECTION. **Sec. 7.** The caseload forecast council shall
14 estimate the anticipated caseload of the program and submit this
15 forecast as required under RCW 43.88C.020.

16 NEW SECTION. **Sec. 8.** The office may adopt rules to implement
17 this chapter.

18 NEW SECTION. **Sec. 9.** This chapter may be known and cited as the
19 Washington promise program.

20 **Sec. 10.** RCW 43.88C.010 and 2018 c 208 s 4 are each amended to
21 read as follows:

22 (1) The caseload forecast council is hereby created. The council
23 shall consist of two individuals appointed by the governor and four
24 individuals, one of whom is appointed by the chairperson of each of
25 the two largest political caucuses in the senate and house of
26 representatives. The chair of the council shall be selected from
27 among the four caucus appointees. The council may select such other
28 officers as the members deem necessary.

29 (2) The council shall employ a caseload forecast supervisor to
30 supervise the preparation of all caseload forecasts. As used in this
31 chapter, "supervisor" means the caseload forecast supervisor.

32 (3) Approval by an affirmative vote of at least five members of
33 the council is required for any decisions regarding employment of the
34 supervisor. Employment of the supervisor shall terminate after each
35 term of three years. At the end of the first year of each three-year
36 term the council shall consider extension of the supervisor's term by

1 one year. The council may fix the compensation of the supervisor. The
2 supervisor shall employ staff sufficient to accomplish the purposes
3 of this section.

4 (4) The caseload forecast council shall oversee the preparation
5 of and approve, by an affirmative vote of at least four members, the
6 official state caseload forecasts prepared under RCW 43.88C.020. If
7 the council is unable to approve a forecast before a date required in
8 RCW 43.88C.020, the supervisor shall submit the forecast without
9 approval and the forecast shall have the same effect as if approved
10 by the council.

11 (5) A councilmember who does not cast an affirmative vote for
12 approval of the official caseload forecast may request, and the
13 supervisor shall provide, an alternative forecast based on
14 assumptions specified by the member.

15 (6) Members of the caseload forecast council shall serve without
16 additional compensation but shall be reimbursed for travel expenses
17 in accordance with RCW 44.04.120 while attending sessions of the
18 council or on official business authorized by the council.
19 Nonlegislative members of the council shall be reimbursed for travel
20 expenses in accordance with RCW 43.03.050 and 43.03.060.

21 (7) "Caseload," as used in this chapter, means:

22 (a) The number of persons expected to meet entitlement
23 requirements and require the services of public assistance programs,
24 state correctional institutions, state correctional noninstitutional
25 supervision, state institutions for juvenile offenders, the common
26 school system, long-term care, medical assistance, foster care, and
27 adoption support;

28 (b) The number of students who are eligible for the Washington
29 college bound scholarship program and are expected to attend an
30 institution of higher education as defined in RCW 28B.92.030;

31 (c) The number of students who are eligible for the Washington
32 promise program and are expected to attend a community or technical
33 college as defined in section 2 of this act;

34 (d) The number of students who are eligible for the state need
35 grant under RCW 28B.92.060 and are expected to attend an institution
36 of higher education as defined in RCW 28B.10.016, an independent
37 four-year institution of higher education, or a private vocational
38 institution; and

1 (e) The number of children who are eligible, as defined in RCW
2 43.216.505, to participate in, and the number of children actually
3 served by, the early childhood education and assistance program.

4 (8) The caseload forecast council shall forecast the temporary
5 assistance for needy families and the working connections child care
6 programs as a courtesy.

7 (9) The caseload forecast council shall forecast youth
8 participating in the extended foster care program pursuant to RCW
9 74.13.031 separately from other children who are residing in foster
10 care and who are under eighteen years of age.

11 (10) The caseload forecast council shall forecast the number of
12 youth expected to receive behavioral rehabilitation services while
13 involved in the foster care system and the number of screened in
14 reports of child abuse or neglect.

15 (11) Unless the context clearly requires otherwise, the
16 definitions provided in RCW 43.88.020 apply to this chapter.

17 **Sec. 11.** RCW 28B.92.010 and 2014 c 1 s 1 are each amended to
18 read as follows:

19 The purposes of this chapter are to establish the principles upon
20 which the state financial aid programs will be based and to establish
21 the state of Washington state need grant program as part of the
22 Washington promise, thus assisting financially needy or disadvantaged
23 students domiciled in Washington to obtain the opportunity of
24 attending an accredited institution of higher education. State need
25 grants under this chapter are available only to students who are
26 resident students as defined in RCW 28B.15.012(2) (a) through (e) or
27 any person who has completed the full senior year of high school and
28 obtained a high school diploma, either at a Washington public high
29 school or private high school approved under chapter 28A.195 RCW, or
30 a person who has received the equivalent of a diploma; who has lived
31 in Washington state for at least three years immediately before
32 receiving the diploma or its equivalent; who has continuously lived
33 in the state of Washington after receiving the diploma or its
34 equivalent and until such time as the individual is admitted to an
35 eligible institution of higher education and has been granted
36 deferred action for childhood arrival status pursuant to the rules
37 and regulations adopted by the United States citizenship and
38 immigration services.

1 **Sec. 12.** RCW 28B.92.030 and 2013 c 248 s 2 are each amended to
2 read as follows:

3 As used in this chapter:

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

5 (2) "Disadvantaged student" means a posthigh school student who
6 by reason of adverse cultural, educational, environmental,
7 experiential, familial or other circumstances is unable to qualify
8 for enrollment as a full-time student in an institution of higher
9 education, who would otherwise qualify as a needy student, and who is
10 attending an institution of higher education under an established
11 program designed to qualify the student for enrollment as a full-time
12 student.

13 (3) "Financial aid" means loans and/or grants to needy students
14 enrolled or accepted for enrollment as a student at institutions of
15 higher education.

16 (4) "Former foster youth" means a person who is at least eighteen
17 years of age, but not more than twenty-four years of age, who was a
18 dependent of the department of children, youth, and families at the
19 time he or she attained the age of eighteen.

20 (5) "Homeless youth" means a person who was verified on or after
21 July 1st of the prior academic year as an unaccompanied youth
22 experiencing homelessness, before age twenty-one.

23 (6) "Institution" or "institutions of higher education" means:

24 (a) Any public university, college, community college, or
25 technical college operated by the state of Washington or any
26 political subdivision thereof; or

27 (b) Any other university, college, school, or institute in the
28 state of Washington offering instruction beyond the high school level
29 that is a member institution of an accrediting association recognized
30 by rule of the council for the purposes of this section and that
31 agrees to and complies with program rules adopted pursuant to RCW
32 28B.92.150. However, any institution, branch, extension or facility
33 operating within the state of Washington that is affiliated with an
34 institution operating in another state must be:

35 (i) A separately accredited member institution of any such
36 accrediting association;

37 (ii) A branch of a member institution of an accrediting
38 association recognized by rule of the council for purposes of this
39 section, that is eligible for federal student financial aid
40 assistance and has operated as a nonprofit college or university

1 delivering on-site classroom instruction for a minimum of twenty
2 consecutive years within the state of Washington, and has an annual
3 enrollment of at least seven hundred full-time equivalent students;
4 or

5 (iii) A nonprofit institution recognized by the state of
6 Washington as provided in RCW 28B.77.240.

7 ~~((+5))~~ (7) "Maximum state need grant award" means the following:

8 (a) For a student attending a four-year institution of higher
9 education, the award shall be equal to tuition fees as defined in RCW
10 28B.15.020 and services and activities fees as defined in RCW
11 28B.15.041, but not to exceed tuition fees and services and
12 activities fees at the highest priced public institution of higher
13 education in the state; or

14 (b) For a student attending a two-year institution of higher
15 education, the award shall be equal to tuition fees as defined in RCW
16 28B.15.020 and services and activities fees as defined in RCW
17 28B.15.041, but not to exceed tuition fees and services and
18 activities fees at the state's community and technical colleges.

19 (8) "Needy student" means a posthigh school student of an
20 institution of higher education who demonstrates to the office the
21 financial inability, either through the student's parents, family
22 and/or personally, to meet the total cost of board, room, books, and
23 tuition and incidental fees for any semester or quarter. "Needy
24 student" also means an opportunity internship graduate as defined by
25 RCW 28C.18.162 who enrolls in a postsecondary program of study as
26 defined in RCW 28C.18.162 within one year of high school graduation.

27 ~~((+6))~~ (9) "Office" means the office of student financial
28 assistance.

29 ~~((+7))~~ (10) "Placebound student" means a student who (a) is
30 unable to complete a college program because of family or employment
31 commitments, health concerns, monetary inability, or other similar
32 factors; and (b) may be influenced by the receipt of an enhanced
33 student financial aid award to complete a baccalaureate degree at an
34 eligible institution.

35 **Sec. 13.** RCW 28B.92.060 and 2012 c 229 s 558 are each amended to
36 read as follows:

37 ~~((In awarding need grants))~~ (1) The office shall award the
38 maximum state need grant award to students whose median family income
39 is at or below the following thresholds:

1 (a) For the 2019-20 and 2020-21 academic years, sixty percent of
2 the state median family income, adjusted for family size;

3 (b) For the 2021-22 and 2022-23 academic years, seventy percent
4 of the state median family income, adjusted for family size; and

5 (c) Beginning with the 2023-24 academic year, one hundred percent
6 of the state median family income, adjusted for family size.

7 (2) Until the 2023-24 academic year, if a student has a median
8 family income above the thresholds outlined in subsection (1)(a) and
9 (b) of this section, the office shall proceed substantially as

10 follows: PROVIDED, That nothing contained herein shall be construed
11 to prevent the office, in the exercise of its sound discretion, from
12 following another procedure when the best interest of the program so
13 dictates: ~~((1))~~ The office shall ~~((annually select the))~~ prioritize
14 financial aid awards ~~((recipients from among Washington residents~~
15 ~~applying for student financial aid who have been ranked according~~
16 ~~to))~~ in the following way:

17 (a) Financial need as determined by the amount of the family
18 contribution; and

19 (b) Other considerations, such as whether the student is a former
20 foster or homeless youth, or is a placebound student who has
21 completed an associate of arts or associate of science degree or its
22 equivalent.

23 ~~((2))~~ (3) The financial need of the highest ranked students
24 shall be met by grants depending upon the evaluation of financial
25 need until the total allocation has been disbursed. Funds from grants
26 which are declined, forfeited or otherwise unused shall be reawarded
27 until disbursed, except that eligible former foster youth shall be
28 assured receipt of a grant. The office, in consultation with four-
29 year institutions of higher education, the council, and the state
30 board for community and technical colleges, shall develop award
31 criteria and methods of disbursement based on level of need, and not
32 solely rely on a first-come, first-served basis.

33 ~~((3))~~ (4) A student shall be eligible to receive a state need
34 grant for up to five years, or the credit or clock hour equivalent of
35 five years, or up to one hundred twenty-five percent of the published
36 length of time of the student's program. A student may not start a
37 new associate degree program as a state need grant recipient until at
38 least five years have elapsed since earning an associate degree as a
39 need grant recipient, except that a student may earn two associate
40 degrees concurrently. Qualifications for renewal will include

1 maintaining satisfactory academic progress toward completion of an
2 eligible program as determined by the office. Should the recipient
3 terminate his or her enrollment for any reason during the academic
4 year, the unused portion of the grant shall be returned to the state
5 educational grant fund by the institution according to the
6 institution's own policy for issuing refunds, except as provided in
7 RCW 28B.92.070.

8 ~~((4))~~ (5) In computing financial need, the office shall
9 determine a maximum student expense budget allowance, not to exceed
10 an amount equal to the total maximum student expense budget at the
11 public institutions plus the current average state appropriation per
12 student for operating expense in the public institutions. Any child
13 support payments received by students who are parents attending less
14 than half-time shall not be used in computing financial need.

15 ~~((5))~~ (6)(a) A student who is enrolled in three to six credit-
16 bearing quarter credits, or the equivalent semester credits, may
17 receive a grant for up to one academic year before beginning a
18 program that leads to a degree or certificate.

19 (b) An eligible student enrolled on a less-than-full-time basis
20 shall receive a prorated portion of his or her state need grant for
21 any academic period in which he or she is enrolled on a less-than-
22 full-time basis, as long as funds are available.

23 (c) An institution of higher education may award a state need
24 grant to an eligible student enrolled in three to six credit-bearing
25 quarter credits, or the semester equivalent, on a provisional basis
26 if:

27 (i) The student has not previously received a state need grant
28 from that institution;

29 (ii) The student completes the required free application for
30 federal student aid;

31 (iii) The institution has reviewed the student's financial
32 condition, and the financial condition of the student's family if the
33 student is a dependent student, and has determined that the student
34 is likely eligible for a state need grant; and

35 (iv) The student has signed a document attesting to the fact that
36 the financial information provided on the free application for
37 federal student aid and any additional financial information provided
38 directly to the institution is accurate and complete, and that the
39 student agrees to repay the institution for the grant amount if the
40 student submitted false or incomplete information.

1 (~~(6) As used in this section, "former foster youth" means a~~
2 ~~person who is at least eighteen years of age, but not more than~~
3 ~~twenty-four years of age, who was a dependent of the department of~~
4 ~~social and health services at the time he or she attained the age of~~
5 ~~eighteen.~~)

6 **Sec. 14.** RCW 28B.118.005 and 2007 c 405 s 1 are each amended to
7 read as follows:

8 The legislature intends to inspire and encourage all Washington
9 students to dream big by creating a guaranteed four-year tuition
10 scholarship program for students from low-income families as part of
11 the Washington promise. The legislature finds that, too often,
12 financial barriers prevent many of the brightest students from
13 considering college as a future possibility. Often the cost of
14 tuition coupled with the complexity of finding and applying for
15 financial aid is enough to prevent a student from even applying to
16 college. Many students become disconnected from the education system
17 early on and may give up or drop out before graduation. It is the
18 intent of the legislature to alert students early in their
19 educational career to the options and opportunities available beyond
20 high school.

21 **Sec. 15.** RCW 28B.145.030 and 2018 c 209 s 8, 2018 c 204 s 2, and
22 2018 c 114 s 4 are each reenacted and amended to read as follows:

23 (1) The program administrator shall provide administrative
24 support to execute the duties and responsibilities provided in this
25 chapter, including but not limited to publicizing the program,
26 selecting participants for the opportunity scholarship award,
27 distributing opportunity scholarship awards, and achieving the
28 maximum possible rate of return on investment of the accounts in
29 subsection (2) of this section, while ensuring transparency in the
30 investment decisions and processes. Duties, exercised jointly with
31 the board, include soliciting funds and setting annual fund-raising
32 goals. The program administrator shall be paid an administrative fee
33 as determined by the board.

34 (2) With respect to the opportunity scholarship program, the
35 program administrator shall:

36 (a) Establish and manage (~~three separate~~) the specified
37 accounts created in (b) of this subsection, into which to receive
38 grants and contributions from private sources as well as state

1 matching funds, and from which to disburse scholarship funds to
2 participants;

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

8 (i) The "scholarship account," whose principal may be invaded,
9 and from which scholarships must be disbursed for baccalaureate
10 programs beginning no later than December 1, 2011, if, by that date,
11 state matching funds in the amount of five million dollars or more
12 have been received. Thereafter, scholarships shall be disbursed on an
13 annual basis beginning no later than May 1, 2012, and every October
14 1st thereafter;

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

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

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

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

30 (B) The state appropriations for the state need grant under RCW
31 28B.92.010 meet or exceed state appropriations for the state need
32 grant made in the 2011-2013 biennium, adjusted for inflation, and
33 eligibility for state need grant recipients is at least seventy
34 percent of state median family income;

35 (v) An amount equal to at least fifty percent of all grants and
36 contributions must be deposited into the scholarship account until
37 such time as twenty million dollars have been deposited into the
38 scholarship account, after which time the private donors may
39 designate whether their contributions must be deposited to the
40 scholarship account, the student support pathways account, the

1 advanced degrees pathways account, or the endowment account((~~s~~)). The
2 board and the program administrator must work to maximize private
3 sector contributions to (~~the scholarship account, the student~~
4 ~~support pathways account, the advanced degrees pathways account, and~~
5 ~~the endowment account,~~) these accounts to maintain a robust
6 scholarship program while simultaneously building the endowment, and
7 to determine the division between the (~~scholarship, the student~~
8 ~~support pathways, the advanced degrees pathways, and the endowment~~)
9 accounts in the case of undesignated grants and contributions, taking
10 into account the need for a long-term funding mechanism and the
11 short-term needs of families and students in Washington. The first
12 five million dollars in state match, as provided in RCW 28B.145.040,
13 shall be deposited into the scholarship account and thereafter the
14 state match shall be deposited into the (~~three~~) specified accounts
15 created in this subsection (2)(b) in equal proportion to the private
16 funds deposited in each account, except that no more than one million
17 dollars in state match shall be deposited into the advanced degrees
18 pathways account in a single fiscal biennium; and

19 (vi) Once moneys in the opportunity scholarship match transfer
20 account are subject to an agreement under RCW 28B.145.050(5) and are
21 deposited in the scholarship account, the student support pathways
22 account, the advanced degrees pathways account, or the endowment
23 account under this section, the state acts in a fiduciary rather than
24 ownership capacity with regard to those assets. Assets in the
25 scholarship account, the student support pathways account, the
26 advanced degrees pathways account, and the endowment account are not
27 considered state money, common cash, or revenue to the state;

28 (c) Provide proof of receipt of grants and contributions from
29 private sources to the council, identifying the amounts received by
30 name of private source and date, and whether the amounts received
31 were deposited into the scholarship account, the student support
32 pathways account, the advanced degrees pathways account, or the
33 endowment account((~~s~~));

34 (d) In consultation with the council and the state board for
35 community and technical colleges, make an assessment of the
36 reasonable annual eligible expenses associated with eligible
37 education programs and eligible advanced degree programs identified
38 by the board;

39 (e) Determine the dollar difference between tuition fees charged
40 by institutions of higher education in the 2008-09 academic year and

1 the academic year for which an opportunity scholarship is being
2 distributed;

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

5 (g) Determine the annual amount of the opportunity scholarship
6 for each selected participant. The annual amount shall be at least
7 one thousand dollars or the amount determined under (e) of this
8 subsection, but may be increased on an income-based, sliding scale
9 basis up to the amount necessary to cover all reasonable annual
10 eligible expenses as assessed pursuant to (d) of this subsection, or
11 to encourage participation in professional-technical certificate
12 programs, professional-technical degree programs, ((~~or~~))
13 baccalaureate degree programs, or eligible advanced degree programs
14 identified by the board;

15 (h) Distribute scholarship funds to selected participants. Once
16 awarded, and to the extent funds are available for distribution, an
17 opportunity scholarship shall be automatically renewed as long as the
18 participant annually submits documentation of filing both a free
19 application for federal student aid (FAFSA) and for available federal
20 education tax credits including, but not limited to, the American
21 opportunity tax credit, or if ineligible to apply for federal student
22 aid, the participant annually submits documentation of filing a state
23 financial aid application as approved by the office of student
24 financial assistance; and until the participant withdraws from or is
25 no longer attending the program, completes the program, or has taken
26 the credit or clock hour equivalent of one hundred twenty-five
27 percent of the published length of time of the participant's program,
28 whichever occurs first;

29 (i) Notify institutions of scholarship recipients who will attend
30 their institutions and inform them of the terms of the students'
31 eligibility;

32 (j) Establish a required service obligation for participants
33 enrolled in an eligible advanced degree program, and establish a
34 process for verifying a participant's employment in a service
35 obligation area; and

36 (k) Establish a repayment obligation and appeals process for
37 participants who serve less than the required service obligation,
38 unless the program administrator determines the circumstances are
39 beyond the participant's control. If the participant is unable to pay
40 the repayment obligation in full, the participant may enter into

1 payment arrangements with the program administrator. The program
2 administrator is responsible for the collection of repayment
3 obligations on behalf of participants who fail to complete their
4 service obligation.

5 (3) With respect to the opportunity expansion program, the
6 program administrator shall:

7 (a) Assist the board in developing and implementing an
8 application, selection, and notification process for making
9 opportunity expansion awards; and

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

12 **Sec. 16.** RCW 28B.145.040 and 2018 c 209 s 9 and 2018 c 114 s 5
13 are each reenacted and amended to read as follows:

14 (1) The opportunity scholarship program is established.

15 (2) The purpose of this scholarship program is to provide
16 scholarships that will help low and middle-income Washington
17 residents earn professional-technical certificates, professional-
18 technical degrees, or baccalaureate degrees in high employer demand
19 and other programs of study and advanced degrees in health
20 professions needed in service obligation areas, and encourage them to
21 remain in the state to work. The program must be designed for
22 students starting professional-technical certificate or degree
23 programs, students starting at two-year institutions of higher
24 education and intending to transfer to four-year institutions of
25 higher education, students starting at four-year institutions of
26 higher education, and students enrolled in an eligible advanced
27 degree program.

28 (3) The opportunity scholarship board shall determine which
29 programs of study, including but not limited to high employer demand
30 programs, are eligible for purposes of the opportunity scholarship.
31 For eligible advanced degree programs, the board shall limit
32 scholarships to eligible students enrolling in programs that lead to
33 credentials in health professions needed in service obligation areas.

34 (4) (a) The source of funds for the program shall be a combination
35 of private grants and contributions and state matching funds. A state
36 match may be earned under this section for private contributions made
37 on or after June 6, 2011. A state match, up to a maximum of fifty
38 million dollars annually, shall be provided beginning the later of
39 January 1, 2014, or January 1st next following the end of the fiscal

1 year in which collections of state retail sales and use tax, state
2 business and occupation tax, and state public utility tax exceed, by
3 ten percent the amounts collected from these tax resources in the
4 fiscal year that ended June 30, 2008, as determined by the department
5 of revenue.

6 (b) For the purposes of the student support pathways account,
7 contributions collected from cities and counties must be treated as
8 private contributions for the purpose of the state match. The state
9 match for these contributions may be provided as soon as proof of
10 receipt for city and county contributions is provided to the council.

11 **Sec. 17.** RCW 28B.145.090 and 2018 c 254 s 3, 2018 c 209 s 10,
12 and 2018 c 114 s 6 are each reenacted and amended to read as follows:

13 (1) The board may elect to have the state investment board invest
14 the funds in the scholarship account, the student support pathways
15 account, the advanced degrees pathways account, and the endowment
16 account described under RCW 28B.145.030(2)(b). If the board so
17 elects, the state investment board has the full power to invest,
18 reinvest, manage, contract, sell, or exchange investment money in
19 ((the three)) these accounts. All investment and operating costs
20 associated with the investment of money shall be paid under RCW
21 43.33A.160 and 43.84.160. With the exception of these expenses, the
22 earnings from the investment of the money shall be retained by the
23 accounts.

24 (2) All investments made by the state investment board shall be
25 made with the exercise of that degree of judgment and care under RCW
26 43.33A.140 and the investment policy established by the state
27 investment board.

28 (3) As deemed appropriate by the state investment board, money in
29 the scholarship account, the student support pathways account, the
30 advanced degrees pathways account, and the endowment account may be
31 commingled for investment with other funds subject to investment by
32 the state investment board.

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

36 (5) Members of the state investment board are not liable to the
37 state, to the fund, or to any other person as a result of their
38 activities as members, whether ministerial or discretionary, except
39 for willful dishonesty or intentional violations of law. The state

1 investment board in its discretion may purchase liability insurance
2 for members.

3 (6) The authority to establish all policies relating to the
4 scholarship account, the student support pathways account, the
5 advanced degrees pathways account, and the endowment account, other
6 than the investment policies as provided in subsections (1) through
7 (3) of this section, resides with the board and program administrator
8 acting in accordance with the principles set forth in this chapter.
9 With the exception of expenses of the state investment board in
10 subsection (1) of this section, disbursements from the scholarship
11 account, the student support pathways account, the advanced degrees
12 pathways account, and the endowment account shall be made only on the
13 authorization of the opportunity scholarship board or its designee,
14 and moneys in the accounts may be spent only for the purposes
15 specified in this chapter.

16 (7) The state investment board shall routinely consult and
17 communicate with the board on the investment policy, earnings of the
18 accounts, and related needs of the program.

19 NEW SECTION. **Sec. 18.** A new section is added to chapter 28B.92
20 RCW to read as follows:

21 The appropriations for the state need grant, state work-study,
22 and college bound scholarship programs must be structured as a pool
23 appropriation to the student achievement council.

24 NEW SECTION. **Sec. 19.** The sum of two million dollars, or as
25 much thereof as may be necessary, is appropriated for the fiscal year
26 ending June 30, 2020, from the general fund to the office of student
27 financial assistance for the purposes of section 3 of this act.

28 NEW SECTION. **Sec. 20.** The following acts or parts of acts are
29 each repealed:

30 (1) RCW 28B.119.005 (Intent—Finding) and 2002 c 204 s 1;

31 (2) RCW 28B.119.010 (Program design—Parameters) and 2013 c 39 s
32 12, 2011 1st sp.s. c 11 s 231, 2004 c 275 s 60, 2003 c 233 s 5, &
33 2002 c 204 s 2;

34 (3) RCW 28B.119.020 (Implementation and administration) and 2011
35 1st sp.s. c 11 s 232 & 2002 c 204 s 3;

1 (4) RCW 28B.119.030 (Funding for state need grant program not
2 impaired) and 2011 1st sp.s. c 11 s 233, 2004 c 275 s 71, & 2002 c
3 204 s 4;

4 (5) RCW 28B.119.040 (Requirements for students receiving home-
5 based instruction not affected) and 2002 c 204 s 5;

6 (6) RCW 28B.119.050 (Washington promise scholarship account) and
7 2011 1st sp.s. c 11 s 234 & 2002 c 204 s 6; and

8 (7) RCW 28B.119.900 (Effective date—2002 c 204) and 2002 c 204 s
9 9.

10 NEW SECTION. **Sec. 21.** Sections 1 through 9 of this act
11 constitute a new chapter in Title 28B RCW.

12 NEW SECTION. **Sec. 22.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of
14 the state government and its existing public institutions, and takes
15 effect July 1, 2019.

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