

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SECOND SUBSTITUTE SENATE BILL 5098**

60th Legislature  
2007 Regular Session

Passed by the Senate April 16, 2007  
YEAS 45 NAYS 0

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**President of the Senate**

Passed by the House April 10, 2007  
YEAS 78 NAYS 20

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5098** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5098

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AS AMENDED BY THE HOUSE

Passed Legislature - 2007 Regular Session

**State of Washington**                      **60th Legislature**                      **2007 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Rockefeller, Keiser, Weinstein, Fairley, Marr, Murray, Kastama, Kohl-Welles, Rasmussen, McAuliffe, Kauffman, Kilmer, Tom and Shin)

READ FIRST TIME 03/05/07.

1            AN ACT Relating to the Washington college bound scholarship  
2 program; amending RCW 28B.95.020; and adding a new chapter to Title 28B  
3 RCW.

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

5            NEW SECTION.    **Sec. 1.** The legislature intends to inspire and  
6 encourage all Washington students to dream big by creating a guaranteed  
7 four-year tuition scholarship program for students from low-income  
8 families. The legislature finds that, too often, financial barriers  
9 prevent many of the brightest students from considering college as a  
10 future possibility. Often the cost of tuition coupled with the  
11 complexity of finding and applying for financial aid is enough to  
12 prevent a student from even applying to college. Many students become  
13 disconnected from the education system early on and may give up or drop  
14 out before graduation. It is the intent of the legislature to alert  
15 students early in their educational career to the options and  
16 opportunities available beyond high school.

17            NEW SECTION.    **Sec. 2.** The higher education coordinating board

1 shall design the Washington college bound scholarship program in  
2 accordance with this section.

3 (1) "Eligible students" are those students who qualify for free or  
4 reduced-price lunches. If a student qualifies in the seventh grade,  
5 the student remains eligible even if the student does not receive free  
6 or reduced-price lunches thereafter.

7 (2) Eligible students shall be notified of their eligibility for  
8 the Washington college bound scholarship program beginning in their  
9 seventh grade year. Students shall also be notified of the  
10 requirements for award of the scholarship.

11 (3) To be eligible for a Washington college bound scholarship, a  
12 student must sign a pledge during seventh or eighth grade that includes  
13 a commitment to graduate from high school with at least a C average and  
14 with no felony convictions. The pledge must be witnessed by a parent  
15 or guardian and forwarded to the higher education coordinating board by  
16 mail or electronically, as indicated on the pledge form.

17 (4)(a) Scholarships shall be awarded to eligible students  
18 graduating from public high schools, approved private high schools  
19 under chapter 28A.195 RCW, or who received home-based instruction under  
20 chapter 28A.200 RCW.

21 (b) To receive the Washington college bound scholarship, a student  
22 must graduate with at least a "C" average from a public high school or  
23 an approved private high school under chapter 28A.195 RCW in Washington  
24 or have received home-based instruction under chapter 28A.200 RCW, must  
25 have no felony convictions, and must be a resident student as defined  
26 in RCW 28B.15.012(2) (a) through (d).

27 (5) A student's family income will be assessed upon graduation  
28 before awarding the scholarship.

29 (6) If at graduation from high school the student's family income  
30 does not exceed sixty-five percent of the state median family income,  
31 scholarship award amounts shall be as provided in this section.

32 (a) For students attending two or four-year institutions of higher  
33 education as defined in RCW 28B.10.016, the value of the award shall be  
34 (i) the difference between the student's tuition and required fees,  
35 less the value of any state-funded grant, scholarship, or waiver  
36 assistance the student receives; (ii) plus five hundred dollars for  
37 books and materials.

1 (b) For students attending private four-year institutions of higher  
2 education in Washington, the award amount shall be the representative  
3 average of awards granted to students in public research universities  
4 in Washington.

5 (c) For students attending private vocational schools in  
6 Washington, the award amount shall be the representative average of  
7 awards granted to students in public community and technical colleges  
8 in Washington.

9 (7) Recipients may receive no more than four full-time years' worth  
10 of scholarship awards.

11 (8) Institutions of higher education shall award the student all  
12 need-based and merit-based financial aid for which the student would  
13 otherwise qualify. The Washington college bound scholarship is  
14 intended to replace unmet need, loans, and, at the student's option,  
15 work-study award before any other grants or scholarships are reduced.

16 (9) The first scholarships shall be awarded to students graduating  
17 in 2012.

18 (10) The state of Washington retains legal ownership of tuition  
19 units awarded as scholarships under this chapter until the tuition  
20 units are redeemed. These tuition units shall remain separately held  
21 from any tuition units owned under chapter 28B.95 RCW by a Washington  
22 college bound scholarship recipient.

23 (11) The scholarship award must be used within five years of  
24 receipt. Any unused scholarship tuition units revert to the Washington  
25 college bound scholarship account.

26 (12) Should the recipient terminate his or her enrollment for any  
27 reason during the academic year, the unused portion of the scholarship  
28 tuition units shall revert to the Washington college bound scholarship  
29 account.

30 NEW SECTION. **Sec. 3.** The office of the superintendent of public  
31 instruction shall:

32 (1) Notify elementary, middle, and junior high schools about the  
33 Washington college bound scholarship program using methods in place for  
34 communicating with schools and school districts; and

35 (2) Work with the higher education coordinating board to develop  
36 application collection and student tracking procedures.

1        NEW SECTION.    **Sec. 4.** Each school district shall notify students,  
2 parents, teachers, counselors, and principals about the Washington  
3 college bound scholarship program through existing channels.  
4 Notification methods may include, but are not limited to, regular  
5 school district and building communications, online scholarship  
6 bulletins and announcements, notices posted on school walls and  
7 bulletin boards, information available in each counselor's office, and  
8 school or district scholarship information sessions.

9        NEW SECTION.    **Sec. 5.** The higher education coordinating board  
10 shall:

11        (1) With the assistance of the office of the superintendent of  
12 public instruction, implement and administer the Washington college  
13 bound scholarship program;

14        (2) Develop and distribute, to all schools with students enrolled  
15 in grade seven or eight, a pledge form that can be completed and  
16 returned electronically or by mail by the student or the school to the  
17 higher education coordinating board;

18        (3) Develop and implement a student application, selection, and  
19 notification process for scholarships;

20        (4) Track scholarship recipients to ensure continued eligibility  
21 and determine student compliance for awarding of scholarships;

22        (5) Subject to appropriation, deposit funds into the state  
23 educational trust fund;

24        (6) Purchase tuition units under the advanced college tuition  
25 payment program in chapter 28B.95 RCW to be owned and held in trust by  
26 the board, for the purpose of scholarship awards as provided for in  
27 this section; and

28        (7) Distribute scholarship funds, in the form of tuition units  
29 purchased under the advanced college tuition payment program in chapter  
30 28B.95 RCW or through direct payments from the state educational trust  
31 fund, to institutions of higher education on behalf of scholarship  
32 recipients identified by the board, as long as recipients maintain  
33 satisfactory academic progress.

34        NEW SECTION.    **Sec. 6.** The higher education coordinating board may  
35 accept grants, gifts, bequests, and devises of real and personal

1 property from any source for the purpose of granting financial aid in  
2 addition to that funded by the state.

3 NEW SECTION. **Sec. 7.** The higher education coordinating board may  
4 adopt rules to implement this chapter.

5 **Sec. 8.** RCW 28B.95.020 and 2005 c 272 s 1 are each amended to read  
6 as follows:

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

9 (1) "Academic year" means the regular nine-month, three-quarter, or  
10 two-semester period annually occurring between August 1st and July  
11 31st.

12 (2) "Account" means the Washington advanced college tuition payment  
13 program account established for the deposit of all money received by  
14 the board from eligible purchasers and interest earnings on investments  
15 of funds in the account, as well as for all expenditures on behalf of  
16 eligible beneficiaries for the redemption of tuition units and for the  
17 development of any authorized college savings program pursuant to RCW  
18 28B.95.150.

19 (3) "Board" means the higher education coordinating board as  
20 defined in chapter 28B.76 RCW.

21 (4) "Committee on advanced tuition payment" or "committee" means a  
22 committee of the following members: The state treasurer, the director  
23 of the office of financial management, the executive director of the  
24 higher education coordinating board, or their designees, and two  
25 members to be appointed by the governor, one representing program  
26 participants and one private business representative with marketing,  
27 public relations, or financial expertise.

28 (5) "Governing body" means the committee empowered by the  
29 legislature to administer the Washington advanced college tuition  
30 payment program.

31 (6) "Contractual obligation" means a legally binding contract of  
32 the state with the purchaser and the beneficiary establishing that  
33 purchases of tuition units will be worth the same number of tuition  
34 units at the time of redemption as they were worth at the time of the  
35 purchase.

1 (7) "Eligible beneficiary" means the person for whom the tuition  
2 unit will be redeemed for attendance at an institution of higher  
3 education. The beneficiary is that person named by the purchaser at  
4 the time that a tuition unit contract is accepted by the governing  
5 body. Qualified organizations, as allowed under section 529 of the  
6 federal internal revenue code, purchasing tuition unit contracts as  
7 future scholarships need not designate a beneficiary at the time of  
8 purchase.

9 (8) "Eligible purchaser" means an individual or organization that  
10 has entered into a tuition unit contract with the governing body for  
11 the purchase of tuition units for an eligible beneficiary. The state  
12 of Washington may be an eligible purchaser for purposes of purchasing  
13 tuition units to be held for granting Washington college bound  
14 scholarships.

15 (9) "Full-time tuition charges" means resident tuition charges at  
16 a state institution of higher education for enrollments between ten  
17 credits and eighteen credit hours per academic term.

18 (10) "Institution of higher education" means an institution that  
19 offers education beyond the secondary level and is recognized by the  
20 internal revenue service under chapter 529 of the internal revenue  
21 code.

22 (11) "Investment board" means the state investment board as defined  
23 in chapter 43.33A RCW.

24 (12) "State institution of higher education" means institutions of  
25 higher education as defined in RCW 28B.10.016.

26 (13) "Tuition and fees" means undergraduate tuition and services  
27 and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded  
28 to the nearest whole dollar. For purposes of this chapter, services  
29 and activities fees do not include fees charged for the payment of  
30 bonds heretofore or hereafter issued for, or other indebtedness  
31 incurred to pay, all or part of the cost of acquiring, constructing, or  
32 installing any lands, buildings, or facilities.

33 (14) "Tuition unit contract" means a contract between an eligible  
34 purchaser and the governing body, or a successor agency appointed for  
35 administration of this chapter, for the purchase of tuition units for  
36 a specified beneficiary that may be redeemed at a later date for an  
37 equal number of tuition units.

1           (15) "Unit purchase price" means the minimum cost to purchase one  
2 tuition unit for an eligible beneficiary. Generally, the minimum  
3 purchase price is one percent of the undergraduate tuition and fees for  
4 the current year, rounded to the nearest whole dollar, adjusted for the  
5 costs of administration and adjusted to ensure the actuarial soundness  
6 of the account. The analysis for price setting shall also include, but  
7 not be limited to consideration of past and projected patterns of  
8 tuition increases, program liability, past and projected investment  
9 returns, and the need for a prudent stabilization reserve.

10           NEW SECTION.   **Sec. 9.** Sections 1 through 7 of this act constitute  
11 a new chapter in Title 28B RCW.

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