
HOUSE BILL 1154

State of Washington**64th Legislature****2015 Regular Session**

By Representatives Bergquist, Zeiger, Muri, Haler, Pollet, Moscoso, Gregerson, Tharinger, Jinkins, and Santos

Read first time 01/14/15. Referred to Committee on Higher Education.

1 AN ACT Relating to the affordable college for everyone grant
2 contract program; amending RCW 28B.15.102, 28B.76.502, 28B.76.525,
3 28B.76.526, 28B.76.540, 28B.77.020, 28B.92.010, 28B.92.020,
4 28B.92.040, 28B.92.060, 28B.92.080, 28B.92.082, 28B.117.020,
5 28B.119.030, 28B.133.010, 28B.133.020, 28B.145.030, and 28C.18.166;
6 reenacting and amending RCW 28B.118.010; adding new sections to
7 chapter 28B.92 RCW; adding new sections to chapter 28B.118 RCW;
8 creating a new section; repealing RCW 28B.118.005, 28B.118.020,
9 28B.118.030, 28B.118.040, and 28B.118.075; providing an effective
10 date; and declaring an emergency.

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

12 NEW SECTION. **Sec. 1.** (1) The legislature finds that tuition at
13 Washington public research universities has almost doubled over the
14 past five years. While the state has a robust financial aid program,
15 the state need grant, the program was still unable to serve over
16 thirty-two thousand four hundred twenty-three eligible students
17 during the 2012-13 academic year.

18 (2) This act is intended to expand access to need-based aid by
19 redesigning the program to allow a larger number of qualified
20 students to attend the state's institutions of higher education

1 without paying for tuition up front and without relying on the
2 increasingly expensive federal student loans.

3 (3) To accomplish these purposes, the legislature intends to
4 create a program that allows all students who qualify for the state
5 need grant and college bound programs to attend college without
6 paying for tuition and fees. The legislature intends to establish an
7 actuarially sound financial aid program under which only those
8 students who can afford it will make contributions to the program
9 fund based on a very low percentage of their income. This is intended
10 to enable future students to participate in the program and attend an
11 institution of higher education without having to pay tuition.

12 (4) Through the affordable college for everyone grant contract
13 program, the legislature recognizes that a larger group of students
14 could receive financial assistance without increasing reliance on
15 federal student loans, while significantly reducing the debt and
16 financial repayment burdens on students.

17 (5) The legislature recognizes that because some students who
18 meet the income threshold would have to make contributions to the
19 program based on the amount of aid they received, the amount of money
20 available to future students will grow. For those students who do not
21 meet the income threshold after graduation or exit, the program would
22 have no requirement.

23 (6) The legislature intends that this redesign will allow the
24 financial aid programs to grow, while maintaining a level of equity
25 based on the income level of affordable college for everyone grant
26 contract recipients.

27 **Sec. 2.** RCW 28B.15.102 and 2014 c 162 s 1 are each amended to
28 read as follows:

29 (1) Beginning with the 2011-12 academic year, any four-year
30 institution of higher education that increases tuition beyond levels
31 assumed in the omnibus appropriations act is subject to the financial
32 aid requirements included in this section and shall remain subject to
33 these requirements through the 2018-19 academic year.

34 (2) Beginning July 1, 2011, each four-year institution of higher
35 education that raises tuition beyond levels assumed in the omnibus
36 appropriations act shall, in a manner consistent with the goal of
37 enhancing the quality of and access to their institutions, provide
38 financial aid to offset full-time tuition fees for resident
39 undergraduate students as follows:

1 (a) Subtract from the full-time tuition fees an amount that is
2 equal to the maximum amount (~~of a state need grant award that would~~
3 ~~be given~~) provided through the affordable college for everyone grant
4 contract program to an eligible student with a family income at or
5 below fifty percent of the state's median family income as determined
6 by the student achievement council; and

7 (b) Offset the remainder as follows:

8 (i) Students with demonstrated need whose family incomes are at
9 or below fifty percent of the state's median family income shall
10 receive financial aid equal to one hundred percent of the remainder
11 if an institution's full-time tuition fees for resident undergraduate
12 students is five percent or greater of the state's median family
13 income for a family of four as provided by the student achievement
14 council;

15 (ii) Students with demonstrated need whose family incomes are
16 greater than fifty percent and no more than seventy percent of the
17 state's median family income shall receive financial aid equal to
18 seventy-five percent of the remainder if an institution's full-time
19 tuition fees for resident undergraduate students is ten percent or
20 greater of the state's median family income for a family of four as
21 provided by the student achievement council;

22 (iii) Students with demonstrated need whose family incomes exceed
23 seventy percent and are less than one hundred percent of the state's
24 median family income shall receive financial aid equal to fifty
25 percent of the remainder if an institution's full-time tuition fees
26 for resident undergraduate students is fifteen percent or greater of
27 the state's median family income for a family of four as provided by
28 the student achievement council; and

29 (iv) Students with demonstrated need whose family incomes are at
30 or exceed one hundred percent and are no more than one hundred
31 twenty-five percent of the state's median family income shall receive
32 financial aid equal to twenty-five percent of the remainder if an
33 institution's full-time tuition fees for resident undergraduate
34 students is twenty percent or greater of the state's median family
35 income for a family of four as provided by the student achievement
36 council.

37 (3) The financial aid required in subsection (2) of this section
38 shall:

1 (a) Be reduced by the amount of other financial aid awards, not
2 including the (~~state need grant~~) amounts provided through the
3 affordable college for everyone grant contract program;

4 (b) Be prorated based on credit load; and

5 (c) Only be provided to students up to demonstrated need.

6 (4) Financial aid sources and methods may be:

7 (a) Tuition revenue or locally held funds;

8 (b) Tuition waivers created by a four-year institution of higher
9 education for the specific purpose of serving low and middle-income
10 students; or

11 (c) Local financial aid programs.

12 (5) Use of tuition waivers as specified in subsection (4)(b) of
13 this section shall not be included in determining total state tuition
14 waiver authority as defined in RCW 28B.15.910.

15 (6) By December 31st every year, four-year institutions of higher
16 education that increase tuition beyond levels assumed in the omnibus
17 appropriations act after January 1, 2011, shall report to the
18 governor and relevant committees of the legislature on the
19 effectiveness of the various sources and methods of financial aid in
20 mitigating tuition increases. A key purpose of these reports is to
21 provide information regarding the results of the decision to grant
22 tuition-setting authority to the four-year institutions of higher
23 education and whether tuition setting authority should continue to be
24 granted to the institutions or revert back to the legislature after
25 consideration of the impacts on students, including educational
26 access, affordability, and quality. These reports shall include:

27 (a) The amount of financial aid provided to middle-income and
28 low-income resident students with demonstrated need in the aggregate
29 and per student;

30 (b) An itemization of the sources and methods of financial aid
31 provided by the four-year institution of higher education in the
32 aggregate and per student for resident undergraduate students;

33 (c) An analysis of the combined impact of federal tuition tax
34 credits and financial aid provided by the institution of higher
35 education on the net cost to students and their families resulting
36 from tuition increases;

37 (d) In cases where tuition increases are greater than those
38 assumed in the omnibus appropriations act at any four-year
39 institution of higher education, the institution must include an
40 explanation in its report of why this increase was necessary and how

1 the institution will mitigate the effects of the increase. The
2 institution must include in this section of its report a plan and
3 specific timelines; and

4 (e) An analysis of changes in resident student enrollment
5 patterns, participation rates, graduation rates, and debt load, by
6 race and ethnicity, gender, state and county of origin, age, and
7 socioeconomic status, and a plan to mitigate effects of reduced
8 diversity due to tuition increases. This analysis shall include
9 disaggregated data for resident students in the following income
10 brackets:

11 (i) Up to seventy percent of the median family income;

12 (ii) Between seventy-one percent and one hundred twenty-five
13 percent of the median family income; and

14 (iii) Above one hundred twenty-five percent of the median family
15 income.

16 (7) Beginning in the 2012-13 academic year, the University of
17 Washington shall enroll during each academic year at least the same
18 number of resident first-year undergraduate students at the Seattle
19 campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10
20 academic year. This requirement shall not apply to nonresident
21 undergraduate and graduate and professional students.

22 **Sec. 3.** RCW 28B.76.502 and 2013 c 23 s 59 are each amended to
23 read as follows:

24 (1) The office must provide a financial aid counseling curriculum
25 to institutions of higher education with ~~((state-need-grant))~~
26 affordable college for everyone grant contract recipients. The
27 curriculum must be available via a web site. The curriculum must
28 include, but not be limited to:

29 (a) An explanation of the ~~((state-need-grant))~~ affordable college
30 for everyone grant contract program rules, including maintaining
31 satisfactory progress, repayment rules, and usage limits;

32 (b) Information on campus and private scholarships and work-study
33 opportunities, including the application processes;

34 (c) An overview of student loan or grant contract options with an
35 emphasis on the repayment obligations or grant contract contributions
36 a student ~~((borrower))~~ assumes regardless of program completion,
37 including the likely consequences of default and sample monthly
38 repayment amounts based on a range of student levels of indebtedness;

1 (d) An overview of financial literacy, including basic money
2 management skills such as living within a budget and handling credit
3 and debt;

4 (e) Average salaries for a wide range of jobs;

5 (f) Perspectives from a diverse group of students who are or were
6 recipients of financial aid, including student loans; and

7 (g) Contact information for local financial aid resources and the
8 federal student aid ombuds's office.

9 (2) (~~By the 2013-14 academic year,~~) The institution of higher
10 education must take reasonable steps to ensure that each (~~state-need~~
11 ~~grant~~) affordable college for everyone grant contract recipient
12 receives information outlined in subsection (1)(a) through (g) of
13 this section by directly referencing or linking to the web site on
14 the conditions of award statement or grant contract provided to each
15 recipient.

16 (3) (~~By July 1, 2013,~~) The office must disseminate the
17 curriculum to all institutions of higher education participating in
18 the (~~state-need-grant~~) affordable college for everyone grant
19 contract program. The institutions of higher education may require
20 nonstate (~~need-grant~~) affordable college for everyone grant
21 contract program recipients to participate in all or portions of the
22 financial aid counseling.

23 **Sec. 4.** RCW 28B.76.525 and 2011 1st sp.s. c 11 s 110 are each
24 amended to read as follows:

25 (1) The state financial aid account is created in the custody of
26 the state treasurer. The primary purpose of the account is to ensure
27 that all appropriations designated for financial aid through
28 statewide student financial aid programs are made available to
29 eligible students. The account shall be a nontreasury account.

30 (2) The office shall deposit in the account all money received
31 for the (~~state-need-grant~~) affordable college for everyone grant
32 contract program established under RCW 28B.92.010, the state work-
33 study program established under chapter 28B.12 RCW, the Washington
34 scholars program established under RCW 28A.600.110, the Washington
35 award for vocational excellence program established under RCW
36 28C.04.525, and the educational opportunity grant program established
37 under chapter 28B.101 RCW. The account shall consist of funds
38 appropriated by the legislature for the programs listed in this
39 subsection and private contributions to the programs. Moneys

1 deposited in the account do not lapse at the close of the fiscal
2 period for which they were appropriated. Both during and after the
3 fiscal period in which moneys were deposited in the account, the
4 office may expend moneys in the account only for the purposes for
5 which they were appropriated, and the expenditures are subject to any
6 other conditions or limitations placed on the appropriations.

7 (3) Expenditures from the account shall be used for scholarships
8 and grant contracts to students eligible for the programs according
9 to program rules and policies.

10 (4) Disbursements from the account are exempt from appropriations
11 and the allotment provisions of chapter 43.88 RCW.

12 (5) Only the director of the office or the director's designee
13 may authorize expenditures from the account.

14 **Sec. 5.** RCW 28B.76.526 and 2010 1st sp.s. c 27 s 2 are each
15 amended to read as follows:

16 The Washington opportunity pathways account is created in the
17 state treasury. Expenditures from the account may be used only for
18 programs in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW
19 (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW
20 28B.76.670 (Washington award for vocational excellence), chapter
21 28B.92 RCW (~~((state need grant))~~) affordable college for everyone
22 grant contract program), chapter 28B.101 RCW (educational opportunity
23 grant), chapter 28B.105 RCW (GET ready for math and science
24 scholarship), chapter 28B.117 RCW (passport to college promise),
25 chapter 28B.118 RCW (college bound scholarship), chapter 28B.119 RCW
26 (Washington promise scholarship), chapter 43.215 RCW (early childhood
27 education and assistance program), and RCW 43.330.280 (recruitment of
28 entrepreneurial researchers, innovation partnership zones and
29 research teams).

30 **Sec. 6.** RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each
31 amended to read as follows:

32 In addition to administrative responsibilities assigned in this
33 chapter, the office shall administer the programs set forth in the
34 following statutes: RCW 28A.600.100 through 28A.600.150 (Washington
35 scholars); chapter 28B.85 RCW (degree-granting institutions); chapter
36 28B.92 RCW (~~((state need grant))~~) affordable college for everyone
37 grant contract program); chapter 28B.12 RCW (work-study); RCW
38 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760

1 through 28B.15.766 (math and science loans); RCW 28B.15.100
2 (reciprocity agreement); RCW 28B.15.730 through 28B.15.734 (Oregon
3 reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho reciprocity); RCW
4 28B.15.756 (British Columbia reciprocity); chapter 28B.101 RCW
5 (educational opportunity grant); chapter 28B.102 RCW (future teachers
6 conditional scholarship); chapter 28B.108 RCW (American Indian
7 endowed scholarship); chapter 28B.109 RCW (Washington international
8 exchange scholarship); chapter 28B.115 RCW (health professional
9 conditional scholarship); chapter 28B.119 RCW (Washington promise
10 scholarship); and chapter 28B.133 RCW (gaining independence for
11 students with dependents).

12 **Sec. 7.** RCW 28B.77.020 and 2013 2nd sp.s. c 25 s 6 are each
13 amended to read as follows:

14 (1) Aligned with the state's biennial budget and policy cycles,
15 the council shall propose educational attainment goals and priorities
16 to meet the state's evolving needs. The council shall identify
17 strategies for meeting the goals and priorities by means of a short-
18 term strategic action plan and a ten-year plan that serves as a
19 roadmap.

20 (a) The goals must address the needs of Washington residents to
21 reach higher levels of educational attainment and Washington's
22 workforce needs for certificates and degrees in particular fields of
23 study.

24 (b) The council shall identify the resources it deems appropriate
25 to meet statewide goals and also recognize current state economic
26 conditions and state resources.

27 (c) In proposing goals, the council shall collaborate with the
28 superintendent of public instruction, the professional educator
29 standards board, the state board of education, the state board for
30 community and technical colleges, the four-year institutions of
31 higher education, independent colleges and degree-granting
32 institutions, certificate-granting institutions, and the workforce
33 training and education coordinating board.

34 (2) The council shall update the strategic action plan every two
35 years with the first strategic action plan to be submitted to the
36 governor and the legislature by December 1, 2012. The ten-year
37 roadmap must be updated every two years with the first roadmap to be
38 submitted to the governor and the legislature by December 1, 2013.

1 The council must provide regular updates to the joint higher
2 education committee created in RCW 44.04.360 as needed.

3 (3) In order to develop the ten-year roadmap, the council shall
4 conduct strategic planning in collaboration with agencies and
5 stakeholders and include input from the legislature. The council must
6 also consult with the STEM education innovation alliance established
7 under RCW 28A.188.030 in order to align strategies under the roadmap
8 with the STEM framework for education and accountability developed by
9 the alliance. The roadmap must encompass all sectors of higher
10 education, including secondary to postsecondary transitions. The
11 roadmap must outline strategies that address:

12 (a) Strategic planning, which includes setting benchmarks and
13 goals for long-term degree production generally and in particular
14 fields of study;

15 (b) Expanding access, affordability, quality, efficiency, and
16 accountability among the various institutions of higher education;

17 (c) Higher education finance planning and strategic investments
18 including budget recommendations necessary to meet statewide goals;

19 (d) System design and coordination;

20 (e) Improving student transitions;

21 (f) Higher education data and analysis, in collaboration with the
22 education data center, which includes outcomes for recruitment,
23 retention, and success of students;

24 (g) College and career access preparedness, in collaboration with
25 the office of the superintendent of public instruction and the state
26 board of education;

27 (h) Expanding participation and success for racial and ethnic
28 minorities in higher education;

29 (i) Development and expansion of innovations in higher education
30 including innovations to increase attainment of postsecondary
31 certificates, and associate, baccalaureate, graduate, and
32 professional degrees; and innovations to improve precollege education
33 in terms of cost-effectiveness and transitions to college-level
34 education;

35 (j) Strengthening the education pipeline and degree production in
36 science, technology, engineering, and mathematics fields, and
37 aligning strategies under the roadmap with the STEM framework for
38 action and accountability developed under RCW 28A.188.030; and

39 (k) Relevant policy research.

1 (4) As needed, the council must conduct system reviews consistent
2 with RCW 28B.77.080.

3 (5) The council shall facilitate the development and expansion of
4 innovative practices within, between, and among the sectors to
5 increase educational attainment and assess the effectiveness of the
6 innovations.

7 (6) The council shall use the data and analysis produced by, and
8 in consultation with, the education data center created in RCW
9 43.41.400 in developing policy recommendations and proposing goals.
10 In conducting research and analysis the council at a minimum must:

11 (a) Identify barriers to increasing educational attainment,
12 evaluate effectiveness of various educational models, identify best
13 practices, and recommend methods to overcome barriers;

14 (b) Analyze data from multiple sources including data from
15 academic research and from areas and agencies outside of education
16 including but not limited to data from the department of health, the
17 department of corrections, and the department of social and health
18 services to determine best practices to remove barriers and to
19 improve educational attainment;

20 (c) Assess educational achievement disaggregated by income level,
21 age, gender, race and ethnicity, country of origin, and other
22 relevant demographic groups working with data from the education data
23 center;

24 (d) Track progress toward meeting the state's goals;

25 (e) Communicate results and provide access to data analysis to
26 policymakers, the superintendent of public instruction, institutions
27 of higher education, students, and the public; and

28 (f) Use data from the education data center wherever appropriate
29 to conduct duties in (a) through (e) of this subsection.

30 (7) The council shall collaborate with the appropriate state
31 agencies and stakeholders, including the state board of education,
32 the office of the superintendent of public instruction, the state
33 board for community and technical colleges, the workforce training
34 and education coordinating board, and the four-year institutions of
35 higher education to improve student transitions and success including
36 but not limited to:

37 (a) Setting minimum college admission standards for four-year
38 institutions of higher education, including a requirement that
39 coursework in American sign language or an American Indian language
40 satisfies any requirement for instruction in a language other than

1 English that the council or the institutions may establish as a
2 general undergraduate admissions requirement;

3 (b) Proposing comprehensive policies and programs to encourage
4 students to prepare for, understand how to access, and pursue
5 postsecondary college and career programs, including specific
6 policies and programs for students with disabilities;

7 (c) Recommending policies that require coordination between or
8 among sectors such as dual high school-college programs, awarding
9 college credit for advanced high school work, and transfer between
10 two and four-year institutions of higher education or between
11 different four-year institutions of higher education; and

12 (d) Identifying transitions issues and solutions for students,
13 from high school to postsecondary education including community and
14 technical colleges, four-year institutions of higher education,
15 apprenticeships, training, or workplace education; between two-year
16 and four-year institutions of higher education; and from
17 postsecondary education to career. In addressing these issues the
18 council must recognize that these transitions may occur multiple
19 times as students continue their education.

20 (8) The council directs the work of the office, which includes
21 administration of student financial aid programs under RCW
22 28B.76.090, including ~~((the state need grant and other))~~
23 scholarships, the affordable college for everyone grant contract
24 program, the Washington advanced college tuition payment program, and
25 work-study programs.

26 (9) The council may administer state and federal grants and
27 programs including but not limited to those programs that provide
28 incentives for improvements related to increased access and success
29 in postsecondary education.

30 (10) The council shall protect higher education consumers
31 including:

32 (a) Approving degree-granting postsecondary institutions
33 consistent with existing statutory criteria;

34 (b) Establishing minimum criteria to assess whether students who
35 attend proprietary institutions of higher education shall be eligible
36 for the ~~((state need grant))~~ affordable college for everyone grant
37 contract program and other forms of state financial aid.

38 (i) The criteria shall include retention rates, completion rates,
39 ~~((loan))~~ contribution default rates, and annual tuition increases,
40 among other criteria for students who receive ~~((state need grant))~~

1 affordable college for everyone grant contracts as in chapter 28B.92
2 RCW and any other state financial aid.

3 (ii) The council may remove proprietary institutions of higher
4 education from eligibility for the (~~state need grant~~) affordable
5 college for everyone grant contract program or other form of state
6 financial aid if it finds that the institution or college does not
7 meet minimum criteria.

8 (iii) The council shall report by December 1, 2014, to the joint
9 higher education committee in RCW 44.04.360 on the outcomes of
10 students receiving (~~state need grants~~) affordable college for
11 everyone grant contracts, impacts on meeting the state's higher
12 education goals for educational attainment, and options for
13 prioritization of the (~~state need grant~~) affordable college for
14 everyone grant contracts and possible consequences of implementing
15 each option. When examining options for prioritizing the (~~state need~~
16 ~~grant~~) affordable college for everyone grant contracts the council
17 shall consider (~~awarding grants~~) providing affordable college for
18 everyone grant contracts based on need rather than date of
19 application and making awards based on other criteria selected by the
20 council.

21 (11) The council shall adopt residency requirements by rule.

22 (12) The council shall arbitrate disputes between and among four-
23 year institutions of higher education and the state board for
24 community and technical colleges at the request of one or more of the
25 institutions involved, or at the request of the governor, or from a
26 resolution adopted by the legislature. The decision of the council
27 shall be binding on the participants in the dispute.

28 (13) The council may solicit, accept, receive, and administer
29 federal funds or private funds, in trust, or otherwise, and contract
30 with foundations or with for-profit or nonprofit organizations to
31 support the purposes and functions of the council.

32 (14) The council shall represent the broad public interest above
33 the interests of the individual institutions of higher education.

34 **Sec. 8.** RCW 28B.92.010 and 2014 c 1 s 1 are each amended to read
35 as follows:

36 The purposes of this chapter are to establish the principles upon
37 which the state financial aid programs will be based and to establish
38 the state of Washington (~~state need grant~~) affordable college for
39 everyone grant contract program, thus assisting financially needy or

1 disadvantaged students domiciled in Washington to obtain the
2 opportunity of attending an accredited institution of higher
3 education. (~~State need grants~~) Affordable college for everyone
4 grant contracts under this chapter are available only to students who
5 are resident students as defined in RCW 28B.15.012(2) (a) through (e)
6 or any person who has completed the full senior year of high school
7 and obtained a high school diploma, either at a Washington public
8 high school or private high school approved under chapter 28A.195
9 RCW, or a person who has received the equivalent of a diploma; who
10 has lived in Washington state for at least three years immediately
11 before receiving the diploma or its equivalent; who has continuously
12 lived in the state of Washington after receiving the diploma or its
13 equivalent and until such time as the individual is admitted to an
14 eligible institution of higher education and has been granted
15 deferred action for childhood arrival status pursuant to the rules
16 and regulations adopted by the United States citizenship and
17 immigration services.

18 NEW SECTION. **Sec. 9.** A new section is added to chapter 28B.92
19 RCW to read as follows:

20 (1) The office of student financial assistance shall design the
21 Washington affordable college for everyone grant contract program
22 based on the parameters in this section.

23 (2)(a) Affordable college for everyone grant contract amounts
24 shall be applied to all or a portion of an eligible student's tuition
25 and fees as long as the recipient agrees to make contributions to the
26 program as provided in this section.

27 (b) Student eligibility for an affordable college for everyone
28 grant contract is provided in RCW 28B.92.060 and 28B.92.080.

29 (c) A student who elects to participate in the affordable college
30 for everyone grant contract program shall enter into an affordable
31 college for everyone grant contract developed by the office that
32 defines the terms of the contract.

33 (3) A recipient of a grant contract shall make contributions to
34 the affordable college for everyone grant contract program based on
35 the total grant amount that was applied toward his or her tuition and
36 fees and as provided in this section.

37 (a) A recipient shall begin contributing to the affordable
38 college for everyone grant contract program one year after completion
39 or discontinuation of the recipient's higher education.

1 (b) A recipient shall make contributions to the program based on
2 the number of years that the recipient received an affordable college
3 for everyone grant.

4 (i) For a recipient who received grants for two years or less,
5 contributions are four percent of the recipient's eligible taxable
6 income each year.

7 (ii) For a recipient who received grants for more than two years,
8 contributions are 5.9 percent of the recipient's eligible taxable
9 income each year.

10 (c)(i) Eligible taxable income is based on a grant contract
11 recipient's tax status and amount of taxable income as follows:

12 (A) For a grant contract recipient with a federal income tax
13 filing status of single with no dependents, eligible taxable income
14 is any income over thirty thousand dollars;

15 (B) For a grant contract recipient with a federal income tax
16 filing status of single, head of household, or qualifying widow or
17 widow(er) with dependent child, eligible taxable income depends on
18 the number of qualifying dependent children:

19 (I) For one qualifying dependent child, eligible taxable income
20 is any income over forty thousand dollars;

21 (II) For two qualifying dependent children, eligible taxable
22 income is any income over fifty thousand dollars; and

23 (III) For three or more qualifying dependent children, eligible
24 taxable income is any income over sixty thousand dollars; and

25 (C) For a grant contract recipient with a federal income tax
26 filing status of married filing jointly or married filing separately,
27 eligible taxable income is any income over sixty thousand dollars.

28 (ii) In order to encourage savings for retirement, the
29 calculation of a recipient's eligible taxable income may include the
30 deduction of contributions toward a Roth individual retirement
31 account as defined in the internal revenue code.

32 (d) A grant contract recipient whose federal and state loan
33 repayments are ten percent or more of their annual taxable income is
34 not required to make contributions. A recipient whose other federal
35 and state loan repayments are less than ten percent of their annual
36 taxable income are required to make contributions according to this
37 section, however the recipient's contributions must be adjusted to
38 ensure that the combined total of other loan repayments and
39 affordable college for everyone grant contract program contributions

1 does not exceed ten percent of the recipient's annual taxable income
2 in any year.

3 (e) An interest rate of two percent of the program recipient's
4 total grant contract amount minus contributions made in previous
5 years must be applied to the recipient's contributions for the first
6 ten years. After ten years, the interest rate must increase to four
7 percent of the recipient's total grant contract amount.

8 (f) An affordable college for everyone grant contract recipient
9 who has an eligible taxable income greater than that provided in (c)
10 of this subsection shall continue to contribute to the program until
11 either:

12 (i) The recipient contributes an amount equal to the total grant
13 contract amount plus interest, as defined in (e) of this subsection;
14 or

15 (ii) Twenty-one years pass from the time the recipient completes
16 or discontinues his or her higher education.

17 (g) A grant contract recipient who elects to contribute the
18 remainder of his or her affordable college for everyone grant
19 contract amount plus interest in a lump sum payment shall receive a
20 ten percent discount as long as the remaining amount is at least two
21 thousand dollars.

22 (4) The office shall develop measures to recover contributions
23 from and impose penalties on a grant contract recipient who does not
24 make contributions to the affordable college for everyone grant
25 contract program in a timely manner.

26 (5) The office shall allow a recipient with eligible taxable
27 income to forgo making contributions for up to two one-year periods.
28 However, the contribution time described in subsection (3)(f)(ii) of
29 this section must be increased accordingly.

30 (6) An affordable college for everyone grant contract recipient
31 with eligible taxable income is not required to make contributions
32 under this section, unless the sum of four hundred million dollars is
33 appropriated to the Washington opportunity pathways account under RCW
34 28B.76.526 each year beginning in fiscal year 2015, with an
35 additional average of ten percent appropriated to this account each
36 subsequent biennium.

37 (7) The office shall annually report on the program along with
38 its annual financial aid report. The report must provide information
39 on the program fund growth from contributions and make

1 recommendations regarding increasing the income thresholds for
2 recipients in the program.

3 (8) By December 1, 2017, the office, in consultation with the
4 office of the state actuary, shall estimate contributions to the
5 program over the next twenty years.

6 **Sec. 10.** RCW 28B.92.020 and 2011 1st sp.s. c 11 s 158 are each
7 amended to read as follows:

8 (1) (~~The legislature finds that the higher education community,~~
9 ~~has completed a review of the state need grant program.~~) It is the
10 intent of the legislature to endorse (~~the proposed changes to the~~
11 ~~state need grant~~) certain components of the affordable college for
12 everyone grant contract program, including:

13 (a) (~~Reaffirmation~~) Affirmation that the primary purpose of the
14 (~~state need grant~~) affordable college for everyone grant contract
15 program is to assist low-income, needy, and disadvantaged Washington
16 residents attending institutions of higher education;

17 (b) A goal that the base (~~state need grant~~) affordable college
18 for everyone grant contract amount over time be increased to be
19 equivalent to the rate of tuition charged to resident undergraduate
20 students attending Washington state public colleges and universities
21 and to enable participation by all students regardless of income
22 level;

23 (c) (~~State need grant~~) Affordable college for everyone grant
24 contract recipients be required to contribute a portion of the total
25 cost of their education through self-help at the time they are
26 attending institutions of higher education;

27 (d) (~~State need grant~~) Affordable college for everyone grant
28 contract recipients be required to document their need for dependent
29 care assistance after taking into account other public funds provided
30 for like purposes; and

31 (e) Institutional aid administrators be allowed to determine
32 whether a student eligible for (~~a state need grant~~) an affordable
33 college for everyone grant contract in a given academic year may
34 remain eligible for the ensuing year if the student's family income
35 increases by no more than a marginal amount except for funds provided
36 through the educational assistance grant program for students with
37 dependents.

38 (2) The legislature further finds that the changes in subsection
39 (1) of this section(~~(7)~~) should do so in a timely manner.

1 (3) The legislature also finds that:

2 (a) In most circumstances, (~~need grant~~) affordable college for
3 everyone grant contract eligibility should not extend beyond five
4 years or one hundred twenty-five percent of the published length of
5 the program in which the student is enrolled or the credit or clock-
6 hour equivalent; and

7 (b) State financial aid programs should continue to adhere to the
8 principle that funding follows resident students to their choice of
9 institution of higher education.

10 **Sec. 11.** RCW 28B.92.040 and 2011 1st sp.s. c 11 s 160 are each
11 amended to read as follows:

12 The office shall be cognizant of the following guidelines in the
13 performance of its duties:

14 (1) The office shall be research oriented, not only at its
15 inception but continually through its existence.

16 (2) The office shall coordinate all existing programs of
17 financial aid except those specifically dedicated to a particular
18 institution by the donor.

19 (3) The office shall take the initiative and responsibility for
20 coordinating all federal student financial aid programs to ensure
21 that the state recognizes the maximum potential effect of these
22 programs, and shall design state programs that complement existing
23 federal, state, and institutional programs. The office shall ensure
24 that state programs continue to follow the principle that state
25 financial aid funding follows the student to the student's choice of
26 institution of higher education.

27 (4) Counseling is a paramount function of the (~~state need~~
28 ~~grant~~) affordable college for everyone grant contract program and
29 other state student financial aid programs, and in most cases could
30 only be properly implemented at the institutional levels; therefore,
31 state student financial aid programs shall be concerned with the
32 attainment of those goals which, in the judgment of the office, are
33 the reasons for the existence of a student financial aid program, and
34 not solely with administration of the program on an individual basis.

35 (5) The "package" approach of combining loans, grants and
36 employment for student financial aid shall be the conceptual element
37 of the state's involvement.

38 (6) The office shall ensure that allocations of state
39 appropriations for financial aid are made to individuals and

1 institutions in a timely manner and shall closely monitor
2 expenditures to avoid under or overexpenditure of appropriated funds.

3 **Sec. 12.** RCW 28B.92.060 and 2012 c 229 s 558 are each amended to
4 read as follows:

5 In (~~awarding need grants~~) administering the affordable college
6 for everyone grant contract program, the office shall proceed
7 substantially as follows: PROVIDED, That nothing contained herein
8 shall be construed to prevent the office, in the exercise of its
9 sound discretion, from following another procedure when the best
10 interest of the program so dictates:

11 (1) The office shall annually select the (~~financial aid award~~)
12 affordable college for everyone grant contract recipients from among
13 Washington residents applying for student financial aid who have been
14 ranked according to:

15 (a) Financial need as determined by the amount of the family
16 contribution; and

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

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

33 (3) A student shall be eligible to receive (~~a state need grant~~)
34 an affordable college for everyone grant contract for up to a
35 combined total of five years, or the credit or clock hour equivalent
36 of a combined total of five years, or up to one hundred twenty-five
37 percent of the published length of time of the student's program. A
38 student may not start a new associate degree program as (~~a state~~
39 ~~need grant~~) an affordable college for everyone grant contract

1 recipient until at least five years have elapsed since earning an
2 associate degree as (~~a need grant~~) an affordable college for
3 everyone grant contract recipient, except that a student may earn two
4 associate degrees concurrently. Qualifications for renewal will
5 include maintaining satisfactory academic progress toward completion
6 of an eligible program as determined by the office. Should the
7 recipient terminate his or her enrollment for any reason during the
8 academic year, the unused portion of the grant contract amount shall
9 be returned to the state educational grant fund by the institution
10 according to the institution's own policy for issuing refunds, except
11 as provided in RCW 28B.92.070.

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

19 (5)(a) A student who is enrolled in three to six credit-bearing
20 quarter credits, or the equivalent semester credits, may receive a
21 grant contract for up to one academic year before beginning a program
22 that leads to a degree or certificate.

23 (b) An eligible student enrolled on a less-than-full-time basis
24 shall receive a prorated portion of his or her (~~state need grant~~)
25 affordable college for everyone grant contract amount for any
26 academic period in which he or she is enrolled on a less-than-full-
27 time basis, as long as funds are available.

28 (c) An institution of higher education may (~~award a state need~~
29 ~~grant~~) provide an affordable college for everyone grant contract to
30 an eligible student enrolled in three to six credit-bearing quarter
31 credits, or the semester equivalent, on a provisional basis if:

32 (i) The student has not previously received a state need grant or
33 an affordable college for everyone grant contract from that
34 institution;

35 (ii) The student completes the required free application for
36 federal student aid;

37 (iii) The institution has reviewed the student's financial
38 condition, and the financial condition of the student's family if the
39 student is a dependent student, and has determined that the student

1 is likely eligible for (~~(a state need grant)~~) an affordable college
2 for everyone grant contract; and

3 (iv) The student has signed a document attesting to the fact that
4 the financial information provided on the free application for
5 federal student aid and any additional financial information provided
6 directly to the institution is accurate and complete, and that the
7 student agrees to repay the institution for the grant contract amount
8 if the student submitted false or incomplete information.

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

13 **Sec. 13.** RCW 28B.92.080 and 2012 c 229 s 605 are each amended to
14 read as follows:

15 Except for opportunity internship graduates whose eligibility is
16 provided under RCW 28B.92.084 and college bound affordable college
17 for everyone grant contract program recipients whose eligibility is
18 provided in section 18 of this act, for a student to be eligible for
19 (~~(a state need grant)~~) the affordable college for everyone grant
20 contract program a student must:

21 (1) Be a "needy student" or "disadvantaged student" as determined
22 by the office in accordance with RCW 28B.92.030 (~~((+1))~~) (2) and
23 (~~((+4))~~) (5);

24 (2) Have been domiciled within the state of Washington for at
25 least one year;

26 (3) Be enrolled or accepted for enrollment on at least a half-
27 time basis at an institution of higher education in Washington as
28 defined in RCW 28B.92.030(~~((+3))~~) (4);

29 (4) Until June 30, 2011, to the extent funds are specifically
30 appropriated for this purpose, and subject to any terms and
31 conditions specified in the omnibus appropriations act, be enrolled
32 or accepted for enrollment for at least three quarter credits or the
33 equivalent semester credits at an institution of higher education in
34 Washington as defined in RCW 28B.92.030(~~((+3))~~) (4); and

35 (5) Have complied with all the rules adopted by the council for
36 the administration of this chapter.

37 **Sec. 14.** RCW 28B.92.082 and 2012 c 229 s 560 are each amended to
38 read as follows:

1 (1) To the extent funds are appropriated for this purpose and
2 within overall appropriations for the (~~state need grant~~) affordable
3 college for everyone grant contract program, enhanced (~~need grants~~)
4 affordable college for everyone grant contract amounts are provided
5 for persons who meet all of the following criteria:

6 (a) Are needy students as defined in RCW 28B.92.030;

7 (b) Are placebound students as defined in RCW 28B.92.030; and

8 (c) Have completed the associate of arts or the associate of
9 science degree, or its equivalent.

10 (2) The (~~enhanced need grants~~) affordable college for everyone
11 grant contracts established in this section are provided to this
12 specific group of students in addition to the base (~~state need~~
13 ~~grant~~) affordable college for everyone grant contract amount, as
14 defined by rule of the council.

15 **Sec. 15.** RCW 28B.117.020 and 2012 c 163 s 3 are each amended to
16 read as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Cost of attendance" means the cost associated with attending
20 a particular institution of higher education as determined by the
21 office, including but not limited to tuition, fees, room, board,
22 books, personal expenses, and transportation, plus the cost of
23 reasonable additional expenses incurred by an eligible student and
24 approved by a financial aid administrator at the student's school of
25 attendance.

26 (2) "Financial need" means the difference between a student's
27 cost of attendance and the student's total family contribution as
28 determined by the method prescribed by the United States department
29 of education.

30 (3) "Independent college or university" means a private,
31 nonprofit institution of higher education, open to residents of the
32 state, providing programs of education beyond the high school level
33 leading to at least the baccalaureate degree, and accredited by the
34 Northwest association of schools and colleges, and other institutions
35 as may be developed that are approved by the board as meeting
36 equivalent standards as those institutions accredited under this
37 section.

1 (4) "Institution of higher education" means any institution
2 eligible to and participating in the ((state need grant)) affordable
3 college for everyone grant contract program.

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

5 (6) "Program" means the passport to college promise program
6 created in this chapter.

7 NEW SECTION. Sec. 16. A new section is added to chapter 28B.92
8 RCW to read as follows:

9 (1) When creating an acronym for the affordable college for
10 everyone grant contract program in this chapter for the purposes of
11 information and marketing materials created by state agencies,
12 including institutions of higher education, the program shall be
13 referred to as the "ACE" program.

14 (2) When creating an acronym for the Washington college bound
15 affordable college for everyone grant contract program in section 18
16 of this act for the purposes of information and marketing materials
17 created by state agencies, including schools and institutions of
18 higher education, the program shall be referred to as the "Washington
19 college bound ACE" program.

20 **Sec. 17.** RCW 28B.118.010 and 2012 c 229 s 402 and 2012 c 163 s 8
21 are each reenacted and amended to read as follows:

22 The office of student financial assistance shall design the
23 Washington college bound scholarship program in accordance with this
24 section and in alignment with the ((state need grant)) affordable
25 college for everyone grant contract program in chapter 28B.92 RCW
26 unless otherwise provided in this section.

27 (1) "Eligible students" are those students who:

28 (a) Qualify for free or reduced-price lunches. If a student
29 qualifies in the seventh or eighth grade, the student remains
30 eligible even if the student does not ((receive)) qualify for free or
31 reduced-price lunches thereafter; or

32 (b) Are dependent pursuant to chapter 13.34 RCW and:

33 (i) In grade seven through twelve; or

34 (ii) Are between the ages of eighteen and twenty-one and have not
35 graduated from high school.

36 (2) Eligible students shall be notified of their eligibility for
37 the Washington college bound scholarship program beginning in their

1 seventh grade year. Students shall also be notified of the
2 requirements for award of the scholarship.

3 (3)(a) To be eligible for a Washington college bound scholarship,
4 a student eligible under subsection (1)(a) of this section must sign
5 a pledge during seventh or eighth grade that includes a commitment to
6 graduate from high school with at least a C average and with no
7 felony convictions. The pledge must be witnessed by a parent or
8 guardian and forwarded to the office of student financial assistance
9 by mail or electronically, as indicated on the pledge form.

10 (b) A student eligible under subsection (1)(b) of this section
11 shall be automatically enrolled, with no action necessary by the
12 student or the student's family, and the enrollment form must be
13 forwarded by the department of social and health services to the
14 (~~higher education coordinating board or its successor~~) office of
15 student financial assistance by mail or electronically, as indicated
16 on the 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
20 under chapter 28A.200 RCW.

21 (b) To receive the Washington college bound scholarship, a
22 student must graduate with at least a "C" average from a public high
23 school or an approved private high school under chapter 28A.195 RCW
24 in Washington or have received home-based instruction under chapter
25 28A.200 RCW, must have no felony convictions, and must be a resident
26 student as defined 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
33 higher education as defined in RCW 28B.10.016, the value of the award
34 shall be (i) the difference between the student's tuition and
35 required fees, less the value of any state-funded grant, scholarship,
36 or waiver assistance the student receives; (ii) plus five hundred
37 dollars for books and materials.

38 (b) For students attending private four-year institutions of
39 higher education in Washington, the award amount shall be the

1 representative average of awards granted to students in public
2 research universities in Washington.

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

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

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

14 (9) The first scholarships shall be awarded to students
15 graduating in 2012.

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

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

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

28 (13) Students who enroll in the college bound scholarship program
29 by June 30, 2015, are eligible for college bound scholarships, and
30 students who enroll after June 30, 2015, are eligible only for the
31 college bound affordable college for everyone grant contract program
32 in section 18 of this act.

33 NEW SECTION. **Sec. 18.** The office of student financial
34 assistance shall design the Washington college bound affordable
35 college for everyone grant contract program in accordance with this
36 section and in alignment with the affordable college for everyone
37 grant contract program in chapter 28B.92 RCW unless otherwise
38 provided in this section.

39 (1) "Eligible students" are those students who:

1 (a) Qualify for the free and reduced-price lunch program. If a
2 student qualifies in the seventh grade, the student remains eligible
3 even if the student does not receive free and reduced-price lunches
4 thereafter; or

5 (b) Are dependent pursuant to chapter 13.34 RCW and:

6 (i) Are in grades seven through twelve; or

7 (ii) Are between the ages of eighteen and twenty-one and have not
8 graduated from high school.

9 (2) Eligible students shall be notified of their eligibility for
10 the Washington college bound affordable college for everyone grant
11 contract program beginning in their seventh grade school year.
12 Students shall also be notified of the requirements for eligibility
13 for the grant contract.

14 (3)(a) To be eligible for the Washington college bound affordable
15 college for everyone grant contract program, a student eligible under
16 subsection (1)(a) of this section must sign a pledge during seventh
17 or eighth grade that includes a commitment to graduate from high
18 school with at least a "C" average and with no felony convictions.
19 The pledge must be witnessed by a parent or guardian and forwarded to
20 the office of student financial assistance by mail or electronically,
21 as indicated on the pledge form.

22 (b) A student eligible under subsection (1)(b) of this section is
23 automatically enrolled, with no action necessary by the student or
24 the student's family, and the enrollment form must be forwarded by
25 the department of social and health services to the student
26 achievement council by mail or electronically, as indicated on the
27 form.

28 (4)(a) Grant contracts shall be awarded to eligible students
29 graduating from public high schools or approved private high schools
30 under chapter 28A.195 RCW, or who received home-based instruction
31 under chapter 28A.200 RCW.

32 (b) To receive the Washington college bound affordable college
33 for everyone grant contract, a student must graduate with at least a
34 "C" average from a public high school or an approved private high
35 school under chapter 28A.195 RCW in Washington or have received home-
36 based instruction under chapter 28A.200 RCW, must have no felony
37 convictions, and must be a resident student as defined in RCW
38 28B.15.012(2) (a) through (d).

39 (5) A student's family income will be assessed upon graduation
40 before awarding the grant contract.

1 (6) At graduation from high school, grant contract amounts and
2 contributions shall be as provided in this section.

3 (a) For students attending two or four-year institutions of
4 higher education as defined in RCW 28B.10.016, the value of the grant
5 contract amount shall be (i) the difference between the student's
6 tuition and required fees, less the value of any state-funded grant,
7 scholarship, or waiver assistance the student receives; (ii) plus
8 five hundred dollars for books and materials.

9 (b) For students attending private four-year institutions of
10 higher education in Washington, the grant contract amount shall be
11 the representative average of awards granted to students in public
12 research universities in Washington.

13 (c) For students attending private vocational schools in
14 Washington, the grant contract amount shall be the representative
15 average of awards granted to students in public community and
16 technical colleges in Washington.

17 (7) Recipients may receive no more than four full-time years'
18 worth of grant contracts.

19 (8) Institutions of higher education must award the student all
20 need-based and merit-based financial aid for which the student would
21 otherwise qualify.

22 (9) Contributions shall be aligned with terms developed for the
23 affordable college for everyone grant contract program in section 9
24 of this act.

25 (10) The office shall annually report on the program along with
26 its annual financial aid report.

27 (11) By December 1, 2017, the office, in consultation with the
28 office of the state actuary, shall estimate payments back to the
29 program over the next twenty years.

30 NEW SECTION. **Sec. 19.** The office of the superintendent of
31 public instruction shall:

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

36 (2) Work with the office of student financial assistance to
37 develop application collection and student tracking procedures.

1 NEW SECTION. **Sec. 20.** Each school district shall notify
2 students, parents, teachers, counselors, and principals about the
3 Washington college bound affordable college for everyone grant
4 contract program through existing channels. Notification methods may
5 include, but are not limited to, regular school district and building
6 communications, online scholarship bulletins and announcements,
7 notices posted on school walls and bulletin boards, information
8 available in each counselor's office, and school or district
9 scholarship information sessions.

10 NEW SECTION. **Sec. 21.** The office of student financial
11 assistance shall:

12 (1) With the assistance of the office of the superintendent of
13 public instruction, implement and administer the Washington college
14 bound affordable college for everyone grant contract program;

15 (2) Develop and distribute, to all schools with students enrolled
16 in grade seven or eight, a pledge form that can be completed and
17 returned electronically or by mail by the student or the school to
18 the office of student financial assistance;

19 (3) Develop and implement a student application, selection, and
20 notification process for grant contracts;

21 (4) Track grant contract recipients to ensure continued
22 eligibility and determine student compliance for awarding of grant
23 contracts;

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

26 (6) Purchase tuition units under the advanced college tuition
27 payment program in chapter 28B.95 RCW to be owned and held in trust
28 by the student achievement council, for the purpose of grant
29 contracts as provided for in this section; and

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

36 NEW SECTION. **Sec. 22.** The caseload forecast council shall
37 estimate the anticipated caseload of the Washington college bound

1 affordable college for everyone grant contract program and shall
2 submit this forecast as specified in RCW 43.88C.020.

3 **Sec. 23.** RCW 28B.119.030 and 2011 1st sp.s. c 11 s 233 are each
4 amended to read as follows:

5 The Washington promise scholarship program shall not be funded at
6 the expense of the ((state-need-grant)) affordable college for
7 everyone grant contract program as defined in chapter 28B.92 RCW. In
8 administering the ((state-need-grant)) affordable college for
9 everyone grant contract program and promise scholarship programs, the
10 office of student financial assistance shall first ensure that
11 eligibility for ((state-need-grant)) affordable college for everyone
12 grant contract recipients is at least fifty-five percent of state
13 median family income.

14 **Sec. 24.** RCW 28B.133.010 and 2013 c 248 s 4 are each amended to
15 read as follows:

16 The educational assistance grant program for students with
17 dependents is hereby created, subject to the availability of receipts
18 of gifts, grants, or endowments from private sources. The program is
19 created to serve financially needy students with dependents eighteen
20 years of age or younger, by assisting them directly through a grant
21 program to pursue a degree or certificate at public or private
22 institutions of higher education, as defined in RCW 28B.92.030(4) (a)
23 and (b) (i) and (ii), that participate in the ((state-need-grant))
24 affordable college for everyone grant contract program.

25 **Sec. 25.** RCW 28B.133.020 and 2004 c 275 s 73 are each amended to
26 read as follows:

27 To be eligible for the educational assistance grant program for
28 students with dependents, applicants shall: (1) Be residents of the
29 state of Washington; (2) be needy students as defined in RCW
30 28B.92.030((+3)) (5); (3) be eligible to participate in the ((state
31 need-grant)) affordable college for everyone grant contract program
32 as set forth under RCW 28B.92.080; and (4) have dependents eighteen
33 years of age or younger who are under their care.

34 **Sec. 26.** RCW 28B.145.030 and 2014 c 208 s 3 are each amended to
35 read as follows:

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

12 (2) With respect to the opportunity scholarship program, the
13 program administrator shall:

14 (a) Establish and manage two separate accounts into which to
15 receive grants and contributions from private sources as well as
16 state matching funds, and from which to disburse scholarship funds to
17 ~~((participants))~~ recipients;

18 (b) Solicit and accept grants and contributions from private
19 sources, via direct payment, pledge agreement, or escrow account, of
20 private sources for deposit into one or both of the two accounts
21 created in this subsection (2)(b) in accordance with this subsection
22 (2)(b):

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

30 (ii) The "endowment account," from which scholarship moneys may
31 be disbursed from earnings only in years when:

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

34 (B) The state appropriations for the ~~((state—need—grant))~~
35 affordable college for everyone grant contract program under RCW
36 28B.92.010 meet or exceed state appropriations for the ~~((state—need~~
37 ~~grant))~~ affordable college for everyone grant contract program made
38 in the 2011-2013 biennium, adjusted for inflation, and eligibility
39 for ~~((state—need—grant))~~ affordable college for everyone grant

1 contract program recipients is at least seventy percent of state
2 median family income; and

3 (C) The state has demonstrated progress toward the goal of total
4 per-student funding levels, from state appropriations plus tuition
5 and fees, of at least the sixtieth percentile of total per-student
6 funding at similar public institutions of higher education in the
7 global challenge states, as defined, measured, and reported in RCW
8 28B.15.068. In any year in which the office of financial management
9 reports that the state has not made progress toward this goal, no new
10 scholarships may be awarded. In any year in which the office of
11 financial management reports that the percentile of total per-student
12 funding is less than the sixtieth percentile and at least five
13 percent less than the prior year, pledges of future grants and
14 contributions may, at the request of the donor, be released and
15 grants and contributions already received refunded to the extent that
16 opportunity scholarship awards already made can be fulfilled from the
17 funds remaining in the endowment account. In fulfilling the
18 requirements of this subsection, the office of financial management
19 shall use resources that facilitate measurement and comparisons of
20 the most recently completed academic year. These resources may
21 include, but are not limited to, the data provided in a uniform
22 dashboard format under RCW 28B.77.090 as the statewide public four-
23 year dashboard and academic year reports prepared by the state board
24 for community and technical colleges;

25 (iii) An amount equal to at least fifty percent of all grants and
26 contributions must be deposited into the scholarship account until
27 such time as twenty million dollars have been deposited into the
28 account, after which time the private donors may designate whether
29 their contributions must be deposited to the scholarship or the
30 endowment account. The board and the program administrator must work
31 to maximize private sector contributions to both the scholarship
32 account and the endowment account, to maintain a robust scholarship
33 program while simultaneously building the endowment, and to determine
34 the division between the two accounts in the case of undesignated
35 grants and contributions, taking into account the need for a
36 long-term funding mechanism and the short-term needs of families and
37 students in Washington. The first five million dollars in state
38 match, as provided in RCW 28B.145.040, shall be deposited into the
39 scholarship account and thereafter the state match shall be deposited

1 into the two accounts in equal proportion to the private funds
2 deposited in each account; and

3 (iv) Once moneys in the opportunity scholarship match transfer
4 account are subject to an agreement under RCW 28B.145.050(5) and are
5 deposited in the scholarship account or endowment account under this
6 section, the state acts in a fiduciary rather than ownership capacity
7 with regard to those assets. Assets in the scholarship account and
8 endowment account are not considered state money, common cash, or
9 revenue to the state;

10 (c) Provide proof of receipt of grants and contributions from
11 private sources to the council, identifying the amounts received by
12 name of private source and date, and whether the amounts received
13 were deposited into the scholarship or the endowment account;

14 (d) In consultation with the council and the state board for
15 community and technical colleges, make an assessment of the
16 reasonable annual eligible expenses associated with eligible
17 education programs identified by the board;

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

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

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

32 (h) Distribute scholarship funds to selected (~~(participants)~~)
33 recipients. Once awarded, and to the extent funds are available for
34 distribution, an opportunity scholarship shall be automatically
35 renewed until the (~~(participant)~~) recipient withdraws from or is no
36 longer attending the program, completes the program, or has taken the
37 credit or clock hour equivalent of one hundred twenty-five percent of
38 the published length of time of the (~~(participant's)~~) recipient's
39 program, whichever occurs first, and as long as the (~~(participant)~~)
40 recipient annually submits documentation of filing both a free

1 application for federal student aid and for available federal
2 education tax credits, including but not limited to the American
3 opportunity tax credit; and

4 (i) Notify institutions of scholarship recipients who will attend
5 their institutions and inform them of the terms of the students'
6 eligibility.

7 (3) With respect to the opportunity expansion program, the
8 program administrator shall:

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

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

14 **Sec. 27.** RCW 28C.18.166 and 2011 1st sp.s. c 11 s 242 are each
15 amended to read as follows:

16 On an annual basis, each opportunity internship consortium shall
17 provide the board with a list of the opportunity internship graduates
18 from the consortium. The board shall compile the lists from all
19 consortia and shall notify the office of student financial assistance
20 of the eligibility of each graduate on the lists to receive (~~a state~~
21 ~~need grant~~) an affordable college for everyone grant contract under
22 chapter 28B.92 RCW if the graduate enrolls in a postsecondary program
23 of study within one year of high school graduation.

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

26 (1) RCW 28B.118.005 (Intent—Finding) and 2007 c 405 s 1;

27 (2) RCW 28B.118.020 (Duties of the office of the superintendent
28 of public instruction) and 2011 1st sp.s. c 11 s 227 & 2007 c 405 s
29 3;

30 (3) RCW 28B.118.030 (Duty of school districts—Notification) and
31 2007 c 405 s 4;

32 (4) RCW 28B.118.040 (Duties of the office of student financial
33 assistance) and 2011 1st sp.s. c 11 s 228 & 2007 c 405 s 5; and

34 (5) RCW 28B.118.075 (Caseload estimate) and 2011 c 304 s 1.

35 NEW SECTION. **Sec. 29.** Sections 18 through 22 of this act are
36 each added to chapter 28B.118 RCW.

1 NEW SECTION. **Sec. 30.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect July 1, 2015.

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