
HOUSE BILL 1425

State of Washington

67th Legislature

2021 Regular Session

By Representatives Taylor and Leavitt

1 AN ACT Relating to amending the opportunity scholarship act to
2 expand scholarships for community and technical college students;
3 amending RCW 28B.145.010, 28B.145.030, 28B.145.040, and 28B.145.100;
4 and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that higher
7 education is pivotal in delivering training to Washington citizens at
8 all stages of their careers and ages. A skilled workforce increases
9 productivity, boosts outputs, and propels growth in Washington's
10 economy. The legislature further finds that a well-trained, highly
11 skilled workforce provides Washington citizens with greater
12 opportunities and skill sets to efficiently and confidently meet the
13 changing demands of a transforming economy. Furthermore, a STEM-based
14 education provides Washington's citizens with real-world applications
15 to develop a variety of skill sets needed in today's global economy.

16 The legislature further finds that the Washington state
17 opportunity scholarship is an innovative public private partnership
18 that has been successful building a qualified workforce to fill
19 Washington's high-demand STEM, health care, and trade industries. The
20 Washington state opportunity scholarship has successfully created
21 opportunities for communities historically left out of higher

1 education and STEM, including women, students of color, and first-
2 generation college students. In addition, the Washington state
3 opportunity scholarship has been shown to change communities by
4 breaking the cycle of intergenerational poverty.

5 The legislature also finds that higher education is a key driver
6 of individual growth and prosperity, and is an effective way to
7 bridge societal inequities that disproportionately afflict low-income
8 communities and communities of color. The legislature further finds
9 that these gaps will be further widened in the current global
10 pandemic, which will exacerbate long-term impacts on these
11 communities in intergenerational poverty, job attainment, job
12 stability, and wage growth.

13 Therefore, it is the intent of the legislature to amend the
14 existing Washington state opportunity scholarship program to
15 eliminate false barriers for students eligible for the scholarship
16 and provide additional educational opportunities for Washington's
17 citizens. This legislative intent is particularly urgent during the
18 global pandemic where additional skills and opportunities will be
19 vital for Washington citizens as the state moves toward recovery from
20 the current global pandemic.

21 **Sec. 2.** RCW 28B.145.010 and 2019 c 406 s 63 are each amended to
22 read as follows:

23 The definitions in this section apply throughout this chapter
24 unless the context clearly requires otherwise.

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

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

27 (3) "Eligible advanced degree program" means a health
28 professional degree program beyond the baccalaureate level and
29 includes graduate and professional degree programs.

30 (4) "Eligible county" has the same meaning as "rural county" as
31 defined in RCW 82.14.370 and also includes any county that shares a
32 common border with Canada and has a population of over one hundred
33 twenty-five thousand.

34 (5) "Eligible education programs" means high employer demand and
35 other programs of study as determined by the board.

36 (6) "Eligible expenses" means reasonable expenses associated with
37 the costs of acquiring an education such as tuition, books,
38 equipment, fees, room and board, and other expenses as determined by

1 the program administrator in consultation with the council and the
2 state board for community and technical colleges.

3 (7) "Eligible school district" means a school district of the
4 second class as identified in RCW 28A.300.065(2).

5 (8) "Eligible student" means a resident student who (~~received~~
6 ~~his or her high school diploma or high school equivalency certificate~~
7 ~~as provided in RCW 28B.50.536 in Washington and who~~):

8 (a) (i) (~~Has~~) Received his or her high school diploma or high
9 school equivalency certificate as provided in RCW 28B.50.536 in
10 Washington and has been accepted at a four-year institution of higher
11 education into an eligible education program leading to a
12 baccalaureate degree;

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

18 (iii) Has been accepted at an institution of higher education
19 into a professional-technical certificate or degree program in an
20 eligible education program;

21 (iv) Has been accepted at an institution of higher education
22 (~~into a professional-technical certificate~~) in an eligible
23 education program (~~in an eligible education program~~) leading to an
24 industry-recognized credential; or

25 (v) Has been accepted at an institution of higher education into
26 an eligible advanced degree program that leads to credentials in
27 health professions;

28 (b) Declares an intention to obtain an industry-recognized
29 credential, a professional-technical certificate, professional-
30 technical degree, baccalaureate degree, or an advanced degree; and

31 (c) Has a family income at or below one hundred twenty-five
32 percent of the state median family income at the time the student
33 applies for an opportunity scholarship.

34 (9) "Gift aid" means financial aid received from the federal Pell
35 grant, the Washington college grant program in chapter 28B.92 RCW,
36 the college bound scholarship program in chapter 28B.118 RCW, the
37 opportunity grant program in chapter 28B.50 RCW, or any other state
38 grant, scholarship, or worker retraining program that provides funds
39 for educational purposes with no obligation of repayment. "Gift aid"
40 does not include student loans, work-study programs, the basic food

1 employment and training program administered by the department of
2 social and health services, or other employment assistance programs
3 that provide job readiness opportunities and support beyond the costs
4 of tuition, books, and fees.

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

7 (11) "Industry-recognized credential" means a license or
8 professional certification recognized by employers as necessary for
9 employment that is obtained through a noncredit-bearing program at a
10 community or technical college, as defined in chapter 28B.50 RCW.

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

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

18 (~~(13)~~) (14) "Professional-technical certificate" means a
19 program as approved by the state board for community and technical
20 colleges under RCW 28B.50.090(7)(c), that is offered by an
21 institution of higher education.

22 (~~(14)~~) (15) "Professional-technical degree" means a program as
23 approved by the state board for community and technical colleges
24 under RCW 28B.50.090(7)(c), that is offered by an institution of
25 higher education.

26 (~~(15)~~) (16) "Program administrator" means a private nonprofit
27 corporation registered under Title 24 RCW and qualified as a tax-
28 exempt entity under section 501(c)(3) of the federal internal revenue
29 code.

30 (~~(16)~~) (17) "Resident student" has the same meaning as provided
31 in RCW 28B.15.012.

32 (~~(17)~~) (18) "Rural jobs program" means the rural county high
33 employer demand jobs program created in this chapter.

34 **Sec. 3.** RCW 28B.145.030 and 2019 c 406 s 65 are each amended to
35 read as follows:

36 (1) The program administrator shall provide administrative
37 support to execute the duties and responsibilities provided in this
38 chapter, including but not limited to publicizing the program,
39 selecting participants for the opportunity scholarship award,

1 distributing opportunity scholarship awards, and achieving the
2 maximum possible rate of return on investment of the accounts in
3 subsection (2) of this section, while ensuring transparency in the
4 investment decisions and processes. Duties, exercised jointly with
5 the board, include soliciting funds and setting annual fund-raising
6 goals. The program administrator shall be paid an administrative fee
7 as determined by the board.

8 (2) With respect to the opportunity scholarship program, the
9 program administrator shall:

10 (a) Establish and manage the specified accounts created in (b) of
11 this subsection, into which to receive grants and contributions from
12 private sources as well as state matching funds, and from which to
13 disburse scholarship funds to participants;

14 (b) Solicit and accept grants and contributions from private
15 sources, via direct payment, pledge agreement, or escrow account, of
16 private sources for deposit into any of the specified accounts
17 created in this subsection (2)(b) upon the direction of the donor and
18 in accordance with this subsection (2)(b):

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

26 (ii) The "student support pathways account," whose principal may
27 be invaded, and from which scholarships may be disbursed for eligible
28 education programs leading to an industry-recognized credential,
29 professional-technical certificate, or professional-technical degree
30 ~~((programs))~~ in the fiscal year following appropriations of state
31 matching funds. Thereafter, scholarships shall be disbursed on an
32 annual basis;

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

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

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

3 (B) The state appropriations for the Washington college grant
4 program under chapter 28B.92 RCW meet or exceed state appropriations
5 for the state need grant made in the 2011-2013 biennium, adjusted for
6 inflation, and eligibility for Washington college grant recipients is
7 at least seventy percent of state median family income;

8 (v) An amount equal to at least fifty percent of all grants and
9 contributions must be deposited into the scholarship account until
10 such time as twenty million dollars have been deposited into the
11 scholarship account, after which time the private donors may
12 designate whether their contributions must be deposited to the
13 scholarship account, the student support pathways account, the
14 advanced degrees pathways account, or the endowment account. The
15 board and the program administrator must work to maximize private
16 sector contributions to these accounts to maintain a robust
17 scholarship program while simultaneously building the endowment, and
18 to determine the division between the accounts in the case of
19 undesignated grants and contributions, taking into account the need
20 for a long-term funding mechanism and the short-term needs of
21 families and students in Washington. The first five million dollars
22 in state match, as provided in RCW 28B.145.040, shall be deposited
23 into the scholarship account and thereafter the state match shall be
24 deposited into the specified accounts created in this subsection
25 (2)(b) in equal proportion to the private funds deposited in each
26 account, except that no more than one million dollars in state match
27 shall be deposited into the advanced degrees pathways account in a
28 single fiscal biennium; and

29 (vi) Once moneys in the opportunity scholarship match transfer
30 account are subject to an agreement under RCW 28B.145.050(5) and are
31 deposited in the scholarship account, the student support pathways
32 account, the advanced degrees pathways account, or the endowment
33 account under this section, the state acts in a fiduciary rather than
34 ownership capacity with regard to those assets. Assets in the
35 scholarship account, the student support pathways account, the
36 advanced degrees pathways account, and the endowment account are not
37 considered state money, common cash, or revenue to the state;

38 (c) Provide proof of receipt of grants and contributions from
39 private sources to the council, identifying the amounts received by
40 name of private source and date, and whether the amounts received

1 were deposited into the scholarship account, the student support
2 pathways account, the advanced degrees pathways account, or the
3 endowment account;

4 (d) In consultation with the council and the state board for
5 community and technical colleges, make an assessment of the
6 reasonable annual eligible expenses associated with eligible
7 education programs and eligible advanced degree programs identified
8 by the board;

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

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

15 (g) Ensure that if the private source is from a federally
16 recognized Indian tribe, municipality, or county, an amount at least
17 equal to the value of the private source plus the state match is
18 awarded to participants within that federally recognized Indian
19 tribe, municipality, or county according to the federally recognized
20 Indian tribe's, municipality's, or county's program rules;

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

31 (i) Distribute scholarship funds to selected participants. Once
32 awarded, and to the extent funds are available for distribution, an
33 opportunity scholarship shall be automatically renewed as long as the
34 participant annually submits documentation of filing both a free
35 application for federal student aid (FAFSA) and for available federal
36 education tax credits including, but not limited to, the American
37 opportunity tax credit, or if ineligible to apply for federal student
38 aid, the participant annually submits documentation of filing a state
39 financial aid application as approved by the office of student
40 financial assistance; and until the participant withdraws from or is

1 no longer attending the program, completes the program, or has taken
2 the credit or clock hour equivalent of one hundred twenty-five
3 percent of the published length of time of the participant's program,
4 whichever occurs first;

5 (j) Notify institutions of scholarship recipients who will attend
6 their institutions and inform them of the terms of the students'
7 eligibility; and

8 (k) For participants enrolled in an eligible advanced degree
9 program, document each participant's employment following graduation.

10 (3) With respect to the opportunity expansion program, the
11 program administrator shall:

12 (a) Assist the board in developing and implementing an
13 application, selection, and notification process for making
14 opportunity expansion awards; and

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

17 **Sec. 4.** RCW 28B.145.040 and 2019 c 406 s 66 are each amended to
18 read as follows:

19 (1) The opportunity scholarship program is established.

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

34 (3) The opportunity scholarship board shall determine which
35 programs of study, including but not limited to high employer demand
36 programs, are eligible for purposes of the opportunity scholarship.
37 For eligible advanced degree programs, the board shall limit
38 scholarships to eligible students enrolling in programs that lead to
39 credentials in health professions.

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

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

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

20 **Sec. 5.** RCW 28B.145.100 and 2018 c 254 s 4 are each amended to
21 read as follows:

22 (1) (a) The rural county high employer demand jobs program is
23 created to meet the workforce needs of business and industry in rural
24 counties by assisting students in earning certificates, associate
25 degrees, or other industry-recognized credentials necessary for
26 employment in high employer demand fields.

27 (b) Subject to the requirements of this section, the rural jobs
28 program provides selected students scholarship funds and support
29 services, as determined by the board, to help students meet their
30 eligible expenses when they enroll in a community or technical
31 college program that prepares them for high employer demand fields.

32 (c) The source of funds for the rural jobs program shall be a
33 combination of private donations, grants, and contributions and state
34 matching funds.

35 (2) The program administrator has the duties and responsibilities
36 provided under this section, including but not limited to:

37 (a) (~~Publicizing~~) Publicize the rural jobs program and
38 conducting outreach to eligible counties;

1 (b) In consultation with the state board for community and
2 technical colleges, any interested community or technical college
3 located in an eligible county, and the county's workforce development
4 council, identify high employer demand fields within the eligible
5 counties. When identifying high employer demand fields, the board
6 must consider:

7 (i) County-specific employer demand reports issued by the
8 employment security department or the list of statewide high-demand
9 programs for secondary career and technical education established
10 under RCW 28A.700.020; and

11 (ii) The ability and capacity of the community and technical
12 college to meet the needs of qualifying students and industry in the
13 eligible county;

14 (c) Develop and implement an application, selection, and
15 notification process for awarding rural jobs program scholarship
16 funds. In making determinations on scholarship recipients, the board
17 shall use county-specific employer high-demand data;

18 (d) Determine the annual scholarship fund amounts to be awarded
19 to selected students;

20 (e) Distribute funds to selected students;

21 (f) Notify institutions of higher education of the rural jobs
22 program recipients who will attend their institutions of higher
23 education and inform them of the scholarship fund amounts and terms
24 of the awards; and

25 (g) Establish and manage an account as provided under RCW
26 28B.145.110 to receive donations, grants, contributions from private
27 sources, and state matching funds, and from which to disburse
28 scholarship funds to selected students.

29 (3) To be eligible for scholarship funds under the rural jobs
30 program, a student must:

31 (a) Either:

32 (i) Be a resident of an eligible county and be enrolled in a
33 community or technical college established under chapter 28B.50 RCW;
34 or ((have))

35 (ii) Have attended and graduated from a school in an eligible
36 school district and be enrolled in a community or technical college
37 established under chapter 28B.50 RCW that is located in an eligible
38 county;

39 (b) Be a resident student as defined in RCW 28B.15.012;

1 (c) (~~Be enrolled in a community or technical college established~~
2 ~~under chapter 28B.50 RCW located in an eligible county;~~

3 ~~(d)~~) Be in a certificate, degree, or other industry-recognized
4 credential or training program that has been identified by the board
5 as a program that prepares students for a high employer demand field;

6 ~~((e))~~ (d) Have a family income that does not exceed seventy
7 percent of the state median family income adjusted for family size;
8 and

9 ~~((f))~~ (e) Demonstrate financial need according to the free
10 application for federal student aid or the Washington application for
11 state financial aid.

12 (4) To remain eligible for scholarship funds under the rural jobs
13 program, the student must maintain a cumulative grade point average
14 of 2.0.

15 (5) A scholarship award under the rural jobs program may not
16 result in a reduction of any gift aid. Nothing in this section
17 creates any right or entitlement.

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