

TWENTY SIXTH DAY

House Chamber, Olympia, Saturday, May 21, 2011

The House was called to order at 10:00 a.m. by the Speaker (Representative Roberts presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Nancy Ryan and Maureen Gallegos. The Speaker (Representative Roberts presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Brad Klippert, 8th District, Washington.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

MESSAGES FROM THE SENATE

May 20, 2011

MR. SPEAKER:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL 1354 and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

May 20, 2011

MR. SPEAKER:

The Senate has passed SUBSTITUTE SENATE BILL 5846 and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

INTRODUCTIONS AND FIRST READING

SSB 5846 by Senate Committee on Ways & Means (originally sponsored by Senators Brown, McAuliffe, Tom, Fraser, Hobbs, Conway, Harper, Nelson, Rockefeller, Keiser, Kilmer, Litzow, Hatfield, Prentice, Shin, Kohl-Welles and White)

AN ACT Relating to offering health benefit subsidies for certain retired public employees; amending RCW 41.32.570; and adding a new section to chapter 41.05 RCW.

Referred to Committee on Ways & Means.

There being no objection, the bill listed on the day's introduction sheet under the fourth order of business was referred to the committee so designated.

REPORTS OF STANDING COMMITTEES

May 20, 2011

HB 2080 Prime Sponsor, Representative Hasegawa: Modifying tax refund and interest provisions. Reported by Committee on Ways & Means

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by

Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle; Cody; Dickerson; Haigh; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler; Haler; Parker; Ross; Schmick and Wilcox.

May 20, 2011

HB 2119 Prime Sponsor, Representative Orwall: Requiring another one-time sum due by beneficiaries for reporting certain notices of default. Reported by Committee on Ways & Means

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Carlyle; Cody; Dickerson; Haigh; Haler; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Ross; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Assistant Ranking Minority Member; Chandler and Schmick.

May 20, 2011

SSB 5587 Prime Sponsor, Committee on Ways & Means: Expiring an underutilized deferral program in the department of revenue under chapter 84.37 RCW. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Haigh; Haler; Hudgins; Hunt; Ormsby; Parker; Schmick; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Darneille, Vice Chair; Hasegawa, Vice Chair; Dickerson; Kagi; Kenney; Ross; Seaquist and Springer.

May 20, 2011

ESSB 5891 Prime Sponsor, Committee on Ways & Means: Addressing criminal justice cost savings. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle; Cody; Dickerson; Haigh; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler; Haler; Parker; Ross; Schmick and Wilcox.

May 20, 2011

SSB 5912 Prime Sponsor, Committee on Ways & Means: Expanding family planning services to two hundred fifty percent of the federal poverty level. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle; Cody; Dickerson; Haigh; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler; Haler; Parker; Ross; Schmick and Wilcox.

May 20, 2011

SJR 8206 Prime Sponsor, Senator Zarelli: Requiring extraordinary revenue growth to be transferred to the budget stabilization account. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

On page 1, line 15, after "biennium," insert "three-quarters of"

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Haigh; Haler; Kagi; Kenney; Parker; Ross; Schmick; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Hasegawa, Vice Chair; Dickerson; Hudgins; Hunt and Ormsby.

There being no objection, the bills and resolution listed on the day's committee reports under the fifth order of business were placed on the second reading calendar.

SECOND READING

SENATE JOINT RESOLUTION NO. 8206, by Senators Zarelli, Brown, Pridemore, Tom, Kilmer, White and Parlette

Requiring extraordinary revenue growth to be transferred to the budget stabilization account.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was adopted. (For Committee amendment, see Journal, Day 25, May 20, 2011).

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hunter and Alexander spoke in favor of the passage of the bill.

MOTIONS

On motion of Representative Van De Wege, Representatives Appleton, Clibborn, Pettigrew, Kirby and Santos were excused. On motion of Representative Overstreet, Representatives Anderson, Angel, Crouse, Rodne, McCune, Hinkle and Kristiansen were excused.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Senate Joint Resolution No. 8206, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Joint Resolution No. 8206, as amended by the House, and the bill passed the House by the following vote: Yeas, 76; Nays, 10; Absent, 0; Excused, 12.

Voting yea: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Blake, Buys, Chandler, Cody, Condotta, Dahlquist, Dammeier, Darneille, DeBolt, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hope, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Klippert, Kretz, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Morris, Moscoso, Nealey, Orcutt, Orwall, Overstreet, Parker, Pearson, Probst, Reykdal, Rivers, Rolfes, Ross, Ryu, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Billig, Carlyle, Dickerson, Hasegawa, Hudgins, Hunt, Moeller, Ormsby, Pedersen and Roberts.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kirby, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SENATE JOINT RESOLUTION NO. 8206, as amended by the House, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 1250, by Representatives Hunter and Darneille

Transferring funds from the budget stabilization account to the general fund.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1250 was substituted for House Bill No. 1250 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1250 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Hunter and Alexander spoke in favor of the passage of the bill.

Representative Orcutt spoke against the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1250.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1250, and the bill passed the House by the following vote: Yeas, 62; Nays, 24; Absent, 0; Excused, 12.

Voting yea: Representatives Alexander, Bailey, Billig, Blake, Carlyle, Cody, Dahlquist, Dammeier, Darneille, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Kagi, Kelley, Kenney, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Ormsby, Orwall, Pedersen, Probst, Reykdal, Roberts, Rolfes, Ryu, Seaquist, Sells, Smith, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Ahern, Armstrong, Asay, Buys, Chandler, Condotta, DeBolt, Haler, Hargrove, Harris, Johnson, Klippert, Kretz, Orcutt, Overstreet, Parker, Pearson, Rivers, Ross, Schmick, Shea, Short, Taylor and Walsh.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kirby, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SUBSTITUTE HOUSE BILL NO. 1250, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 5941, by Senators Eide, Regala, Rockefeller and Kline

Concerning judicial branch funding.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 10, May 5, 2011).

Representative Shea moved the adoption of amendment (795) to the committee amendment:

On page 1, after line 2 of the striking amendment, insert the following:

"Sec. 1. RCW 3.62.020 and 2009 c 479 s 5 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, all costs, fees, fines, forfeitures and penalties assessed and collected in whole or in part by district courts, except costs, fines, forfeitures and penalties assessed and collected, in whole or in part, because of the violation of city ordinances, shall be remitted by the clerk of the district court to

the county treasurer at least monthly, together with a financial statement as required by the state auditor, noting the information necessary for crediting of such funds as required by law.

(2) Except as provided in RCW 10.99.080 and this section, the county treasurer shall remit thirty-two percent of the noninterest money received under subsection (1) of this section except certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state or county in the prosecution of the case, including the fees of defense counsel. With the exception of funds to be transferred to the judicial stabilization trust account under RCW 3.62.060(2), money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received by the county treasurer under subsection (1) of this section shall be deposited in the county current expense fund. Funds deposited under this subsection that are attributable to the county's portion of a surcharge imposed under RCW 3.62.060(2) must be used to support local trial court and court-related functions.

(4) All money collected for county parking infractions shall be remitted by the clerk of the district court at least monthly, with the information required under subsection (1) of this section, to the county treasurer for deposit in the county current expense fund.

(5) Penalties, fines, bail forfeitures, fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.

(6) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 2, line 27, after "(13)" insert "(a)"

On page 2, beginning on line 30, after "section" strike all material through "RCW 3.62.020." on line 33 and insert "(, which shall be remitted to the state treasurer for deposit in the judicial stabilization account. This surcharge is not subject to the division and remittance requirements of RCW 3.62.020))."

(b) Ten dollars of each surcharge collected under this subsection (13) must be remitted to the state treasurer for deposit in the judicial stabilization trust account.

(c) Ten dollars of each surcharge collected under this subsection (13) must be retained by the county.

(14)"

On page 3, line 10, after "section," strike "which" and insert "of which five dollars"

On page 3, line 12, after "account" insert "and five dollars shall be retained by the county"

On page 3, line 26, after "transmit" insert "fifteen dollars of"

On page 3, line 28, after "account" insert "and fifteen dollars must be retained by the county"

On page 5, line 13, after "subsection" strike all material through "account" on line 14 and insert "((, which shall be remitted to the state treasurer for deposit in the judicial stabilization trust account)) of which fifty percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and fifty percent must be retained by the county"

There being no objection, the House deferred action on SENATE BILL NO. 5941, and the bill held its place on the second reading calendar.

SENATE BILL NO. 5956, by Senators Harper, Pflug and Kline

Concerning the prohibited practices of collection agencies.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Goodman and Bailey spoke in favor of the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Senate Bill No. 5956.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5956, and the bill passed the House by the following vote: Yeas, 86; Nays, 0; Absent, 0; Excused, 12.

Voting yea: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Billig, Blake, Buys, Carlyle, Chandler, Cody, Condotta, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Klippert, Kretz, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pearson, Pedersen, Probst, Reykdal, Rivers, Roberts, Rolfes, Ross, Ryu, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kirby, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SENATE BILL NO. 5956, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

May 21, 2011

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE SENATE BILL 5749
ENGROSSED SUBSTITUTE SENATE BILL 5942

and the same are herewith transmitted.

Brad Hendrickson, Deputy Secretary

SECOND READING

The House resumed consideration of Senate Bill No. 5941.

Representatives Shea and Alexander spoke in favor of the adoption amendment (795) to the committee amendment.

Representative Hunter spoke against the adoption of amendment (795) to the committee amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Roberts presiding) divided the House. The result was 37 - YEAS; 50 - NAYS.

Amendment (795) was not adopted.

There being no objection, the committee amendment was not adopted.

Representative Hunter moved the adoption of amendment (796).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 3.62.020 and 2009 c 479 s 5 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, all costs, fees, fines, forfeitures and penalties assessed and collected in whole or in part by district courts, except costs, fines, forfeitures and penalties assessed and collected, in whole or in part, because of the violation of city ordinances, shall be remitted by the clerk of the district court to the county treasurer at least monthly, together with a financial statement as required by the state auditor, noting the information necessary for crediting of such funds as required by law.

(2) Except as provided in RCW 10.99.080 and this section, the county treasurer shall remit thirty-two percent of the noninterest money received under subsection (1) of this section except certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state or county in the prosecution of the case, including the fees of defense counsel. With the exception of funds to be transferred to the judicial stabilization trust account under RCW 3.62.060(2), money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received by the county treasurer under subsection (1) of this section shall be deposited in the county current expense fund. Funds deposited under this subsection that are attributable to the county's portion of a surcharge imposed under RCW 3.62.060(2) must be used to support local trial court and court-related functions.

(4) All money collected for county parking infractions shall be remitted by the clerk of the district court at least monthly, with the information required under subsection (1) of this section, to the county treasurer for deposit in the county current expense fund.

(5) Penalties, fines, bail forfeitures, fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.

(6) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts.

Sec. 2. RCW 12.40.020 and 2009 c 572 s 2 are each amended to read as follows:

(1) A small claims action shall be commenced by the plaintiff filing a claim, in the form prescribed by RCW 12.40.050, in the small claims department. A filing fee of fourteen dollars plus any surcharge authorized by RCW 7.75.035 shall be paid when the claim is filed. Any party filing a counterclaim, cross-claim, or third-party claim in such action shall pay to the court a filing fee of fourteen dollars plus any surcharge authorized by RCW 7.75.035.

(2) Until July 1, ~~((2014))~~ 2013, in addition to the fees required by this section, an additional surcharge of ten dollars shall be charged on the filing fees required by this section, of which ~~((shall))~~ seventy-five percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

Sec. 3. RCW 36.18.018 and 2009 c 572 s 3 are each amended to read as follows:

(1) State revenue collected by county clerks under subsection (2) of this section must be transmitted to the appropriate state court. The administrative office of the courts shall retain fees collected under subsection (3) of this section.

(2) For appellate review under RAP 5.1(b), two hundred fifty dollars must be charged.

(3) For all copies and reports produced by the administrative office of the courts as permitted under RCW 2.68.020 and supreme court policy, a variable fee must be charged.

(4) Until July 1, ~~((2014))~~ 2013, in addition to the fee established under subsection (2) of this section, a surcharge of thirty dollars is established for appellate review. The county clerk shall transmit seventy-five percent of this surcharge to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

Sec. 4. RCW 3.62.060 and 2009 c 572 s 1 and 2009 c 372 s 1 are each reenacted and amended to read as follows:

(1) Clerks of the district courts shall collect the following fees for their official services:

~~((4))~~ (a) In any civil action commenced before or transferred to a district court, the plaintiff shall, at the time of such commencement or transfer, pay to such court a filing fee of forty-three dollars plus any surcharge authorized by RCW 7.75.035. Any party filing a counterclaim, cross-claim, or third-party claim in such action shall pay to the court a filing fee of forty-three dollars plus any surcharge authorized by RCW 7.75.035. No party shall be compelled to pay to the court any other fees or charges up to and including the rendition of judgment in the action other than those listed.

~~((2))~~ (b) For issuing a writ of garnishment or other writ, or for filing an attorney issued writ of garnishment, a fee of twelve dollars.

~~((3))~~ (c) For filing a supplemental proceeding a fee of twenty dollars.

~~((4))~~ (d) For demanding a jury in a civil case a fee of one hundred twenty-five dollars to be paid by the person demanding a jury.

~~((5))~~ (e) For preparing a transcript of a judgment a fee of twenty dollars.

~~((6))~~ (f) For certifying any document on file or of record in the clerk's office a fee of five dollars.

~~((7))~~ (g) At the option of the district court:

~~((a))~~ (i) For preparing a certified copy of an instrument on file or of record in the clerk's office, for the first page or portion of the first page, a fee of five dollars, and for each additional page or portion of a page, a fee of one dollar;

~~((b))~~ (ii) For authenticating or exemplifying an instrument, a fee of two dollars for each additional seal affixed;

~~((c))~~ (iii) For preparing a copy of an instrument on file or of record in the clerk's office without a seal, a fee of fifty cents per page;

~~((d))~~ (iv) When copying a document without a seal or file that is in an electronic format, a fee of twenty-five cents per page;

~~((e))~~ (v) For copies made on a compact disc, an additional fee of twenty dollars for each compact disc.

~~((8))~~ (h) For preparing the record of a case for appeal to superior court a fee of forty dollars including any costs of tape duplication as governed by the rules of appeal for courts of limited jurisdiction (RALJ).

~~((9))~~ (i) At the option of the district court, for clerk's services such as processing ex parte orders, performing historical searches, compiling statistical reports, and conducting exceptional record searches, a fee not to exceed twenty dollars per hour or portion of an hour.

~~((10))~~ (j) For duplication of part or all of the electronic recording of a proceeding ten dollars per tape or other electronic storage medium.

~~((11))~~ (k) For filing any abstract of judgment or transcript of judgment from a municipal court or municipal department of a district court organized under the laws of this state a fee of forty-three dollars.

~~((12))~~ (l) At the option of the district court, a service fee of up to three dollars for the first page and one dollar for each additional page for receiving faxed documents, pursuant to Washington state rules of court, general rule 17.

~~((13))~~ (2)(a) Until July 1, ~~((2011))~~ 2013, in addition to the fees required (by subsection (1) of this section, clerks of the district courts shall collect a surcharge of twenty dollars on all fees required by subsection (1) of this section, which shall be remitted to the state treasurer for deposit in the judicial stabilization trust account. This surcharge is not subject to the division and remittance requirements of RCW 3.62.020) to be collected under this section, clerks of the district courts must collect a surcharge of twenty dollars on all fees required to be collected under subsection (1)(a) of this section.

(b) Seventy-five percent of each surcharge collected under this subsection (2) must be remitted to the state treasurer for deposit in the judicial stabilization trust account.

(c) Twenty-five percent of each surcharge collected under this subsection (2) must be retained by the county.

(3) The fees or charges imposed under this section shall be allowed as court costs whenever a judgment for costs is awarded.

Sec. 5. RCW 36.18.020 and 2009 c 572 s 4, 2009 c 479 s 21, and 2009 c 417 s 3 are each reenacted and amended to read as follows:

(1) Revenue collected under this section is subject to division with the state under RCW 36.18.025 and with the county or regional law library fund under RCW 27.24.070, except as provided in subsection (5) of this section.

(2) Clerks of superior courts shall collect the following fees for their official services:

(a) In addition to any other fee required by law, the party filing the first or initial document in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, shall pay, at the time the document is filed, a fee of two hundred dollars except, in an unlawful detainer action under chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case initiating filing fee of forty-five dollars, or in proceedings filed under RCW 28A.225.030 alleging a violation of the compulsory attendance laws where the petitioner shall not pay a filing fee. The forty-five dollar filing fee under this subsection for an unlawful detainer action shall not include an order to show cause or any other order or judgment except a default order or default judgment in an unlawful detainer action.

(b) Any party, except a defendant in a criminal case, filing the first or initial document on an appeal from a court of limited jurisdiction or any party on any civil appeal, shall pay, when the document is filed, a fee of two hundred dollars.

(c) For filing of a petition for judicial review as required under RCW 34.05.514 a filing fee of two hundred dollars.

(d) For filing of a petition for unlawful harassment under RCW 10.14.040 a filing fee of fifty-three dollars.

(e) For filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2)(a) a fee of two hundred dollars.

(f) In probate proceedings, the party instituting such proceedings, shall pay at the time of filing the first document therein, a fee of two hundred dollars.

(g) For filing any petition to contest a will admitted to probate or a petition to admit a will which has been rejected, or a petition objecting to a written agreement or memorandum as provided in RCW 11.96A.220, there shall be paid a fee of two hundred dollars.

(h) Upon conviction or plea of guilty, upon failure to prosecute an appeal from a court of limited jurisdiction as provided by law, or upon affirmance of a conviction by a court of limited jurisdiction, a defendant in a criminal case shall be liable for a fee of two hundred dollars.

(i) With the exception of demands for jury hereafter made and garnishments hereafter issued, civil actions and probate proceedings filed prior to midnight, July 1, 1972, shall be completed and governed by the fee schedule in effect as of January 1, 1972(~~(= PROVIDED, That)~~). However, no fee shall be assessed if an order of dismissal on the clerk's record be filed as provided by rule of the supreme court.

(3) No fee shall be collected when a petition for relinquishment of parental rights is filed pursuant to RCW 26.33.080 or for forms and instructional brochures provided under RCW 26.50.030.

(4) No fee shall be collected when an abstract of judgment is filed by the county clerk of another county for the purposes of collection of legal financial obligations.

(5)(a) Until July 1, ((2011)) 2013, in addition to the fees required ((by this section, clerks of superior courts shall collect the surcharges required by this subsection, which shall be remitted to the state treasurer for deposit in the judicial stabilization trust account:

(a) On filing fees under subsection (2)(b) of this section, a surcharge of twenty dollars; and

(b) On all other filing fees required by this section except for filing fees in subsection (2)(d) and (h) of this section, a surcharge of thirty dollars)) to be collected under this section, clerks of the superior courts must collect surcharges as provided in this subsection (5) of which seventy-five percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

(b) On filing fees required to be collected under subsection (2)(b) of this section, a surcharge of twenty dollars must be collected.

(c) On all filing fees required to be collected under this section, except for fees required under subsection (2)(b), (d), and (h) of this section, a surcharge of thirty dollars must be collected.

Sec. 6. RCW 43.79.505 and 2009 c 572 s 5 are each amended to read as follows:

The judicial stabilization trust account is created within the state treasury, subject to appropriation. All receipts from the surcharges authorized by ~~((sections 1 through 4, chapter 572, Laws of 2009))~~ RCW 3.62.060(2), 12.40.020(2), 36.18.018(4), and 36.18.020(5) shall be deposited in this account. Moneys in the account may be spent only after appropriation.

Expenditures from the account may be used only for the support of judicial branch agencies.

NEW SECTION. Sec. 7. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011."

Correct the title.

Representatives Hunter and Alexander spoke in favor of the adoption of the amendment.

Amendment (796) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill as amended by the House, was placed on final passage.

Representative Hunter spoke in favor of the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Senate Bill No. 5941, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5941, as amended by the House, and the bill passed the House by the following vote: Yeas, 58; Nays, 29; Absent, 0; Excused, 11.

Voting yea: Representatives Armstrong, Asay, Billig, Blake, Carlyle, Cody, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Harris, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Ladenburg, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Ormsby, Orwall, Pedersen, Reykdal, Roberts, Rolfes, Ross, Ryu, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Uptegrove, Van De Wege, Walsh, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Ahern, Alexander, Bailey, Buys, Chandler, Condotta, Dahlquist, Dammeier, DeBolt, Fagan, Haler, Hargrove, Hope, Klippert, Kretz, Liias, Orcutt, Overstreet, Parker, Pearson, Probst, Rivers, Schmick, Shea, Short, Smith, Taylor, Warnick and Wilcox.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SENATE BILL NO. 5941, as amended by the House, having received the necessary constitutional majority, was declared passed.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5182, by Senate Committee on Ways & Means (originally sponsored by Senators White, Tom, Hill, Zarelli, Murray, Ericksen, Prentice, Hobbs and Nelson)

Establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities. Revised for 2nd Substitute: Establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities. (REVISED FOR ENGROSSED: Establishing the office of student financial assistance and the council for higher education by eliminating the higher education coordinating board and transferring its functions to various entities.)

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was not adopted. (For Committee amendment, see Journal, Day 26, May 11, 2011.)

With the consent of the house, amendments (772), (798) and (792) were withdrawn.

Representative Seaquist moved the adoption of amendment (785)

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature recognizes that the state's higher education system plays a critical role in assuring Washington's continued leadership role in driving economic prosperity, innovation, and opportunity. By educating citizens for living wage jobs, producing world-class research, and helping to create vibrant communities, the state's institutions of higher education form a foundational component in assuring prosperity for our citizens.

The legislature also recognizes the significant contributions made by the higher education coordinating board in coordinating higher education policy and planning, and administering the state's financial aid programs. The board has also recently finished several significant planning efforts that will provide guidance to the legislature and to the institutions in forming priorities and deploying resources.

However, the legislature also recognizes the importance of prioritizing scarce resources for the core, front-line services that institutions provide--namely instruction, research, and robust financial aid. During times of economic downturn, policymakers must focus on those areas of public service that have the most direct and immediate impact on students. Keeping class sections open, attracting the best professors and instructors, providing comprehensive support services, and offering meaningful financial help to offset the costs of attending school must be the main concerns of policymakers.

It is for these reasons that the legislature intends to create a new office dedicated entirely to the administration of student financial aid programs. By focusing financial and governance resources on direct aid to students, the state can provide the highest level of service in this area. The legislature further intends to eliminate many of the policy and planning functions of the higher education coordinating board and rededicate those resources to the higher education institutions that provide the core, front-line services associated with instruction and research. Given the unprecedented budget crises the state is facing, the state must take the opportunity to build on the recommendations of the board and use the dollars where they can make the most direct impact.

PART I

OFFICE OF STUDENT FINANCIAL ASSISTANCE

Sec. 101. RCW 28B.76.020 and 2010 c 245 s 4 are each amended to read as follows:

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

(1) ~~("Board" means the higher education coordinating board.)~~
"Council" means the council for higher education.

(2) "Four-year institutions" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

(3) "Major expansion" means expansion of the higher education system that requires significant new capital investment, including building new institutions, campuses, branches, or centers or conversion of existing campuses, branches, or centers that would result in a mission change.

(4) "Mission change" means a change in the level of degree awarded or institutional type not currently authorized in statute.

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

Sec. 102. RCW 28B.76.090 and 2007 c 458 s 102 are each amended to read as follows:

(1) The office of student financial assistance is created.

(2) The purpose of the office is to administer state and federal financial aid and other education services programs, including the advanced college tuition payment program in chapter 28B.95 RCW, in a cost-effective manner.

(3) The ~~(board)~~ office shall employ a director ~~(and may delegate agency management to the director. The director)~~ who shall

~~serve at the pleasure of the (board, shall be the executive officer of the board, and shall, under the board's supervision,) governor and shall administer the provisions of this chapter. The ((executive)) director shall((-with the approval of the board)): ((1)) (a) Employ necessary deputy and assistant directors and other exempt staff under chapter 41.06 RCW who shall serve at his or her pleasure on such terms and conditions as he or she determines and ((2)) (b) subject to the provisions of chapter 41.06 RCW, appoint and employ such other employees as may be required for the proper discharge of the functions of the (board. The executive director shall exercise such additional powers, other than rule making, as may be delegated by the board by resolution. In fulfilling the duties under this chapter, the board shall make extensive use of those state agencies with responsibility for implementing and supporting postsecondary education plans and policies including but not limited to appropriate legislative groups, the postsecondary education institutions, the office of financial management, the workforce training and education coordinating board, the state board for community and technical colleges, and the office of the superintendent of public instruction. Outside consulting and service agencies may also be employed. The board may compensate these groups and consultants in appropriate ways) office.~~

Sec. 103. RCW 28B.76.120 and 1985 c 370 s 8 are each amended to read as follows:

The ~~(board)~~ office shall have authority to adopt rules as necessary to implement this chapter.

Sec. 104. RCW 28B.76.210 and 2010 c 245 s 10 are each amended to read as follows:

(1) The board shall collaborate with the four-year institutions including the council of presidents, the community and technical college system, and when appropriate the workforce training and education coordinating board, the superintendent of public instruction, and the independent higher educational institutions to identify budget priorities and levels of funding for higher education, including the two and four-year institutions of higher education and state financial aid programs. It is the intent of the legislature that recommendations from the board reflect not merely the sum of budget requests from multiple institutions, but prioritized funding needs for the overall system of higher education.

(2) By December of each odd-numbered year, the board shall distribute guidelines which outline the board's fiscal priorities to the institutions and the state board for community and technical colleges.

(a) The institutions and the state board for community and technical colleges shall submit an outline of their proposed operating budgets to the board no later than July 1st of each even-numbered year. Pursuant to guidelines developed by the board, operating budget outlines submitted by the institutions and the state board for community and technical colleges after January 1, 2007, shall include all policy changes and enhancements that will be requested by the institutions and the state board for community and technical colleges in their respective biennial budget requests. Operating budget outlines shall include a description of each policy enhancement, the dollar amount requested, and the fund source being requested.

(b) Capital budget outlines for the two-year institutions shall be submitted by August 15th of each even-numbered year, and shall include the prioritized ranking of the capital projects being requested, a description of each capital project, and the amount and fund source being requested.

(c) Capital budget outlines for the four-year institutions must be submitted by August 15th of each even-numbered year, and must include: The institutions' priority ranking of the project; the capital budget category within which the project will be submitted to the office of financial management in accordance with RCW 43.88D.010; a description of each capital project; and the amount and fund source being requested.

(d) The office of financial management shall reference these reporting requirements in its budget instructions.

(3) The board shall review and evaluate the operating and capital budget requests from four-year institutions and the community and technical college system based on how the requests align with the board's budget priorities, the missions of the institutions, and the statewide strategic master plan for higher education under RCW 28B.76.200.

(4) The board shall submit recommendations on the proposed operating budget and priorities to the office of financial management by October 1st of each even-numbered year, and to the legislature by January 1st of each odd-numbered year.

(5) ((The board's capital budget recommendations for the community and technical college system and the four-year institutions must be submitted to the office of financial management and to the legislature by November 15th of each even-numbered year. The board's recommendations for the four-year institutions must include a single, prioritized list of the major projects that the board recommends be funded with state bond and building account appropriations during the forthcoming fiscal biennium. In developing this single prioritized list, the board shall:

(a) Seek to identify the combination of projects that will most cost-effectively achieve the state's goals. These goals include increasing baccalaureate and graduate degree production, particularly in high-demand fields; promoting economic development through research and innovation; providing quality, affordable educational environments; preserving existing assets; and maximizing the efficient utilization of instructional space;

(b) Be guided by the objective analysis and scoring of capital budget projects completed by the office of financial management pursuant to chapter 43.88D RCW;

(c) Anticipate (i) that state bond and building account appropriations continue at the same level during each of the two subsequent fiscal biennia as has actually been appropriated for the baccalaureate institutions during the current one; (ii) that major projects funded for design during a biennium are funded for construction during the subsequent one before state appropriations are provided for new major projects; and (iii) that minor health, safety, code, and preservation projects are funded at the same average level as in recent biennia before state appropriations are provided for new major projects.

(6)) Institutions and the state board for community and technical colleges shall submit any supplemental budget requests and revisions to the board at the same time they are submitted to the office of financial management. The board shall submit recommendations on the proposed supplemental budget requests to the office of financial management by November 1st and to the legislature by January 1st.

Sec. 105. RCW 28B.76.310 and 2004 c 275 s 15 are each amended to read as follows:

(1) The board, in consultation with the house of representatives and senate committees responsible for higher education, the respective fiscal committees of the house of representatives and senate, the office of financial management, the state board for community and technical colleges, and the state institutions of higher education, shall develop standardized methods and protocols for measuring the undergraduate and graduate educational costs for the state universities, regional universities, and community colleges, including but not limited to the costs of instruction, costs to provide degrees in specific fields, and costs for precollege remediation.

(2) ((By December 1, 2004, the board must propose a schedule of regular cost study reports intended to meet the information needs of the governor's office and the legislature and the requirements of RCW 28B.76.300 and submit the proposed schedule to the higher education and fiscal committees of the house of representatives and the senate for their review.

(3)) The institutions of higher education shall participate in the

development of cost study methods and shall provide all necessary data in a timely fashion consistent with the protocols developed.

Sec. 106. RCW 28B.76.500 and 2009 c 215 s 7 are each amended to read as follows:

(1) The ((~~board~~)) office shall administer any state program or state-administered federal program of student financial aid now or hereafter established.

(2) Each of the student financial aid programs administered by the ((~~board~~)) office shall be labeled an "opportunity pathway." Loans provided by the federal government and aid granted to students outside of the financial aid package provided through institutions of higher education are not subject to the labeling provisions in this subsection. All communication materials, including, but not limited to, printed materials, presentations, and web content, shall include the "opportunity pathway" label.

(3) If the ((~~board~~)) office develops a one-stop college information web-based portal that includes financial, academic, and career planning information, the portal shall display all available student financial aid programs, except federal student loans and aid granted to students outside of the financial aid package provided through institutions of higher education, under the "opportunity pathway" label. The portal shall also display information regarding federal tax credits related to higher education available for students or their families.

(4) The labeling requirements in this section do not change the source, eligibility requirements, or student obligations associated with each program. The ((~~board~~)) office shall customize its communications to differentiate between programs, eligibility requirements, and student obligations, so long as the reporting provisions of this chapter are also fulfilled.

Sec. 107. RCW 28B.76.505 and 2007 c 73 s 1 are each amended to read as follows:

(1) The investment of funds from all scholarship endowment programs administered by the ((~~higher education coordinating board~~)) office shall be managed by the state investment board.

(2) The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in scholarship endowment funds. All investment and operating costs associated with the investment of a scholarship endowment fund shall be paid pursuant to RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investments of the fund belong to the fund.

(3) Funds from all scholarship endowment programs administered by the board shall be in the custody of the state treasurer.

(4) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care pursuant to RCW 43.33A.140 and the investment policies established by the state investment board.

(5) As deemed appropriate by the state investment board, money in a scholarship endowment fund may be commingled for investment with other funds subject to investment by the state investment board.

(6) The authority to establish all policies relating to scholarship endowment funds, other than the investment policies in subsections (2) through (5) of this section, resides with the ((~~higher education coordinating board~~)) office.

(7) The ((~~higher education coordinating board~~)) office may request and accept moneys from the state investment board. With the exception of expenses of the state investment board in subsection (2) of this section, disbursements from the fund shall be made only on the authorization of the ((~~higher education coordinating board~~)) office and money in the fund may be spent only for the purposes of the endowment programs as specified in the authorizing chapter of each program.

(8) The state investment board shall routinely consult and communicate with the ((~~higher education coordinating board~~)) office

on the investment policy, earnings of the scholarship endowment funds, and related needs of the programs.

Sec. 108. RCW 28B.76.510 and 1985 c 370 s 21 are each amended to read as follows:

The ~~((board))~~ office shall administer any federal act pertaining to higher education which is not administered by another state agency.

Sec. 109. RCW 28B.76.520 and 1985 c 370 s 22 are each amended to read as follows:

The ~~((board))~~ office is authorized to receive and expend federal funds and any private gifts or grants, such federal funds or private funds to be expended in accordance with the conditions contingent in such grant thereof.

Sec. 110. RCW 28B.76.525 and 2005 c 139 s 1 are each amended to read as follows:

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

(2) The ~~((higher education coordinating board))~~ office shall deposit in the account all money received for the state need grant program established under RCW 28B.92.010, the state work-study program established under chapter 28B.12 RCW, the Washington scholars program established under RCW 28A.600.110, the Washington award for vocational excellence program established under RCW 28C.04.525, and the educational opportunity grant program established under chapter 28B.101 RCW. The account shall consist of funds appropriated by the legislature for the programs listed in this subsection and private contributions to the programs. Moneys deposited in the account do not lapse at the close of the fiscal period for which they were appropriated. Both during and after the fiscal period in which moneys were deposited in the account, the ~~((board))~~ office may expend moneys in the account only for the purposes for which they were appropriated, and the expenditures are subject to any other conditions or limitations placed on the appropriations.

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

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

(5) Only the ~~((executive))~~ director of the ~~((higher education coordinating board))~~ office or the ~~((executive))~~ director's designee may authorize expenditures from the account.

Sec. 111. RCW 28B.76.540 and 2004 c 275 s 18 are each amended to read as follows:

In addition to administrative responsibilities assigned in this chapter, the ~~((board))~~ office shall administer the programs set forth in the following statutes: RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter 28B.85 RCW (degree-granting institutions); chapter 28B.92 RCW (state need grant); chapter 28B.12 RCW (work study); RCW 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through ~~((28B.15.736))~~ 28B.15.734 (Oregon reciprocity); RCW 28B.15.750 ~~((through 28B.15.754))~~ and 28B.15.752 (Idaho reciprocity); RCW 28B.15.756 ~~((and 28B.15.758))~~ (British Columbia reciprocity); chapter 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW (future teachers conditional scholarship); chapter 28B.108 RCW (American Indian endowed scholarship); chapter 28B.109 RCW (Washington international exchange scholarship); chapter 28B.115 RCW (health professional conditional scholarship); chapter 28B.119 RCW (Washington promise scholarship); and chapter 28B.133 RCW (gaining independence for students with dependents).

Sec. 112. RCW 28B.76.560 and 1987 c 8 s 2 are each amended to read as follows:

The Washington distinguished professorship trust fund program is established.

The program shall be administered by the ~~((higher education coordinating board))~~ office.

The trust fund shall be administered by the state treasurer.

Sec. 113. RCW 28B.76.565 and 2010 1st sp.s. c 37 s 915 are each amended to read as follows:

Funds appropriated by the legislature for the distinguished professorship program shall be deposited in the distinguished professorship trust fund. At the request of the ~~((higher education coordinating board))~~ office under RCW 28B.76.575, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2009-2011 fiscal biennium, the legislature may transfer from the distinguished professorship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 114. RCW 28B.76.570 and 1987 c 8 s 4 are each amended to read as follows:

In consultation with the eligible institutions of higher education, the ~~((higher education coordinating board))~~ office shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and student body; and the number of professorships previously received.

Any allocation system shall be superseded by conditions in any act of the legislature appropriating funds for this program.

Sec. 115. RCW 28B.76.575 and 1988 c 125 s 3 are each amended to read as follows:

All state four-year institutions of higher education shall be eligible for matching trust funds. An institution may apply to the ~~((higher education coordinating board))~~ office for two hundred fifty thousand dollars from the fund when the institution can match the state funds with an equal amount of pledged or contributed private donations or with funds received through legislative appropriation specifically for the G. Robert Ross distinguished faculty award and designated as being qualified to be matched from trust fund moneys. These donations shall be made specifically to the professorship program, and shall be donated after July 1, 1985.

Upon an application by an institution, the ~~((board))~~ office may designate two hundred fifty thousand dollars from the trust fund for that institution's pledged professorship. If the pledged two hundred fifty thousand dollars is not received within three years, the ~~((board))~~ office shall make the designated funds available for another pledged professorship.

Once the private donation is received by the institution, the ~~((higher education coordinating board))~~ office shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the professorship.

Sec. 116. RCW 28B.76.605 and 1987 c 147 s 2 are each amended to read as follows:

The Washington graduate fellowship trust fund program is established. The program shall be administered by the ~~((higher education coordinating board))~~ office. The trust fund shall be administered by the state treasurer.

Sec. 117. RCW 28B.76.610 and 2010 1st sp.s. c 37 s 916 are each amended to read as follows:

Funds appropriated by the legislature for the graduate fellowship program shall be deposited in the graduate fellowship trust fund. At the request of the ~~((higher education coordinating board))~~ office under RCW 28B.76.620, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2009-2011 fiscal biennium, the legislature may transfer from the

graduate fellowship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 118. RCW 28B.76.615 and 1987 c 147 s 4 are each amended to read as follows:

In consultation with eligible institutions of higher education, the ~~((higher education coordinating board))~~ office shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and student body; and the number of fellowships previously received.

Any allocation system shall be superseded by conditions in any legislative act appropriating funds for the program.

Sec. 119. RCW 28B.76.620 and 1987 c 147 s 5 are each amended to read as follows:

(1) All state four-year institutions of higher education shall be eligible for matching trust funds. Institutions may apply to the ~~((higher education coordinating board))~~ office for twenty-five thousand dollars from the fund when they can match the state funds with equal pledged or contributed private donations. These donations shall be made specifically to the graduate fellowship program, and shall be donated after July 1, 1987.

(2) Upon an application by an institution, the ~~((board))~~ office may designate twenty-five thousand dollars from the trust fund for that institution's pledged graduate fellowship fund. If the pledged twenty-five thousand dollars is not received within two years, the ~~((board))~~ office shall make the designated funds available for another pledged graduate fellowship fund.

(3) Once the private donation is received by the institution, the ~~((higher education coordinating board))~~ office shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the graduate fellowships.

Sec. 120. RCW 28B.76.640 and 1985 c 370 s 17 are each amended to read as follows:

The ~~((board))~~ office is hereby specifically directed to develop such state plans as are necessary to coordinate the state of Washington's participation within the student exchange compact programs under the auspices of the Western Interstate Commission for Higher Education, as provided by chapter 28B.70 RCW. In addition to establishing such plans the ~~((board))~~ office shall designate the state certifying officer for student programs.

Sec. 121. RCW 28B.76.645 and 2004 c 275 s 23 are each amended to read as follows:

In the development of any such plans as called for within RCW 28B.76.640, the ~~((board))~~ office shall use at least the following criteria:

(1) Students who are eligible to attend compact-authorized programs in other states shall meet the Washington residency requirements of chapter 28B.15 RCW prior to being awarded tuition assistance.

(2) For recipients named after January 1, 1995, the tuition assistance shall be in the form of loans that may be completely forgiven in exchange for the student's service within the state of Washington after graduation. The requirements for such service and provisions for loan forgiveness shall be determined in rules adopted by the ~~((board))~~ office.

(3) If appropriations are insufficient to fund all students qualifying under subsection (1) of this section, then the plans shall include criteria for student selection that would be in the best interest in meeting the state's educational needs, as well as recognizing the financial needs of students.

(4) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, that are paid by or on behalf of participants under this section, shall be deposited with the ~~((board))~~ office and placed in an account created in this section and shall be used to cover the costs of granting the

scholarships, maintaining necessary records, and making collections. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional loans to eligible students.

(5) The Washington interstate commission on higher education professional student exchange program trust fund is created in the custody of the state treasurer. All receipts from loan repayment shall be deposited into the fund. Only the ~~((higher education coordinating board))~~ office, or its designee, may authorize expenditures from the fund. No appropriation is required for expenditures from this fund.

Sec. 122. RCW 28B.76.650 and 1985 c 370 s 19 are each amended to read as follows:

The ~~((board))~~ office shall periodically advise the governor and the legislature of the policy implications of the state of Washington's participation in the Western Interstate Commission for Higher Education student exchange programs as they affect long-range planning for post-secondary education, together with recommendations on the most efficient way to provide high cost or special educational programs to Washington residents.

Sec. 123. RCW 28B.76.660 and 2005 c 518 s 917 are each amended to read as follows:

(1) Recipients of the Washington scholars award or the Washington scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who choose to attend an independent college or university in this state, as defined in subsection (4) of this section, and recipients of the award named after June 30, 1994, who choose to attend a public college or university in the state may receive grants under this section if moneys are available. The ~~((higher education coordinating board))~~ office shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded research universities. Grants to recipients attending an independent institution shall be contingent upon the institution matching on at least a dollar-for-dollar basis, either with actual money or by a waiver of fees, the amount of the grant received by the student from the state. The ~~((higher education coordinating board))~~ office shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) The ~~((higher education coordinating board))~~ office shall establish rules that provide for the annual awarding of grants, if moneys are available, to three Washington scholars per legislative district except for fiscal year 2007 when no more than two scholars per district shall be selected; and, if not used by an original recipient, the Washington scholars-alternate from the same legislative district.

Beginning with scholars selected in the year 2000, if the recipients of grants fail to demonstrate in a timely manner that they will enroll in a Washington institution of higher education in the fall term of the academic year following the award of the grant or are deemed by the ~~((higher education coordinating board))~~ office to have withdrawn from college during the first academic year following the award, then the grant shall be considered relinquished. The ~~((higher education coordinating board))~~ office may then award any remaining grant amounts to the Washington scholars-alternate from the same legislative district if the grants are awarded within one calendar year of the recipient being named a Washington scholars-alternate. Washington scholars-alternates named as recipients of the grant must also demonstrate in a timely manner that they will enroll in a Washington institution of higher education during the next available term, as determined by the ~~((higher education coordinating board))~~ office. The ~~((board))~~ office may accept appeals and grant waivers to the enrollment requirements of this section based on exceptional mitigating circumstances of individual grant recipients.

To maintain eligibility for the grants, recipients must maintain a minimum grade point average at the college or university equivalent

to 3.30. Students shall be eligible to receive a maximum of twelve quarters or eight semesters of grants for undergraduate study and may transfer among in-state public and independent colleges and universities during that period and continue to receive the grant as provided under RCW 28B.76.665. If the student's cumulative grade point average falls below 3.30 during the first three quarters or two semesters, that student may petition the ~~((higher education coordinating board))~~ office which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(3) No grant shall be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the ~~((higher education coordinating board))~~ office of financial management as meeting equivalent standards as those institutions accredited under this section.

(5) As used in this section, "public college or university" means an institution of higher education as defined in RCW 28B.10.016.

Sec. 124. RCW 28B.76.670 and 1995 1st sp.s. c 7 s 8 are each amended to read as follows:

(1) Recipients of the Washington award for vocational excellence under RCW 28C.04.520 through 28C.04.550, who receive the award after June 30, 1994, may receive a grant, if funds are available. The grant shall be used to attend a postsecondary institution located in the state of Washington. Recipients may attend an institution of higher education as defined in RCW 28B.10.016, or an independent college or university, or a licensed private vocational school. The ~~((higher education coordinating board))~~ office shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded research universities. In consultation with the workforce training and education coordinating board, the ~~((higher education coordinating board))~~ office shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) To qualify for the grant, recipients shall enter the postsecondary institution within three years of high school graduation and maintain a minimum grade point average at the institution equivalent to 3.00, or, at a technical college, an above average rating. Students shall be eligible to receive a maximum of two years of grants for undergraduate study and may transfer among in-state eligible postsecondary institutions during that period and continue to receive the grant.

(3) No grant may be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the Northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the ~~((higher education coordinating board))~~ office of financial management as meeting equivalent standards as those institutions accredited under this section.

(5) As used in this section, "licensed private vocational school" means a private postsecondary institution, located in the state, licensed by the workforce training and education coordinating board under chapter 28C.10 RCW, and offering postsecondary education in

order to prepare persons for a vocation or profession, as defined in RCW 28C.10.020(7).

Sec. 125. RCW 28B.76.690 and 2003 c 159 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office shall administer Washington's participation in the border county higher education opportunity project.

Sec. 126. RCW 28A.600.120 and 1985 c 370 s 32 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall have the responsibility for administration of the Washington scholars program. The program will be developed cooperatively with the Washington association of secondary school principals, a voluntary professional association of secondary school principals. The cooperation of other state agencies and private organizations having interest and responsibility in public and private education shall be sought for planning assistance.

Sec. 127. RCW 28A.600.130 and 2006 c 263 s 916 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall establish a planning committee to develop criteria for screening and selection of the Washington scholars each year in accordance with RCW 28A.600.110(1). It is the intent that these criteria shall emphasize scholastic achievement but not exclude such criteria as leadership ability and community contribution in final selection procedures. The Washington scholars planning committee shall have members from selected state agencies and private organizations having an interest and responsibility in education, including but not limited to, the office of superintendent of public instruction, the council of presidents, the state board for community and technical colleges, and the Washington friends of higher education.

Sec. 128. RCW 28A.600.140 and 1990 c 33 s 501 are each amended to read as follows:

Each year on or before March 1st, the Washington association of secondary school principals shall submit to the ~~((higher education coordinating board))~~ office of student financial assistance the names of graduating senior high school students who have been identified and recommended to be outstanding in academic achievement by their school principals based on criteria to be established under RCW 28A.600.130.

Sec. 129. RCW 28A.600.150 and 2005 c 518 s 916 are each amended to read as follows:

Each year, three Washington scholars and one Washington scholars- alternate shall be selected from the students nominated under RCW 28A.600.140, except that during fiscal year 2007, no more than two scholars plus one alternate may be selected. The ~~((higher education coordinating board))~~ office of student financial assistance shall notify the students so designated, their high school principals, the legislators of their respective districts, and the governor when final selections have been made.

The ~~((board))~~ office, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the Washington scholars and the Washington scholars-alternates. An awards ceremony at an appropriate time and place shall be planned by the ~~((board))~~ office in cooperation with the Washington association of secondary school principals, and with the approval of the governor.

Sec. 130. RCW 28A.230.125 and 2009 c 556 s 9 are each amended to read as follows:

(1) The superintendent of public instruction, in consultation with the ~~((higher education coordinating board))~~ four-year institutions as defined in RCW 28B.76.020, the state board for community and technical colleges, and the workforce training and education coordinating board, shall develop for use by all public school districts a standardized high school transcript. The superintendent shall establish clear definitions for the terms "credits" and "hours" so that

school programs operating on the quarter, semester, or trimester system can be compared.

(2) The standardized high school transcript shall include a notation of whether the student has earned a certificate of individual achievement or a certificate of academic achievement.

Sec. 131. RCW 28A.600.285 and 2009 c 450 s 4 are each amended to read as follows:

The superintendent of public instruction and the ~~((higher education coordinating board))~~ office of student financial assistance shall develop advising guidelines to assure that students and parents understand that college credits earned in high school dual credit programs may impact eligibility for financial aid.

Sec. 132. RCW 28A.630.400 and 2006 c 263 s 815 are each amended to read as follows:

(1) The professional educator standards board and the state board for community and technical colleges, in consultation with the superintendent of public instruction, ~~((the higher education coordinating board))~~ the state apprenticeship training council, and community colleges, shall adopt rules as necessary under chapter 34.05 RCW to implement the paraeducator associate of arts degree.

(2) As used in this section, a "paraeducator" is an individual who has completed an associate of arts degree for a paraeducator. The paraeducator may be hired by a school district to assist certificated instructional staff in the direct instruction of children in small and large groups, individualized instruction, testing of children, recordkeeping, and preparation of materials. The paraeducator shall work under the direction of instructional certificated staff.

(3) The training program for a paraeducator associate of arts degree shall include, but is not limited to, the general requirements for receipt of an associate of arts degree and training in the areas of introduction to childhood education, orientation to children with disabilities, fundamentals of childhood education, creative activities for children, instructional materials for children, fine art experiences for children, the psychology of learning, introduction to education, child health and safety, child development and guidance, first aid, and a practicum in a school setting.

(4) Consideration shall be given to transferability of credit earned in this program to teacher preparation programs at colleges and universities.

Sec. 133. RCW 28A.650.015 and 2009 c 556 s 17 are each amended to read as follows:

(1) The superintendent of public instruction, to the extent funds are appropriated, shall develop and implement a Washington state K-12 education technology plan. The technology plan shall be updated on at least a biennial basis, shall be developed to coordinate and expand the use of education technology in the common schools of the state. The plan shall be consistent with applicable provisions of chapter 43.105 RCW. The plan, at a minimum, shall address:

(a) The provision of technical assistance to schools and school districts for the planning, implementation, and training of staff in the use of technology in curricular and administrative functions;

(b) The continued development of a network to connect school districts, institutions of higher learning, and other sources of online information; and

(c) Methods to equitably increase the use of education technology by students and school personnel throughout the state.

(2) The superintendent of public instruction shall appoint an educational technology advisory committee to assist in the development and implementation of the technology plan in subsection (1) of this section. The committee shall include, but is not limited to, persons representing: The department of information services, educational service districts, school directors, school administrators, school principals, teachers, classified staff, higher education faculty, parents, students, business, labor, scientists and mathematicians, ~~((the higher education coordinating board))~~ the workforce training and education coordinating board, and the state library.

(3) The plan adopted and implemented under this section may not impose on school districts any requirements that are not specifically required by federal law or regulation, including requirements to maintain eligibility for the federal schools and libraries program of the universal service fund.

Sec. 134. RCW 28A.660.050 and 2010 c 235 s 505 are each amended to read as follows:

Subject to the availability of amounts appropriated for these purposes, the conditional scholarship programs in this chapter are created under the following guidelines:

(1) The programs shall be administered by the ~~((higher education coordinating board))~~ office of student financial assistance. In administering the programs, the ~~((higher education coordinating board))~~ office has the following powers and duties:

(a) To adopt necessary rules and develop guidelines to administer the programs;

(b) To collect and manage repayments from participants who do not meet their service obligations; and

(c) To accept grants and donations from public and private sources for the programs.

(2) Requirements for participation in the conditional scholarship programs are as provided in this subsection (2).

(a) The alternative route conditional scholarship program is limited to interns of professional educator standards board-approved alternative routes to teaching programs under RCW 28A.660.040. For fiscal year 2011, priority must be given to fiscal year 2010 participants in the alternative route partnership program. In order to receive conditional scholarship awards, recipients shall:

(i) Be accepted and maintain enrollment in alternative certification routes through a professional educator standards board-approved program;

(ii) Continue to make satisfactory progress toward completion of the alternative route certification program and receipt of a residency teaching certificate; and

(iii) Receive no more than the annual amount of the scholarship, not to exceed eight thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The board may adjust the annual award by the average rate of resident undergraduate tuition and fee increases at the state universities as defined in RCW 28B.10.016.

(b) The pipeline for paraeducators conditional scholarship program is limited to qualified paraeducators as provided by RCW 28A.660.042. In order to receive conditional scholarship awards, recipients shall:

(i) Be accepted and maintain enrollment at a community and technical college for no more than two years and attain an associate of arts degree;

(ii) Continue to make satisfactory progress toward completion of an associate of arts degree. This progress requirement is a condition for eligibility into a route one program of the alternative routes to teacher certification program for a mathematics, special education, or English as a second language endorsement; and

(iii) Receive no more than the annual amount of the scholarship, not to exceed four thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The board may adjust the annual award by the average rate of tuition and fee increases at the state community and technical colleges.

(c) The retooling to teach mathematics and science conditional scholarship program is limited to current K-12 teachers. In order to receive conditional scholarship awards:

(i) Individuals currently employed as teachers shall pursue a middle level mathematics or science, or secondary mathematics or science endorsement; or

(ii) Individuals who are certificated with an elementary education endorsement shall pursue an endorsement in middle level mathematics or science, or both; and

(iii) Individuals shall use one of the pathways to endorsement processes to receive a mathematics or science endorsement, or both, which shall include passing a mathematics or science endorsement test, or both tests, plus observation and completing applicable coursework to attain the proper endorsement; and

(iv) Individuals shall receive no more than the annual amount of the scholarship, not to exceed three thousand dollars, for the cost of tuition, test fees, and educational expenses, including books, supplies, and transportation for the endorsement pathway being pursued.

(3) The Washington professional educator standards board shall select individuals to receive conditional scholarships. In selecting recipients, preference shall be given to eligible veterans or national guard members.

(4) For the purpose of this chapter, a conditional scholarship is a loan that is forgiven in whole or in part in exchange for service as a certificated teacher employed in a Washington state K-12 public school. The state shall forgive one year of loan obligation for every two years a recipient teaches in a public school. Recipients who fail to continue a course of study leading to residency teacher certification or cease to teach in a public school in the state of Washington in their endorsement area are required to repay the remaining loan principal with interest.

(5) Recipients who fail to fulfill the required teaching obligation are required to repay the remaining loan principal with interest and any other applicable fees. The ~~((higher education coordinating board))~~ office of student financial assistance shall adopt rules to define the terms for repayment, including applicable interest rates, fees, and deferrals.

(6) The ~~((higher education coordinating board))~~ office of student financial assistance may deposit all appropriations, collections, and any other funds received for the program in this chapter in the future teachers conditional scholarship account authorized in RCW 28B.102.080.

Sec. 135. RCW 28B.04.080 and 2004 c 275 s 31 are each amended to read as follows:

(1) The board shall consult and cooperate with the department of social and health services; ~~((the higher education coordinating board))~~ the superintendent of public instruction; the workforce training and education coordinating board; the employment security department; the department of labor and industries; sponsoring agencies under the federal comprehensive employment and training act (87 Stat. 839; 29 U.S.C. Sec. 801 et seq.), and any other persons or agencies as the board deems appropriate to facilitate the coordination of centers established under this chapter with existing programs of a similar nature.

(2) Annually on July 1st, each agency listed in subsection (1) of this section shall submit a description of each service or program under its jurisdiction which would support the programs and centers established by this chapter and the funds available for such support.

(3) The board shall serve as a clearinghouse for displaced homemaker information and resources and shall compile and disseminate statewide information to the centers, related agencies, and interested persons upon request.

Sec. 136. RCW 28B.07.020 and 2007 c 218 s 86 are each amended to read as follows:

As used in this chapter, the following words and terms shall have the following meanings, unless the context otherwise requires:

(1) "Authority" means the Washington higher education facilities authority created under RCW 28B.07.030 or any board, body, commission, department or officer succeeding to the principal functions of the authority or to whom the powers conferred upon the authority shall be given by law.

(2) "Bonds" means bonds, notes, commercial paper, certificates of indebtedness, or other evidences of indebtedness of the authority issued under this chapter.

(3) "Bond resolution" means any resolution of the authority, adopted under this chapter, authorizing the issuance and sale of bonds.

(4) "Higher education institution" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, which is open to residents of the state, which neither restricts entry on racial or religious grounds, which provides programs of education beyond high school leading at least to the baccalaureate degree, and which is accredited by the Northwest Association of Schools and Colleges or by an accrediting association recognized by the council for higher education ~~((coordinating board))~~.

(5) "Participant" means a higher education institution which, under this chapter, undertakes the financing of a project or projects or undertakes the refunding or refinancing of obligations, mortgages, or advances previously incurred for a project or projects.

(6) "Project" means any land or any improvement, including, but not limited to, buildings, structures, fixtures, utilities, machinery, excavations, paving, and landscaping, and any interest in such land or improvements, and any personal property pertaining or useful to such land and improvements, which are necessary, useful, or convenient for the operation of a higher education institution, including but not limited to, the following: Dormitories or other multi-unit housing facilities for students, faculty, officers, or employees; dining halls; student unions; administration buildings; academic buildings; libraries; laboratories; research facilities; computer facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; parking facilities; or any combination thereof, or any other structures, facilities, or equipment so related.

(7) "Project cost" means any cost related to the acquisition, construction, improvement, alteration, or rehabilitation by a participant or the authority of any project and the financing of the project through the authority, including, but not limited to, the following costs paid or incurred: Costs of acquisition of land or interests in land and any improvement; costs of contractors, builders, laborers, material suppliers, and suppliers of tools and equipment; costs of surety and performance bonds; fees and disbursements of architects, surveyors, engineers, feasibility consultants, accountants, attorneys, financial consultants, and other professionals; interest on bonds issued by the authority during any period of construction; principal of and interest on interim financing of any project; debt service reserve funds; depreciation funds, costs of the initial start-up operation of any project; fees for title insurance, document recording, or filing; fees of trustees and the authority; taxes and other governmental charges levied or assessed on any project; and any other similar costs. Except as specifically set forth in this definition, the term "project cost" does not include books, fuel, supplies, and similar items which are required to be treated as a current expense under generally accepted accounting principles.

(8) "Trust indenture" means any agreement, trust indenture, or other similar instrument by and between the authority and one or more corporate trustees.

Sec. 137. RCW 28B.07.030 and 2007 c 36 s 14 are each amended to read as follows:

(1) The Washington higher education facilities authority is hereby established as a public body corporate and politic, with perpetual corporate succession, constituting an agency of the state of Washington exercising essential governmental functions. The authority is a "public body" within the meaning of RCW 39.53.010.

(2) The authority shall consist of ~~((seven))~~ six members as follows: The governor, lieutenant governor, ~~((executive director of the higher education coordinating board))~~ and four public members, one of whom shall be the president of a higher education institution at the time of appointment. The public members shall be residents of

the state and appointed by the governor, subject to confirmation by the senate, on the basis of their interest or expertise in the provision of higher education and the financing of higher education. The public members of the authority shall serve for terms of four years. The initial terms of the public members shall be staggered in a manner determined by the governor. In the event of a vacancy on the authority due to death, resignation, or removal of one of the public members, and upon the expiration of the term of any public member, the governor shall appoint a successor for a term expiring on the fourth anniversary of the successor's date of the appointment. If any of the state offices are abolished, the resulting vacancy on the authority shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office. Any public member of the authority may be removed by the governor for misfeasance, malfeasance, ~~((willful))~~ willful neglect of duty, or any other cause after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing.

(3) The governor shall serve as chairperson of the authority. The authority shall elect annually one of its members as secretary. If the governor shall be absent from a meeting of the authority, the secretary shall preside. However, the governor may designate an employee of the governor's office to act on the governor's behalf in all other respects during the absence of the governor at any meeting of the authority. If the designation is in writing and is presented to the person presiding at the meetings of the authority who is included in the designation, the vote of the designee has the same effect as if cast by the governor.

(4) Any person designated by resolution of the authority shall keep a record of the proceedings of the authority and shall be the custodian of all books, documents, and papers filed with the authority, the minute book or a journal of the authority, and the authority's official seal, if any. The person may cause copies to be made of all minutes and other records and documents of the authority, and may give certificates to the effect that such copies are true copies. All persons dealing with the authority may rely upon the certificates.

(5) Four members of the authority constitute a quorum. Members participating in a meeting through the use of any means of communication by which all members participating can hear each other during the meeting shall be deemed to be present in person at the meeting for all purposes. The authority may act on the basis of a motion except when authorizing the issuance and sale of bonds, in which case the authority shall act by resolution. Bond resolutions and other resolutions shall be adopted upon the affirmative vote of four members of the authority, and shall be signed by those members voting yes. Motions shall be adopted upon the affirmative vote of a majority of a quorum of members present at any meeting of the authority. All actions taken by the authority shall take effect immediately without need for publication or other public notice. A vacancy in the membership of the authority does not impair the power of the authority to act under this chapter.

(6) The members of the authority shall be compensated in accordance with RCW 43.03.240 and shall be entitled to reimbursement, solely from the funds of the authority, for travel expenses as determined by the authority incurred in the discharge of their duties under this chapter.

Sec. 138. RCW 28B.10.786 and 1993 sp.s. c 15 s 7 are each amended to read as follows:

It is the policy of the state of Washington that financial need not be a barrier to participation in higher education. It is also the policy of the state of Washington that the essential requirements level budget calculation include funding for state student financial aid programs. The calculation should, at a minimum, include a funding level equal to the amount provided in the second year of the previous biennium in the omnibus appropriations act, adjusted for the percentage of needy resident students, by educational sector, likely to be included in any enrollment increases necessary to maintain, by educational sector, the

participation rate funded in the 1993 fiscal year. The calculation should also be adjusted to reflect, by educational sector, any increases in cost of attendance. The cost of attendance figures should be calculated by the ~~((higher education coordinating board and provided to the))~~ office of financial management and provided to the appropriate legislative committees by June 30th of each even-numbered year.

Sec. 139. RCW 28B.10.790 and 2004 c 275 s 44 are each amended to read as follows:

Washington residents attending any nonprofit college or university in another state which has a reciprocity agreement with the state of Washington shall be eligible for the student financial aid program outlined in chapter 28B.92 RCW if (1) they qualify as a "needy student" under RCW 28B.92.030~~((3))~~ (5), and (2) the institution attended is a member institution of an accrediting association recognized by rule of the ~~((higher education coordinating board))~~ office of student financial assistance for the purposes of this section and is specifically encompassed within or directly affected by such reciprocity agreement and agrees to and complies with program rules and regulations pertaining to such students and institutions adopted pursuant to RCW 28B.92.150.

Sec. 140. RCW 28B.10.792 and 1985 c 370 s 55 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall develop guidelines for determining the conditions under which an institution can be determined to be directly affected by a reciprocity agreement for the purposes of RCW 28B.10.790: PROVIDED, That no institution shall be determined to be directly affected unless students from the county in which the institution is located are provided, pursuant to a reciprocity agreement, access to Washington institutions at resident tuition and fee rates to the extent authorized by Washington law.

Sec. 141. RCW 28B.10.840 and 1985 c 370 s 57 are each amended to read as follows:

The term "institution of higher education" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean any public institution of higher education in Washington. The term "educational board" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean the state board for community and technical colleges ~~((education and the higher education coordinating board))~~.

Sec. 142. RCW 28B.12.030 and 2002 c 187 s 2 are each amended to read as follows:

As used in this chapter, the following words and terms shall have the following meanings, unless the context shall clearly indicate another or different meaning or intent:

(1) The term "needy student" shall mean a student enrolled or accepted for enrollment at a ~~((post secondary))~~ postsecondary institution who, according to a system of need analysis approved by the ~~((higher education coordinating board))~~ office of student financial assistance, demonstrates a financial inability, either parental, familial, or personal, to bear the total cost of education for any semester or quarter.

(2) The term "eligible institution" shall mean any ~~((post secondary))~~ postsecondary institution in this state accredited by the Northwest Association of Schools and Colleges, or a branch of a member institution of an accrediting association recognized by rule of the ~~((board))~~ council for higher education for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, or any public technical college in the state.

Sec. 143. RCW 28B.12.040 and 2009 c 560 s 21 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall develop and administer the state work-study program. The board shall be authorized to enter into agreements with employers and eligible institutions for the operation of the program. These agreements shall include such provisions as the (~~higher education coordinating board~~) office may deem necessary or appropriate to carry out the purposes of this chapter.

With the exception of off-campus community service placements, the share from moneys disbursed under the state work-study program of the compensation of students employed under such program in accordance with such agreements shall not exceed eighty percent of the total such compensation paid such students.

By rule, the (~~board~~) office shall define community service placements and may determine any salary matching requirements for any community service employers.

Sec. 144. RCW 28B.12.050 and 1994 c 130 s 5 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall disburse state work-study funds. In performing its duties under this section, the (~~board~~) office shall consult eligible institutions and (~~post secondary~~) postsecondary education advisory and governing bodies. The (~~board~~) office shall establish criteria designed to achieve such distribution of assistance under this chapter among students attending eligible institutions as will most effectively carry out the purposes of this chapter.

Sec. 145. RCW 28B.12.055 and 2009 c 215 s 12 are each amended to read as follows:

(1) Within existing resources, the (~~higher education coordinating board~~) office of student financial assistance shall establish the work-study opportunity grant for high-demand occupations, a competitive grant program to encourage job placements in high-demand fields. The (~~board~~) office shall award grants to eligible institutions of higher education that have developed a partnership with a proximate organization willing to host work-study placements. Partner organizations may be nonprofit organizations, for-profit firms, or public agencies. Eligible institutions of higher education must verify that all job placements will last for a minimum of one academic quarter or one academic semester, depending on the system used by the eligible institution of higher education.

(2) The (~~board~~) office may adopt rules to identify high-demand fields for purposes of this section. The legislature recognizes that the high-demand fields identified by the (~~board~~) office may differ in different regions of the state.

(3) The (~~board~~) office may award grants to eligible institutions of higher education that cover both student wages and program administration.

(4) The (~~board~~) office shall develop performance benchmarks regarding program success including, but not limited to, the number of students served, the amount of employer contributions, and the number of participating high-demand employers.

Sec. 146. RCW 28B.12.060 and 2009 c 172 s 1 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, and not in conflict with this chapter, in accordance with the provisions of chapter 34.05 RCW, the (~~state higher education~~) administrative procedure act. Such rules shall include provisions designed to make employment under the work-study program reasonably available, to the extent of available funds, to all eligible needy students in eligible postsecondary institutions. The rules shall include:

(1) Providing work under the state work-study program that will not result in the displacement of employed workers or impair existing contracts for services;

(2) Furnishing work only to a student who:

(a) Is capable, in the opinion of the eligible institution, of maintaining good standing in such course of study while employed under the program covered by the agreement; and

(b) Has been accepted for enrollment as at least a half-time student at the eligible institution or, in the case of a student already enrolled in and attending the eligible institution, is in good standing and in at least half-time attendance there either as an undergraduate, graduate or professional student; and

(c) Is not pursuing a degree in theology;

(3) Placing priority on providing:

(a) Work opportunities for students who are residents of the state of Washington as defined in RCW 28B.15.012 and 28B.15.013, particularly former foster youth as defined in RCW 28B.92.060;

(b) Job placements in fields related to each student's academic or vocational pursuits, with an emphasis on off-campus job placements whenever appropriate; and

(c) Off-campus community service placements;

(4) To the extent practicable, limiting the proportion of state subsidy expended upon nonresident students to fifteen percent, or such less amount as specified in the biennial appropriations act;

(5) Provisions to assure that in the state institutions of higher education, utilization of this work-study program:

(a) Shall only supplement and not supplant classified positions under jurisdiction of chapter 41.06 RCW;

(b) That all positions established which are comparable shall be identified to a job classification under the director of personnel's classification plan and shall receive equal compensation;

(c) Shall not take place in any manner that would replace classified positions reduced due to lack of funds or work; and

(d) That work study positions shall only be established at entry level positions of the classified service unless the overall scope and responsibilities of the position indicate a higher level; and

(6) Provisions to encourage job placements in high employer demand occupations that meet Washington's economic development goals, including those in international trade and international relations. The (~~board~~) office shall permit appropriate job placements in other states and other countries.

Sec. 147. RCW 28B.12.070 and 1994 c 130 s 7 are each amended to read as follows:

Each eligible institution shall submit to the (~~higher education coordinating board~~) office of student financial assistance an annual report in accordance with such requirements as are adopted by the board.

Sec. 148. RCW 28B.15.012 and 2010 c 183 s 1 are each amended to read as follows:

Whenever used in this chapter:

(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.

(2) The term "resident student" shall mean:

(a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(b) A dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution;

(c) A student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous;

(d) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;

(e) Any person who has completed the full senior year of high school and obtained a high school diploma, both at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington for at least three years immediately prior to receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an institution of higher education under subsection (1) of this section; and who provides to the institution an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses;

(f) Any person who has lived in Washington, primarily for purposes other than educational, for at least one year immediately before the date on which the person has enrolled in an institution, and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful nonimmigrant status as the spouse or child of a person having nonimmigrant status under one of those subsections, or who, holding or having previously held such lawful nonimmigrant status as a principal or derivative, has filed an application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

(g) A student who is on active military duty stationed in the state or who is a member of the Washington national guard;

(h) A student who is the spouse or a dependent of a person who is on active military duty stationed in the state. If the person on active military duty is reassigned out-of-state, the student maintains the status as a resident student so long as the student is continuously enrolled in a degree program;

(i) A student who resides in the state of Washington and is the spouse or a dependent of a person who is a member of the Washington national guard;

(j) A student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition agreement as described in RCW 28B.15.725;

(k) A student who meets the requirements of RCW 28B.15.0131: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(l) A student who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington; or

(m) A student who resides in Washington and is the spouse or a dependent of a person who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington. If the person on active military duty moves from Washington or is reassigned out of

the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the student maintains the status as a resident student so long as the student resides in Washington and is continuously enrolled in a degree program.

(3) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of this section and RCW 28B.15.013. Except for students qualifying under subsection (2)(e) or (j) of this section, a nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States (~~(citizen and)~~ citizenship immigration services or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in this section and RCW 28B.15.013.

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules (~~and regulations~~) adopted by the (~~higher education coordinating board~~) office of student financial assistance and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the board may require.

(6) The term "active military duty" means the person is serving on active duty in:

(a) The armed forces of the United States government; or

(b) The Washington national guard; or

(c) The coast guard, merchant mariners, or other nonmilitary organization when such service is recognized by the United States government as equivalent to service in the armed forces.

Sec. 149. RCW 28B.15.013 and 1989 c 175 s 79 are each amended to read as follows:

(1) The establishment of a new domicile in the state of Washington by a person formerly domiciled in another state has occurred if such person is physically present in Washington primarily for purposes other than educational and can show satisfactory proof that such person is without a present intention to return to such other state or to acquire a domicile at some other place outside of Washington.

(2) Unless proven to the contrary it shall be presumed that:

(a) The domicile of any person shall be determined according to the individual's situation and circumstances rather than by marital status or sex.

(b) A person does not lose a domicile in the state of Washington by reason of residency in any state or country while a member of the civil or military service of this state or of the United States, nor while engaged in the navigation of the waters of this state or of the United States or of the high seas if that person returns to the state of Washington within one year of discharge from said service with the intent to be domiciled in the state of Washington; any resident dependent student who remains in this state when such student's parents, having theretofore been domiciled in this state for a period of

one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution, remove from this state, shall be entitled to continued classification as a resident student so long as such student's attendance (except summer sessions) at an institution in this state is continuous.

(3) To aid the institution in deciding whether a student, parent, legally appointed guardian or the person having legal custody of a student is domiciled in the state of Washington primarily for purposes other than educational, the rules and regulations adopted by the (~~higher education coordinating board~~) office of student financial assistance shall include but not be limited to the following:

(a) Registration or payment of Washington taxes or fees on a motor vehicle, mobile home, travel trailer, boat, or any other item of personal property owned or used by the person for which state registration or the payment of a state tax or fee is required will be a factor in considering evidence of the establishment of a Washington domicile.

(b) Permanent full time employment in Washington by a person will be a factor in considering the establishment of a Washington domicile.

(c) Registration to vote for state officials in Washington will be a factor in considering the establishment of a Washington domicile.

(4) After a student has registered at an institution such student's classification shall remain unchanged in the absence of satisfactory evidence to the contrary. A student wishing to apply for a change in classification shall reduce such evidence to writing and file it with the institution. In any case involving an application for a change from nonresident to resident status, the burden of proof shall rest with the applicant. Any change in classification, either nonresident to resident, or the reverse, shall be based upon written evidence maintained in the files of the institution and, if approved, shall take effect the semester or quarter such evidence was filed with the institution: PROVIDED, That applications for a change in classification shall be accepted up to the thirtieth calendar day following the first day of instruction of the quarter or semester for which application is made.

Sec. 150. RCW 28B.15.015 and 1985 c 370 s 64 are each amended to read as follows:

The (~~higher education coordinating board, upon consideration of advice from representatives of the~~) state's institutions, with the advice of the attorney general, shall adopt rules and regulations to be used by the state's institutions for determining a student's resident and nonresident status and for recovery of fees for improper classification of residency.

Sec. 151. RCW 28B.15.100 and 2011 c 274 s 5 are each amended to read as follows:

(1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall charge to and collect from each of the students registering at the particular institution for any quarter or semester such tuition fees and services and activities fees, and other fees as such board shall in its discretion determine. For the governing boards of the state universities, the regional universities, and The Evergreen State College, the total of all fees shall be rounded to the nearest whole dollar amount: PROVIDED, That such tuition fees shall be established in accordance with RCW 28B.15.067.

(2) Part-time students shall be charged tuition and services and activities fees proportionate to full-time student rates established for residents and nonresidents: PROVIDED, That except for students registered at community colleges, students registered for fewer than two credit hours shall be charged tuition and services and activities fees at the rate established for two credit hours: PROVIDED FURTHER, That, subject to the limitations of RCW 28B.15.910, residents of Idaho or Oregon who are enrolled in community college district number twenty for six or fewer credits during any quarter or semester may be exempted from payment of all or a portion of the nonresident tuition fees differential upon a declaration by the (~~higher~~

~~education coordinating board~~) office of student financial assistance that it finds Washington residents from the community college district are afforded substantially equivalent treatment by such other states.

(3) Full-time students registered for more than eighteen credit hours shall be charged an additional operating fee for each credit hour in excess of eighteen hours at the applicable established per credit hour tuition fee rate for part-time students: PROVIDED, That, subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the community colleges may exempt all or a portion of the additional charge, for students who are registered exclusively in first professional programs in medicine, dental medicine, veterinary medicine, doctor of pharmacy, or law, or who are registered exclusively in required courses in vocational preparatory programs.

Sec. 152. RCW 28B.15.543 and 2004 c 275 s 49 are each amended to read as follows:

(1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and service and activities fees for students named by the (~~higher education coordinating board~~) office of student financial assistance on or before June 30, 1994, as recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150. The waivers shall be used only for undergraduate studies. To qualify for the waiver, recipients shall enter the college or university within three years of high school graduation and maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible to receive a maximum of twelve quarters or eight semesters of waivers and may transfer among state-supported institutions of higher education during that period and continue to have the tuition and services and activities fees waived by the state-supported institution of higher education that the student attends. Should the student's cumulative grade point average fall below 3.30 during the first three quarters or two semesters, that student may petition the (~~higher education coordinating board~~) office of student financial assistance which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(2) Students named by the (~~higher education coordinating board~~) office of student financial assistance after June 30, 1994, as recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150 shall be eligible to receive a grant for undergraduate course work as authorized under RCW 28B.76.660.

Sec. 153. RCW 28B.15.732 and 1985 c 370 s 70 are each amended to read as follows:

Prior to January 1st of each odd-numbered year the (~~higher education coordinating board, in cooperation with the state board for community college education, and~~) office of student financial assistance, in consultation with appropriate agencies and officials in the state of Oregon, shall determine for the purposes of RCW 28B.15.730 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the (~~board~~) office of student financial assistance determine that the state of Oregon has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institutions in Oregon an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Oregon, minus twenty-five thousand dollars for each year of the biennium: PROVIDED, That appropriate officials in the state of

Oregon agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Oregon.

Sec. 154. RCW 28B.15.752 and 1985 c 370 s 74 are each amended to read as follows:

Prior to January 1st of each odd-numbered year, the ~~((higher education coordinating board, in cooperation with the state board for community college education and))~~ office of student financial assistance in consultation with appropriate agencies and officials in the state of Idaho, shall determine for the purposes of RCW 28B.15.750 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the ~~((board))~~ office of student financial assistance determine that the state of Idaho has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institution in Idaho an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Idaho, minus twenty-five thousand dollars for each year of the biennium if the appropriate officials in the state of Idaho agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Idaho.

Sec. 155. RCW 28B.15.760 and 2004 c 275 s 65 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.15.762 and 28B.15.764.

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is a member institution of an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Board" means the higher education coordinating board.

(3) "Eligible student" means a student registered for at least ten credit hours or the equivalent and demonstrates achievement of a 3.00 grade point average for each academic year, who is a resident student as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy student" as defined in RCW 28B.92.030, and who has a declared major in a program leading to a degree in teacher education in a field of science or mathematics, or a certificated teacher who meets the same credit hour and "needy student" requirements and is seeking an additional degree in science or mathematics.

(4) "Public school" means a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(5) "Forgiven" or "to forgive" means to collect service as a teacher in a field of science or mathematics at a public school in the state of Washington in lieu of monetary payment.

(6) "Satisfied" means paid-in-full.

(7) "Borrower" means an eligible student who has received a loan under RCW 28B.15.762.

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

Sec. 156. RCW 28B.15.762 and 1996 c 107 s 2 are each amended to read as follows:

(1) The ~~((board))~~ office may make long-term loans to eligible students at institutions of higher education from the funds appropriated to the ~~((board))~~ office for this purpose. The amount of any such loan shall not exceed the demonstrated financial need of the student or two thousand five hundred dollars for each academic year whichever is less, and the total amount of such loans to an eligible student shall not exceed ten thousand dollars. The interest rates and

terms of deferral of such loans shall be consistent with the terms of the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq. The period for repaying the loan principal and interest shall be ten years with payments accruing quarterly commencing nine months from the date the borrower graduated. The entire principal and interest of each loan payment shall be forgiven for each payment period in which the borrower teaches science or mathematics in a public school in this state until the entire loan is satisfied or the borrower ceases to teach science or mathematics at a public school in this state. Should the borrower cease to teach science or mathematics at a public school in this state before the time in which the principal and interest on the loan are satisfied, payments on the unsatisfied portion of the principal and interest on the loan shall begin the next payment period and continue until the remainder of the loan is paid.

(2) The ~~((board))~~ office is responsible for collection of loans made under subsection (1) of this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of loans under subsection (1) of this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The board is responsible to forgive all or parts of such loans under the criteria established in subsection (1) of this section and shall maintain all necessary records of forgiven payments.

(3) Receipts from the payment of principal or interest or any other subsidies to which the board as lender is entitled, which are paid by or on behalf of borrowers under subsection (1) of this section, shall be deposited with the ~~((higher education coordinating board))~~ office and shall be used to cover the costs of making the loans under subsection (1) of this section, maintaining necessary records, and making collections under subsection (2) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to make loans to eligible students.

(4) Any funds not used to make loans, or to cover the cost of making loans or making collections, shall be placed in the state educational trust fund for needy or disadvantaged students.

(5) The ~~((board))~~ office shall adopt necessary rules to implement this section.

Sec. 157. RCW 28B.50.272 and 2007 c 277 s 102 are each amended to read as follows:

(1) To be eligible for participation in the opportunity grant program established in RCW 28B.50.271, a student must:

(a) Be a Washington resident student as defined in RCW 28B.15.012 enrolled in an opportunity grant-eligible program of study;

(b) Have a family income that is at or below two hundred percent of the federal poverty level using the most current guidelines available from the United States department of health and human services, and be determined to have financial need based on the free application for federal student aid; and

(c) Meet such additional selection criteria as the college board shall establish in order to operate the program within appropriated funding levels.

(2) Upon enrolling, the student must provide evidence of commitment to complete the program. The student must make satisfactory progress and maintain a cumulative 2.0 grade point average for continued eligibility. If a student's cumulative grade point average falls below 2.0, the student may petition the institution of higher education of attendance. The qualified institution of higher education has the authority to establish a probationary period until such time as the student's grade point average reaches required standards.

(3) Subject to funds appropriated for this specific purpose, public qualified institutions of higher education shall receive an

enhancement of one thousand five hundred dollars for each full-time equivalent student enrolled in the opportunity grant program whose income is below two hundred percent of the federal poverty level. The funds shall be used for individualized support services which may include, but are not limited to, college and career advising, tutoring, emergency child care, and emergency transportation. The qualified institution of higher education is expected to help students access all financial resources and support services available to them through alternative sources.

(4) The college board shall be accountable for student retention and completion of opportunity grant-eligible programs of study. It shall set annual performance measures and targets and monitor the performance at all qualified institutions of higher education. The college board must reduce funding at institutions of higher education that do not meet targets for two consecutive years, based on criteria developed by the college board.

(5) The college board and ~~(higher education coordinating board)~~ office of student financial assistance shall work together to ensure that students participating in the opportunity grant program are informed of all other state and federal financial aid to which they may be entitled while receiving an opportunity grant.

(6) The college board and ~~(higher education coordinating board)~~ office of student financial assistance shall document the amount of opportunity grant assistance and the types and amounts of other sources of financial aid received by participating students. Annually, they shall produce a summary of the data.

(7) The college board shall:

(a) Begin developing the program no later than August 1, 2007, with student enrollment to begin no later than January 14, 2008; and

(b) Submit a progress report to the legislature by December 1, 2008.

(8) The college board may, in implementing the opportunity grant program, accept, use, and expend or dispose of contributions of money, services, and property. All such moneys received by the college board for the program must be deposited in an account at a depository approved by the state treasurer. Only the college board or a duly authorized representative thereof may authorize expenditures from this account. In order to maintain an effective expenditure and revenue control, the account is subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of moneys in the account.

Sec. 158. RCW 28B.92.020 and 2003 c 19 s 11 are each amended to read as follows:

(1) The legislature finds that the ~~((higher education coordinating board, in consultation with the))~~ higher education community, has completed a review of the state need grant program. It is the intent of the legislature to endorse the ~~((boards))~~ proposed changes to the state need grant program, including:

(a) Reaffirmation that the primary purpose of the state need grant program is to assist low-income, needy, and disadvantaged Washington residents attending institutions of higher education;

(b) A goal that the base state need grant amount over time be increased to be equivalent to the rate of tuition charged to resident undergraduate students attending Washington state public colleges and universities;

(c) State need grant recipients be required to contribute a portion of the total cost of their education through self-help;

(d) State need grant recipients be required to document their need for dependent care assistance after taking into account other public funds provided for like purposes; and

(e) Institutional aid administrators be allowed to determine whether a student eligible for a state need grant in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than a marginal amount except for funds provided through the educational assistance grant program for students with dependents.

(2) The legislature further finds that the ~~((higher education coordinating board, under its authority to implement the proposed))~~ changes in subsection (1) of this section, should do so in a timely manner.

(3) The legislature also finds that:

(a) In most circumstances, need grant eligibility should not extend beyond five years or one hundred twenty-five percent of the credited length of the program in which the student is enrolled or the credit or clock-hour equivalent; and

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

Sec. 159. RCW 28B.92.030 and 2009 c 238 s 7 and 2009 c 215 s 5 are each reenacted and amended to read as follows:

As used in this chapter:

(1) ~~((“Board” means the higher education coordinating board. —(2))~~) "Disadvantaged student" means a ~~((post-high))~~ posthigh school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full-time student in an institution of higher education, who would otherwise qualify as a needy student, and who is attending an institution of higher education under an established program designed to qualify the student for enrollment as a full-time student.

~~((3))~~ (2) "Financial aid" means loans and/or grants to needy students enrolled or accepted for enrollment as a student at institutions of higher education.

~~((4))~~ (3) "Institution" or "institutions of higher education" means:

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

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an accrediting association recognized by rule of the board for the purposes of this section: PROVIDED, That any institution, branch, extension or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students: PROVIDED FURTHER, That no institution of higher education shall be eligible to participate in a student financial aid program unless it agrees to and complies with program rules and regulations adopted pursuant to RCW 28B.92.150.

~~((5))~~ (4) "Needy student" means a ~~((post-high))~~ posthigh school student of an institution of higher education who demonstrates to the board the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter. "Needy student" also means an opportunity internship graduate as defined by RCW 28C.18.162 who enrolls in a postsecondary program of study as defined in RCW 28C.18.162 within one year of high school graduation.

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

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

Sec. 160. RCW 28B.92.040 and 2004 c 275 s 36 are each amended to read as follows:

The ((board)) office shall be cognizant of the following guidelines in the performance of its duties:

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

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

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

(4) Counseling is a paramount function of the state need grant and other state student financial aid programs, and in most cases could only be properly implemented at the institutional levels; therefore, state student financial aid programs shall be concerned with the attainment of those goals which, in the judgment of the ((board)) office, are the reasons for the existence of a student financial aid program, and not solely with administration of the program on an individual basis.

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

(6) The ((board)) office shall ensure that allocations of state appropriations for financial aid are made to individuals and institutions in a timely manner and shall closely monitor expenditures to avoid under or overexpenditure of appropriated funds.

Sec. 161. RCW 28B.92.050 and 1999 c 345 s 4 are each amended to read as follows:

The ((board)) office shall have the following powers and duties:

(1) Conduct a full analysis of student financial aid as a means of:

(a) Fulfilling educational aspirations of students of the state of Washington, and

(b) Improving the general, social, cultural, and economic character of the state.

Such an analysis will be a continuous one and will yield current information relevant to needed improvements in the state program of student financial aid. The ((board)) office will disseminate the information yielded by their analyses to all appropriate individuals and agents.

(2) Design a state program of student financial aid based on the data of the study referred to in this section. The state programs will supplement available federal and local aid programs. The state programs of student financial aid will not exceed the difference between the budgetary costs of attending an institution of higher education and the student's total resources, including family support, personal savings, employment, and federal, state, and local aid programs.

(3) Determine and establish criteria for financial need of the individual applicant based upon the consideration of that particular applicant. In making this determination the ((board)) office shall consider the following:

(a) Assets and income of the student.

(b) Assets and income of the parents, or the individuals legally responsible for the care and maintenance of the student.

(c) The cost of attending the institution the student is attending or planning to attend.

(d) Any other criteria deemed relevant to the ((board)) office.

(4) Set the amount of financial aid to be awarded to any individual needy or disadvantaged student in any school year.

(5) Award financial aid to needy or disadvantaged students for a school year based upon only that amount necessary to fill the financial gap between the budgetary cost of attending an institution of higher education and the family and student contribution.

(6) Review the need and eligibility of all applications on an annual basis and adjust financial aid to reflect changes in the financial need of the recipients and the cost of attending the institution of higher education.

Sec. 162. RCW 28B.92.060 and 2009 c 215 s 4 are each amended to read as follows:

In awarding need grants, the ((board)) office shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to prevent the ((board)) office, in the exercise of its sound discretion, from following another procedure when the best interest of the program so dictates:

(1) The ((board)) office shall annually select the financial aid award recipients from among Washington residents applying for student financial aid who have been ranked according to:

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

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

(2) The financial need of the highest ranked students shall be met by grants depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until disbursed, except that eligible former foster youth shall be assured receipt of a grant.

(3) A student shall be eligible to receive a state need grant for up to five years, or the credit or clock hour equivalent of five years, or up to one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as a state need grant recipient until at least five years have elapsed since earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. Qualifications for renewal will include maintaining satisfactory academic progress toward completion of an eligible program as determined by the ((board)) office. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.92.070.

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

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

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

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

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

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

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

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

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

Sec. 163. RCW 28B.92.084 and 2009 c 238 s 8 are each amended to read as follows:

(1) The ~~((board))~~ office shall work with institutions of higher education to assure that the institutions are aware of the eligibility of opportunity internship graduates for an award under this chapter.

(2) If an opportunity internship graduate enrolls within one year of high school graduation in a postsecondary program of study in an institution of higher education, including in an apprenticeship program with related and supplemental instruction provided through an institution of higher education, the graduate is eligible to receive a state need grant for up to one year. The graduate shall not be required to be enrolled on at least a half-time basis. The related and supplemental instruction provided to a graduate through an apprenticeship program shall not be required to lead to a degree or certificate.

(3) Except for the eligibility criteria for an opportunity internship graduate that are provided under this section, other rules pertaining to award of a state need grant apply.

(4) Nothing in this section precludes an opportunity internship graduate from being eligible to receive additional state need grants after the one-year grant provided in this section if the graduate meets other criteria as a needy or disadvantaged student.

Sec. 164. RCW 28B.92.120 and 2004 c 275 s 41 are each amended to read as follows:

Funds appropriated for student financial assistance to be granted pursuant to this chapter shall be disbursed as determined by the ~~((board))~~ office.

Sec. 165. RCW 28B.92.130 and 2004 c 275 s 42 are each amended to read as follows:

The ~~((board))~~ office shall be authorized to accept grants, gifts, bequests, and devises of real and personal property from any source for the purpose of granting financial aid in addition to that funded by the state.

Sec. 166. RCW 28B.92.140 and 1997 c 269 s 1 are each amended to read as follows:

The state educational trust fund is hereby established in the state treasury. The primary purpose of the trust is to pledge statewide available college student assistance to needy or disadvantaged students, especially middle and high school youth, considered at-risk of dropping out of secondary education who participate in ~~((board))~~ approved early awareness and outreach programs and who enter any accredited Washington institution of postsecondary education within two years of high school graduation.

The ~~((board))~~ office shall deposit refunds and recoveries of student financial aid funds expended in prior fiscal periods in such account. The ~~((board))~~ office may also deposit moneys that have been contributed from other state, federal, or private sources.

Expenditures from the fund shall be for financial aid to needy or disadvantaged students. The ~~((board))~~ office may annually expend such sums from the fund as may be necessary to fulfill the purposes of this section, including not more than three percent for the costs to administer aid programs supported by the fund. All earnings of

investments of balances in the state educational trust fund shall be credited to the trust fund. Expenditures from the fund shall not be subject to appropriation but are subject to allotment procedures under chapter 43.88 RCW.

Sec. 167. RCW 28B.92.150 and 2004 c 275 s 43 are each amended to read as follows:

The ~~((board))~~ office shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, in accordance with the provisions of chapter 34.05 RCW, the administrative procedure act.

Sec. 168. RCW 28B.95.020 and 2007 c 405 s 8 are each amended to read as follows:

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

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

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

(3) ~~(("Board"))~~ "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance as defined in chapter 28B.76 RCW.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 169. RCW 28B.95.025 and 2000 c 14 s 2 are each amended to read as follows:

The ~~((board))~~ office shall maintain appropriate offices and employ and fix compensation of such personnel as may be necessary to perform the advanced college tuition payment program duties. The ~~((board))~~ office shall consult with the governing body on the selection, compensation, and other issues relating to the employment of the program director. The positions are exempt from classified service under chapter 41.06 RCW. The employees shall be employees of the ~~((higher education coordinating board))~~ office.

Sec. 170. RCW 28B.95.030 and 2005 c 272 s 2 are each amended to read as follows:

(1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the ~~((executive))~~ director of the ~~((board))~~ office. The committee shall be supported by staff of the ~~((board))~~ office.

(2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval.

(b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body.

(c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract.

(d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.

(e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.

(3)(a) No tuition unit may be redeemed until two years after the purchase of the unit. Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(b) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

(4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.

(5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.

(6) The governing body shall annually determine current value of a tuition unit.

(7) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program.

(8) In addition to any other powers conferred by this chapter, the governing body may:

(a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;

(b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;

(c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

(d) Appoint and use advisory committees as needed to provide program direction and guidance;

(e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;

(f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;

(g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

(i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;

(j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;

(k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(l) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and

(m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.

Sec. 171. RCW 28B.95.040 and 1997 c 289 s 4 are each amended to read as follows:

The governing body may, at its discretion, allow an organization to purchase tuition units for future use as scholarships. Such organizations electing to purchase tuition units for this purpose must enter into a contract with the governing body which, at a minimum, ensures that the scholarship shall be freely given by the purchaser to a scholarship recipient. For such purchases, the purchaser need not name a beneficiary until four months before the date when the tuition units are first expected to be used.

The governing body shall formulate and adopt such rules as are necessary to determine which organizations may qualify to purchase tuition units for scholarships under this section. The governing body also may consider additional rules for the use of tuition units if purchased as scholarships.

The governing body may establish a scholarship fund with moneys from the Washington advanced college tuition payment program account. A scholarship fund established under this authority shall be administered by the ~~((higher education coordinating board))~~ office and shall be provided to students who demonstrate financial need. Financial need is not a criterion that any other organization need consider when using tuition units as scholarships. The ~~((board))~~ office also may establish its own corporate-sponsored scholarship fund under this chapter.

Sec. 172. RCW 28B.95.060 and 2007 c 214 s 13 are each amended to read as follows:

(1) The Washington advanced college tuition payment program account is created in the custody of the state treasurer. The account shall be a discrete nontreasury account retaining its interest earnings in accordance with RCW 43.79A.040.

(2)(a) Except as provided in (b) of this subsection, the governing body shall deposit in the account all money received for the program. The account shall be self-sustaining and consist of payments received from purchasers of tuition units and funds received from other sources, public or private. With the exception of investment and operating costs associated with the investment of money by the investment board paid under RCW 43.33A.160 and 43.84.160, the account shall be credited with all investment income earned by the account. Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW. Money used for program administration is subject to the allotment of all expenditures. However, an appropriation is not required for such expenditures. Program administration shall include, but not be limited to: The salaries and expenses of the program personnel including lease payments, travel, and goods and services necessary for program operation; contracts for program promotion and advertisement, audits, and account management; and other general costs of conducting the business of the program.

(b) All money received by the program from the ~~((higher education coordinating board))~~ office for the GET ready for math and science scholarship program shall be deposited in the GET ready for math and science scholarship account created in RCW 28B.105.110.

(3) The assets of the account may be spent without appropriation for the purpose of making payments to institutions of higher education on behalf of the qualified beneficiaries, making refunds, transfers, or direct payments upon the termination of the Washington advanced college tuition payment program. Disbursements from the account shall be made only on the authorization of the governing body.

(4) With regard to the assets of the account, the state acts in a fiduciary, not ownership, capacity. Therefore the assets of the program are not considered state money, common cash, or revenue to the state.

Sec. 173. RCW 28B.95.160 and 2007 c 214 s 12 are each amended to read as follows:

Ownership of tuition units purchased by the ~~((higher education coordinating board))~~ office for the GET ready for math and science scholarship program under RCW 28B.105.070 shall be in the name of the state of Washington and may be redeemed by the state of Washington on behalf of recipients of GET ready for math and science scholarship program scholarships for tuition and fees.

Sec. 174. RCW 28B.97.010 and 2009 c 215 s 13 are each amended to read as follows:

(1) The Washington higher education loan program is created. The program is created to assist students in need of additional low-cost student loans and related loan benefits.

(2) The program shall be administered by the ~~((board))~~ office. In administering the program, the ~~((board))~~ office must:

(a) Periodically assess the needs and target the benefits to selected students;

(b) Devise a program to address the following issues related to loans:

(i) Issuance of low-interest educational loans;

(ii) Determining loan repayment obligations and options;

(iii) Borrowing educational loans at low interest rates;

(iv) Developing conditional loans that can be forgiven in exchange for service; and

(v) Creating an emergency loan fund to help students until other state and federal long-term financing can be secured;

(c) Accept public and private contributions;

(d) Publicize the program; and

(e) Work with public and private colleges and universities, the state board for community and technical colleges, the workforce training and education coordinating board, and with students, to conduct periodic assessment of program needs. The ~~((board))~~ office may also consult with other groups and individuals as needed.

Sec. 175. RCW 28B.97.020 and 2009 c 215 s 14 are each amended to read as follows:

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

(1) ~~((“Board” means the higher education coordinating board. —(2))~~) "Institution of higher education" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the board.

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

(3) "Program" means the Washington higher education loan program.

(4) "Resident student" has the definition in RCW 28B.15.012(2) (a) through (d).

Sec. 176. RCW 28B.102.020 and 2004 c 58 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a teacher in an approved education program in this state.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the council for higher education (~~((coordinating board))~~).

(3) ~~((“Board”))~~ "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance.

(4) "Eligible student" means a student who is registered for at least six credit hours or the equivalent, demonstrates high academic achievement, is a resident student as defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention to complete an approved preparation program leading to initial teacher certification or required for earning an additional endorsement, and commits to teaching service in the state of Washington.

(5) "Public school" means an elementary school, a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render service as a teacher in an approved education program in the state of Washington in lieu of monetary repayment.

(7) "Satisfied" means paid-in-full.

(8) "Participant" means an eligible student who has received a conditional scholarship or loan repayment under this chapter.

(9) "Loan repayment" means a federal student loan that is repaid in whole or in part if the recipient renders service as a teacher in an approved education program in Washington state.

(10) "Approved education program" means an education program in the state of Washington for knowledge and skills generally learned in preschool through twelfth grade. Approved education programs may include but are not limited to:

(a) K-12 schools under Title 28A RCW; or

(b) Other K-12 educational sites in the state of Washington as designated by the board.

(11) "Equalization fee" means the additional amount added to the principal of a loan under this chapter to equate the debt to that which the student would have incurred if the loan had been received through the federal subsidized Stafford student loan program.

(12) "Teacher shortage area" means a shortage of elementary or secondary school teachers in a specific subject area, discipline, classification, or geographic area as defined by the office of the superintendent of public instruction.

Sec. 177. RCW 28B.102.030 and 2004 c 58 s 3 are each amended to read as follows:

The future teachers conditional scholarship and loan repayment program is established. The program shall be administered by the ~~((higher education coordinating board))~~ office. In administering the program, the board shall have the following powers and duties:

(1) Select students to receive conditional scholarships or loan repayments;

(2) Adopt necessary rules and guidelines;

(3) Publicize the program;

(4) Collect and manage repayments from students who do not meet their teaching obligations under this chapter; and

(5) Solicit and accept grants and donations from public and private sources for the program.

Sec. 178. RCW 28B.102.040 and 2008 c 170 s 306 are each amended to read as follows:

(1) The ~~((board))~~ office may select participants based on an application process conducted by the ~~((board))~~ office or the ~~((board))~~ office may utilize selection processes for similar students in cooperation with the professional educator standards board or the office of the superintendent of public instruction.

(2) If the ~~((board))~~ office selects participants for the program, it shall establish a selection committee for screening and selecting recipients of the conditional scholarships. The criteria shall emphasize factors demonstrating excellence including but not limited to superior scholastic achievement, leadership ability, community contributions, bilingual ability, willingness to commit to providing teaching service in shortage areas, and an ability to act as a role model for students. Priority will be given to individuals seeking certification or an additional endorsement in math, science, technology education, agricultural education, business and marketing education, family and consumer science education, or special education.

Sec. 179. RCW 28B.102.050 and 2004 c 58 s 6 are each amended to read as follows:

The ~~((board))~~ office may award conditional scholarships or provide loan repayments to eligible participants from the funds appropriated to the ~~((board))~~ office for this purpose, or from any private donations, or any other funds given to the ~~((board))~~ office for this program. The amount of the conditional scholarship or loan repayment awarded an individual shall not exceed the amount of tuition and fees at the institution of higher education attended by the participant or resident undergraduate tuition and fees at the University of Washington per academic year for a full-time student, whichever is lower. Participants are eligible to receive conditional scholarships or loan repayments for a maximum of five years.

Sec. 180. RCW 28B.102.055 and 2004 c 58 s 8 are each amended to read as follows:

(1) Upon documentation of federal student loan indebtedness, the ~~((board))~~ office may enter into agreements with participants to repay all or part of a federal student loan in exchange for teaching service in an approved educational program. The ratio of loan repayment to

years of teaching service for the loan repayment program shall be the same as established for the conditional scholarship program.

(2) The agreement shall specify the period of time it is in effect and detail the obligations of the ~~((board))~~ office and the participant, including the amount to be paid to the participant. The agreement may also specify the geographic location and subject matter area of teaching service for which loan repayment will be provided.

(3) At the end of each school year, a participant under this section shall provide evidence to the ~~((board))~~ office that the requisite teaching service has been provided. Upon receipt of the evidence, the ~~((board))~~ office shall pay the participant the agreed-upon amount for one year of full-time teaching service or a prorated amount for less than full-time teaching service. To qualify for additional loan repayments, the participant must be engaged in continuous teaching service as defined by the ~~((board))~~ office.

(4) The ~~((board))~~ office may, at its discretion, arrange to make the loan repayment directly to the holder of the participant's federal student loan.

(5) The ~~((board's))~~ office's obligations to a participant under this section shall cease when:

(a) The terms of the agreement have been fulfilled;

(b) The participant fails to maintain continuous teaching service as determined by the ~~((board))~~ office; or

(c) All of the participant's federal student loans have been repaid.

(6) The ~~((board))~~ office shall adopt rules governing loan repayments, including approved leaves of absence from continuous teaching service and other deferments as may be necessary.

Sec. 181. RCW 28B.102.060 and 2011 c 26 s 4 are each amended to read as follows:

(1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest and an equalization fee, unless they teach for two years in an approved education program for each year of scholarship received, under rules adopted by the ~~((board))~~ office. Participants who teach in a designated teacher shortage area shall have one year of loan canceled for each year they teach in the shortage area.

(2) The interest rate shall be determined by the ~~((board))~~ office. Participants who fail to complete the teaching service shall incur an equalization fee based on the remaining unforgiven balance of the loan. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The minimum payment shall be set by the ~~((board))~~ office. The maximum period for repayment shall be ten years, with payments of principal and interest commencing six months from the date the participant completes or discontinues the course of study. The interest rate shall be determined by the ~~((board))~~ office and be established by rule. Provisions for deferral of payment shall be determined by the ~~((board))~~ office. The ~~((board))~~ office shall establish an appeal process by rule.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in an approved education program until the entire repayment obligation is satisfied. Should the participant cease to teach in an approved education program in this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The ~~((board))~~ office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary. The ~~((board))~~ office is responsible to forgive all or parts of such repayments under

the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited in the future teachers conditional scholarship account and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The ~~((board))~~ office shall adopt rules to define the terms of repayment, including applicable interest rates, fees, and deferments.

Sec. 182. RCW 28B.102.080 and 2010 1st sp.s. c 37 s 917 are each amended to read as follows:

(1) The future teachers conditional scholarship account is created in the custody of the state treasurer. An appropriation is not required for expenditures of funds from the account. The account is not subject to allotment procedures under chapter 43.88 RCW except for moneys used for program administration.

(2) The ~~((board))~~ office shall deposit in the account all moneys received for the future teachers conditional scholarship and loan repayment program and for conditional loan programs under chapter 28A.660 RCW. The account shall be self-sustaining and consist of funds appropriated by the legislature for the future teachers conditional scholarship and loan repayment program, private contributions to the program, receipts from participant repayments from the future teachers conditional scholarship and loan repayment program, and conditional loan programs established under chapter 28A.660 RCW. Beginning July 1, 2004, the ~~((board))~~ office shall also deposit into the account: (a) All funds from the institution of higher education loan account that are traceable to any conditional scholarship program for teachers or prospective teachers established by the legislature before June 10, 2004; and (b) all amounts repaid by individuals under any such program.

(3) Expenditures from the account may be used solely for conditional loans and loan repayments to participants in the future teachers conditional scholarship and loan repayment program established by this chapter, conditional scholarships for participants in programs established in chapter 28A.660 RCW, and costs associated with program administration by the ~~((board))~~ office.

(4) Disbursements from the account may be made only on the authorization of the ~~((board))~~ office.

(5) During the 2009-2011 fiscal biennium, the legislature may transfer from the future teachers conditional scholarship account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 183. RCW 28B.105.020 and 2007 c 214 s 2 are each amended to read as follows:

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

(1) ~~("Board" means the higher education coordinating board.~~
—(2)) "GET units" means tuition units under the advanced college tuition payment program in chapter 28B.95 RCW.

~~((3))~~ (2) "Institution of higher education" has the same meaning as in RCW 28B.92.030.

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

(4) "Program administrator" means the private nonprofit corporation that is registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, that will serve as the private partner in the public-private partnership under this chapter.

(5) "Qualified program" or "qualified major" means a mathematics, science, or related degree program or major line of study offered by an institution of higher education that is included on

the list of programs or majors selected by the board and the program administrator under RCW 28B.105.100.

Sec. 184. RCW 28B.105.040 and 2007 c 214 s 4 are each amended to read as follows:

(1) If the student enrolls in a qualified program or declares a qualified major and the program or major is subsequently removed from the list of qualified programs and qualified majors by the ~~((board))~~ office and the program administrator, the student's eligibility to receive a GET ready for math and science scholarship shall not be affected.

(2) If a student who received a GET ready for math and science scholarship ceases to be enrolled in an institution of higher education, withdraws or is no longer enrolled in a qualified program, declares a major that is not a qualified major, or otherwise is no longer eligible to receive a GET ready for math and science scholarship, the student shall notify the program administrator as soon as practicable and is not eligible for further GET ready for math and science scholarship awards. Such a student shall also repay the amount of the GET ready for math and science scholarship awarded to the student as required by RCW 28B.105.050.

Sec. 185. RCW 28B.105.050 and 2007 c 214 s 5 are each amended to read as follows:

(1) A recipient of a GET ready for math and science scholarship incurs an obligation to repay the scholarship, with interest and an equalization fee, if he or she does not:

(a) Graduate with a bachelor's degree from a qualified program or in a qualified major within five years of first enrolling at an institution of higher education; and

(b) Work in Washington in a mathematics, science, or related occupation full time for at least three years following completion of a bachelor's degree, unless he or she is enrolled in a graduate degree program as provided in subsection (4) of this section.

(2) A former scholarship recipient who has earned a bachelor's degree shall annually verify to the ~~((board))~~ office that he or she is working full time in a mathematics, science, or related field for three years.

(3) If a former scholarship recipient begins but then stops working full time in a mathematics, science, or related field within three years following completion of a bachelor's degree, he or she shall pay back a prorated portion of the amount of the GET ready for math and science scholarship award received by the recipient, plus interest and a prorated equalization fee.

(4) A recipient may postpone for up to three years his or her in-state work obligation if he or she enrolls full time in a graduate degree program in mathematics, science, or a related field.

Sec. 186. RCW 28B.105.070 and 2007 c 214 s 7 are each amended to read as follows:

The ~~((board))~~ office shall:

(1) Purchase GET units to be owned and held in trust by the ~~((board))~~ office, for the purpose of scholarship awards as provided for in this section;

(2) Distribute scholarship funds, in the form of GET units or through direct payments from the GET ready for math and science scholarship account, to institutions of higher education on behalf of eligible recipients identified by the program administrator;

(3) Provide the program administrator with annual reports regarding enrollment, contact, and graduation information of GET ready for math and science scholarship recipients, if the recipients have given permission for the ~~((board))~~ office to do so;

(4) Collect repayments from former scholarship recipients who do not meet the eligibility criteria or work obligations;

(5) Establish rules for scholarship repayment, approved leaves of absence, deferments, and exceptions to recognize extenuating circumstances that may impact students; and

(6) Provide information to school districts in Washington, at least once per year, about the GET ready for math and science scholarship program.

Sec. 187. RCW 28B.105.100 and 2007 c 214 s 10 are each amended to read as follows:

The ~~((board))~~ office and the program administrator shall jointly:

(1) Determine criteria for qualifying undergraduate programs, majors, and courses leading to a bachelor's degree in mathematics, science, or a related field, offered by institutions of higher education. The ~~((board))~~ office shall publish the criteria for qualified courses, and lists of qualified programs and qualified majors, on its web site on a biennial basis; and

(2) Establish criteria for selecting among eligible applicants those who, without scholarship assistance, would be least likely to pursue a qualified undergraduate program at an institution of higher education in Washington state.

Sec. 188. RCW 28B.105.110 and 2010 1st sp.s. c 37 s 918 are each amended to read as follows:

(1) The GET ready for math and science scholarship account is created in the custody of the state treasurer.

(2) The ~~((board))~~ office shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the ~~((board))~~ office. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator. During the 2009- 2011 fiscal biennium, expenditures from the account not to exceed five percent may be used by the program administrator to carry out the provisions of RCW 28B.105.090.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

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

(6) Disbursements from the account shall be made only on the authorization of the ~~((board))~~ office.

(7) (During the 2007-2009 fiscal biennium, the legislature may transfer state appropriations to the GET ready for math and science scholarship account that have not been matched by private contributions to the state general fund.

(8)) During the 2009-2011 fiscal biennium, the legislature may transfer from the GET ready for math and science scholarship account to the state general fund such amounts as have not been donated from or matched by private contributions.

Sec. 189. RCW 28B.106.010 and 1988 c 125 s 9 are each amended to read as follows:

The following definitions shall apply throughout this chapter, unless the context clearly indicates otherwise:

(1) "College savings bonds" or "bonds" are Washington state general obligation bonds, issued under the authority of and in accordance with this chapter.

(2) ("~~Board~~") "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance, or any successor thereto.

Sec. 190. RCW 28B.106.070 and 1988 c 125 s 16 are each amended to read as follows:

The ~~((board))~~ office and the state finance committee shall create and implement marketing strategies and educational programs designed to publicize the college savings bond program to Washington residents.

Sec. 191. RCW 28B.108.010 and 2004 c 275 s 69 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the ~~council for higher education ((coordinating board))~~.

(2) ("~~Board~~") "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance.

(3) "Eligible student" or "student" means an American Indian who is a financially needy student, as defined in RCW 28B.92.030, who is a resident student, as defined by RCW 28B.15.012(2), who is a full-time student at an institution of higher education, and who promises to use his or her education to benefit other American Indians.

Sec. 192. RCW 28B.108.020 and 2009 c 259 s 1 are each amended to read as follows:

The American Indian endowed scholarship program is created. The program shall be administered by the ~~((higher education coordinating board))~~ office. In administering the program, the board's powers and duties shall include but not be limited to:

(1) Selecting students to receive scholarships, with the assistance of a screening committee composed of persons involved in helping American Indian students to obtain a higher education. The membership of the committee may include, but is not limited to representatives of: Indian tribes, urban Indians, the governor's office of Indian affairs, the Washington state Indian education association, and institutions of higher education;

(2) Adopting necessary rules and guidelines;

(3) Publicizing the program;

(4) Accepting and depositing donations into the endowment fund created in RCW 28B.108.060;

(5) Requesting from the state investment board and accepting from the state treasurer moneys earned from the endowment fund created in RCW 28B.108.060;

(6) Soliciting and accepting grants and donations from public and private sources for the program; and

(7) Naming scholarships in honor of those American Indians from Washington who have acted as role models.

Sec. 193. RCW 28B.108.030 and 1991 c 228 s 11 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office shall establish an advisory committee to assist in program design and to develop criteria for the screening and selection of scholarship recipients. The committee shall be composed of representatives of the same groups as the screening committee described in RCW 28B.108.020. The criteria shall assess the student's social and cultural ties to an American Indian community within the state. The criteria shall include a priority for upper-division or graduate students. The criteria may include a priority for students who are majoring in program areas in which expertise is needed by the state's American Indians.

Sec. 194. RCW 28B.108.060 and 2009 c 259 s 2 are each amended to read as follows:

The American Indian scholarship endowment fund is created in the custody of the state treasurer. The investment of the endowment fund shall be managed by the state investment board. Funds appropriated by the legislature for the endowment fund must be deposited into the fund.

(1) Moneys received from the ~~((higher education coordinating board))~~ office, private donations, state moneys, and funds received from any other source may be deposited into the endowment fund. Private moneys received as a gift subject to conditions may be deposited into the fund.

(2) At the request of the ~~((higher education coordinating board))~~ office, the state investment board shall release earnings from the endowment fund to the state treasurer. The state treasurer shall then release those funds at the request of the ~~((higher education~~

~~coordinating board~~) office for scholarships. No appropriation is required for expenditures from the endowment fund.

(3) When notified by the ~~((higher education coordinating board))~~ office that a condition attached to a gift of private moneys in the fund has failed, the state investment board shall release those moneys to the ~~((higher education coordinating board))~~ office. The ~~((higher education coordinating board))~~ office shall then release the moneys to the donors according to the terms of the conditional gift.

(4) The principal of the endowment fund shall not be invaded. The release of moneys under subsection (3) of this section shall not constitute an invasion of corpus.

(5) The earnings on the fund shall be used solely for the purposes set forth in RCW 28B.108.040, except when the terms of a conditional gift of private moneys in the fund require that a portion of earnings on such moneys be reinvested in the fund.

Sec. 195. RCW 28B.109.010 and 1996 c 253 s 401 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) ~~("Board" means the higher education coordinating board.~~
—(2)) "Eligible participant" means an international student whose country of residence has a trade relationship with the state of Washington.

~~((3))~~ (2) "Institution of higher education" or "institution" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the board.

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

(4) "Service obligation" means volunteering for a minimum number of hours as established by the board based on the amount of scholarship award, to speak to or teach groups of Washington citizens, including but not limited to elementary, middle, and high schools, service clubs, and universities.

(5) "Washington international exchange scholarship program" means a scholarship award for a period not to exceed one academic year to attend a Washington institution of higher education made to an international student whose country has an established trade relationship with Washington.

Sec. 196. RCW 28B.109.020 and 1996 c 253 s 402 are each amended to read as follows:

The Washington international exchange scholarship program is created subject to funding under RCW 28B.109.060. The program shall be administered by the ~~((board))~~ office. In administering the program, the ~~((board))~~ office may:

(1) Convene an advisory committee that may include but need not be limited to representatives of the office of the superintendent of public instruction, the department of ~~((community, trade, and economic development))~~ commerce, the secretary of state, private business, and institutions of higher education;

(2) Select students to receive the scholarship with the assistance of a screening committee composed of leaders in business, international trade, and education;

(3) Adopt necessary rules and guidelines including rules for disbursing scholarship funds to participants;

(4) Publicize the program;

(5) Solicit and accept grants and donations from public and private sources for the program;

(6) Establish and notify participants of service obligations; and

(7) Establish a formula for selecting the countries from which participants may be selected in consultation with the *department of community, trade, and economic development.

Sec. 197. RCW 28B.109.030 and 1996 c 253 s 403 are each amended to read as follows:

The ~~((board))~~ office may negotiate and enter into a reciprocal agreement with foreign countries that have international students attending institutions in Washington. The goal of the reciprocal agreements shall be to allow Washington students enrolled in an

institution of higher education to attend an international institution under similar terms and conditions.

Sec. 198. RCW 28B.109.040 and 1996 c 253 s 404 are each amended to read as follows:

If funds are available, the ~~((board))~~ office shall select students yearly to receive a Washington international exchange student scholarship from moneys earned from the Washington international exchange scholarship endowment fund created in RCW 28B.109.060, from funds appropriated to the ~~((board))~~ office for this purpose, or from any private donations, or from any other funds given to the ~~((board))~~ office for this program.

Sec. 199. RCW 28B.109.050 and 1996 c 253 s 405 are each amended to read as follows:

The Washington international exchange trust fund is established in the custody of the state treasurer. Any funds appropriated by the legislature for the trust fund shall be deposited into the fund. At the request of the ~~((board))~~ office, and when conditions set forth in RCW 28B.109.070 are met, the treasurer shall deposit state matching moneys from the Washington international exchange trust fund into the Washington international exchange scholarship endowment fund. No appropriation is required for expenditures from the trust fund.

Sec. 200. RCW 28B.109.060 and 1996 c 253 s 406 are each amended to read as follows:

The Washington international exchange scholarship endowment fund is established in the custody of the state treasurer. Moneys received from the private donations and funds received from any other source may be deposited into the endowment fund. At the request of the ~~((board))~~ office, the treasurer shall release earnings from the endowment fund to the ~~((board))~~ office for scholarships. No appropriation is required for expenditures from the endowment fund. The principal of the endowment fund shall not be invaded. The earnings on the fund shall be used solely for the purposes in this chapter.

Sec. 201. RCW 28B.109.070 and 1996 c 253 s 407 are each amended to read as follows:

The ~~((board))~~ office may request that the treasurer deposit state matching funds into the Washington international exchange scholarship endowment fund when the ~~((board))~~ office can match the state funds with an equal amount of private cash donations, including conditional gifts.

Sec. 202. RCW 28B.109.080 and 1996 c 253 s 408 are each amended to read as follows:

Each Washington international exchange scholarship recipient shall agree to complete the service obligation as defined by the ~~((board))~~ office.

Sec. 203. RCW 28B.110.040 and 1997 c 5 s 5 are each amended to read as follows:

The executive director of the higher education coordinating board, in consultation with the council of presidents and the state board for community and technical colleges, shall monitor the compliance by institutions of higher education with this chapter.

(1) The board shall establish a timetable and guidelines for compliance with this chapter.

(2) By November 30, 1990, each institution shall submit to the board for approval a plan to comply with the requirements of RCW 28B.110.030. The plan shall contain measures to ensure institutional compliance with the provisions of this chapter by September 30, 1994. If participation in activities, such as intercollegiate athletics and matriculation in academic programs is not proportionate to the percentages of male and female enrollment, the plan should outline efforts to identify barriers to equal participation and to encourage gender equity in all aspects of college and university life.

(3) ((The board shall report every four years, beginning December 31, 1998, to the governor and the higher education committees of the house of representatives and the senate on institutional efforts to comply with this chapter. The report shall

include recommendations on measures to assist institutions with compliance. This report may be combined with the report required in RCW 28B.15.465.

(4)) The board may delegate to the state board for community and technical colleges any or all responsibility for community college compliance with the provisions of this chapter.

Sec. 204. RCW 28B.115.020 and 2011 c 26 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) (~~"Board"~~) "Office" means the (~~higher education coordinating board~~) office of student financial assistance.

(2) "Department" means the state department of health.

(3) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.

(4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the (~~board~~) office.

(5) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area in the state of Washington in lieu of monetary repayment.

(7) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas as provided for in RCW 28B.115.070. In making health professional shortage area designations in the state the department may be guided by applicable federal standards for "health manpower shortage areas," and "medically underserved areas," and "medically underserved populations."

(8) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW and designated by the department in RCW 28B.115.070 as a profession having shortages of credentialed health care professionals in the state.

(9) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW.

(10) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area as defined by the department.

(11) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

(12) "Participant" means a credentialed health care professional who has received a loan repayment award and has commenced practice as a credentialed health care provider in a designated health professional shortage area or an eligible student who has received a scholarship under this program.

(13) "Program" means the health professional loan repayment and scholarship program.

(14) "Required service obligation" means an obligation by the participant to provide health care services in a health professional

shortage area for a period to be established as provided for in this chapter.

(15) "Rural physician shortage area" means rural geographic areas where primary care physicians are in short supply as a result of geographic maldistributions and where their limited numbers jeopardize patient care and pose a threat to public health and safety. The department shall designate rural physician shortage areas.

(16) "Satisfied" means paid-in-full.

(17) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care services in a health professional shortage area.

(18) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments.

Sec. 205. RCW 28B.115.030 and 1991 c 332 s 16 are each amended to read as follows:

The health professional loan repayment and scholarship program is established for credentialed health professionals serving in health professional shortage areas. The program shall be administered by the (~~higher education coordinating board~~) office. In (~~administering~~) administering this program, the (~~board~~) office shall:

(1) Select credentialed health care professionals to participate in the loan repayment portion of the loan repayment and scholarship program and select eligible students to participate in the scholarship portion of the loan repayment and scholarship program;

(2) Adopt rules and develop guidelines to administer the program;

(3) Collect and manage repayments from participants who do not meet their service obligations under this chapter;

(4) Publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the workforce;

(5) Solicit and accept grants and donations from public and private sources for the program; and

(6) Develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment.

Sec. 206. RCW 28B.115.050 and 2004 c 275 s 70 are each amended to read as follows:

The (~~board~~) office shall establish a planning committee to assist it in developing criteria for the selection of participants. The (~~board~~) office shall include on the planning committee representatives of the department, the department of social and health services, appropriate representatives from health care facilities, provider groups, consumers, the state board for community and technical colleges, the superintendent of public instruction, and other appropriate public and private agencies and organizations. The criteria may require that some of the participants meet the definition of "needy student" under RCW 28B.92.030.

Sec. 207. RCW 28B.115.070 and 2003 c 278 s 3 are each amended to read as follows:

After June 1, 1992, the department, in consultation with the (~~board~~) office and the department of social and health services, shall:

(1) Determine eligible credentialed health care professions for the purposes of the loan repayment and scholarship program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to

continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;

(2) Determine health professional shortage areas for each of the eligible credentialed health care professions.

Sec. 208. RCW 28B.115.080 and 1993 c 492 s 271 are each amended to read as follows:

After June 1, 1992, the ((board)) office, in consultation with the department and the department of social and health services, shall:

(1) Establish the annual award amount for each credentialed health care profession which shall be based upon an assessment of reasonable annual eligible expenses involved in training and education for each credentialed health care profession. The annual award amount may be established at a level less than annual eligible expenses. The annual award amount shall be established by the ((board)) office for each eligible health profession. The awards shall not be paid for more than a maximum of five years per individual;

(2) Determine any scholarship awards for prospective physicians in such a manner to require the recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The ((board)) office may require the sponsoring community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(3) Establish the required service obligation for each credentialed health care profession, which shall be no less than three years or no more than five years. The required service obligation may be based upon the amount of the scholarship or loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(4) Determine eligible education and training programs for purposes of the scholarship portion of the program;

(5) Honor loan repayment and scholarship contract terms negotiated between the ((board)) office and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under chapter 28B.115, 28B.104, or 70.180 RCW.

Sec. 209. RCW 28B.115.090 and 2003 c 278 s 4 are each amended to read as follows:

(1) The ((board)) office may grant loan repayment and scholarship awards to eligible participants from the funds appropriated for this purpose, or from any private or public funds given to the ((board)) office for this purpose. Participants are ineligible to receive loan repayment if they have received a scholarship from programs authorized under this chapter or chapter 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter or chapter 28B.115 RCW.

(2) Funds appropriated for the program, including reasonable administrative costs, may be used by the ((board)) office for the purposes of loan repayments or scholarships. The ((board)) office shall annually establish the total amount of funding to be awarded for loan repayments and scholarships and such allocations shall be established based upon the best utilization of funding for that year.

(3) One portion of the funding appropriated for the program shall be used by the ((board)) office as a recruitment incentive for communities participating in the community-based recruitment and retention program as authorized by chapter 70.185 RCW; one portion of the funding shall be used by the ((board)) office as a recruitment incentive for recruitment activities in state-operated institutions, county public health departments and districts, county human service agencies, federal and state contracted community health clinics, and

other health care facilities, such as rural hospitals that have been identified by the department, as providing substantial amounts of charity care or publicly subsidized health care; one portion of the funding shall be used by the ((board)) office for all other awards. The ((board)) office shall determine the amount of total funding to be distributed between the three portions.

Sec. 210. RCW 28B.115.110 and 2011 c 26 s 2 are each amended to read as follows:

Participants in the health professional loan repayment and scholarship program who are awarded loan repayments shall receive payment from the program for the purpose of repaying educational loans secured while attending a program of health professional training which led to a credential as a credentialed health professional in the state of Washington.

(1) Participants shall agree to meet the required service obligation in a designated health professional shortage area.

(2) Repayment shall be limited to eligible educational and living expenses as determined by the ((board)) office and shall include principal and interest.

(3) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the ((board)) office access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(4) Repayment of loans established pursuant to this program shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the ((board)) office, to the participant until the loan is repaid or the participant becomes ineligible due to discontinued service in a health professional shortage area or after the required service obligation when eligibility discontinues, whichever comes first.

(5) Should the participant discontinue service in a health professional shortage area, payments against the loans of the participants shall cease to be effective on the date that the participant discontinues service.

(6) Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. This amount is due and payable immediately. Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ((board)) office, including an arrangement for payment of interest. The maximum period for repayment is ten years. The ((board)) office shall determine the applicability of this subsection. The interest rate shall be determined by the ((board)) office and be established by rule.

(7) The ((board)) office is responsible for the collection of payments made on behalf of participants from the participants who discontinue service before completion of the required service obligation. The ((board)) office shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

(8) The ((board)) office shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

(9) The ((board)) office shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017.

(10) The ((board)) office shall establish an appeal process by rule.

Sec. 211. RCW 28B.115.120 and 2011 c 26 s 3 are each amended to read as follows:

(1) Participants in the health professional loan repayment and scholarship program who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless

they serve the required service obligation in a health professional shortage area in the state of Washington.

(2) The interest rate shall be determined by the ~~((board))~~ office and established by rule.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest commencing no later than six months from the date the participant completes or discontinues the course of study or completes or discontinues the required postgraduate training. Provisions for deferral of payment shall be determined by the ~~((board))~~ office.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area of this state before the participant's repayment obligation is completed, payment of the unsatisfied portion of the principal and interest is due and payable immediately.

(5) In addition to the amount determined in subsection (4) of this section, except for circumstances beyond their control, participants who serve less than the required service obligation shall be obliged to pay a penalty of an amount equal to twice the unsatisfied portion of the principal.

(6) Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ~~((board))~~ office for repayment including interest. The maximum period for repayment is ten years.

(7) The ~~((board))~~ office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The ~~((board))~~ office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(8) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the ~~((board))~~ office and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection (7) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

(9) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The ~~((board))~~ office may develop criteria for the content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

(10) The ~~((board))~~ office may make exceptions to the conditions for participation and repayment obligations should circumstances beyond the control of individual participants warrant such exceptions. The ~~((board))~~ office shall establish an appeal process by rule.

Sec. 212. RCW 28B.115.130 and 1991 c 332 s 28 are each amended to read as follows:

(1) Any funds appropriated by the legislature for the health professional loan repayment and scholarship program or any other public or private funds intended for loan repayments or scholarships under this program shall be placed in the account created by this section.

(2) The health professional loan repayment and scholarship program fund is created in custody of the state treasurer. All receipts from the program shall be deposited into the fund. Only the ~~((higher education coordinating board))~~ office, or its designee, may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 213. RCW 28B.115.140 and 1989 1st ex.s. c 9 s 722 are each amended to read as follows:

After consulting with the ~~((higher education coordinating board))~~ office, the governor may transfer the administration of this program to another agency with an appropriate mission.

Sec. 214. RCW 28B.116.010 and 2005 c 215 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Institution of higher education" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Eligible student" means a student who:

(a) Is between the ages of sixteen and twenty-three;

(b) Has been in foster care in the state of Washington for a minimum of six months since his or her fourteenth birthday;

(c) Is a financially needy student, as defined in RCW 28B.92.030;

(d) Is a resident student, as defined in RCW 28B.15.012(2);

(e) Has entered or will enter an institution of higher education in Washington state within three years of high school graduation or having successfully completed his or her GED;

(f) Is not pursuing a degree in theology; and

(g) Makes satisfactory progress towards the completion of a degree or certificate program.

(3) "Cost of attendance" means the cost associated with the attendance of the institution of higher education as determined by the ~~((higher education coordinating board))~~ office of student financial assistance, including but not limited to tuition, room, board, and books.

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

Sec. 215. RCW 28B.116.020 and 2009 c 560 s 20 are each amended to read as follows:

(1) The foster care endowed scholarship program is created. The purpose of the program is to help students who were in foster care attend an institution of higher education in the state of Washington. The foster care endowed scholarship program shall be administered by the ~~((higher education coordinating board))~~ office.

(2) In administering the program, the ~~((higher education coordinating board's))~~ office's powers and duties shall include but not be limited to:

(a) Adopting necessary rules and guidelines; and

(b) Administering the foster care endowed scholarship trust fund and the foster care scholarship endowment fund.

(3) In administering the program, the ~~((higher education coordinating board's))~~ office's powers and duties may include but not be limited to:

(a) Working with the department of social and health services and the superintendent of public instruction to provide information about the foster care endowed scholarship program to children in foster care in the state of Washington and to students over the age of sixteen who could be eligible for this program;

(b) Publicizing the program; and

(c) Contracting with a private agency to perform outreach to the potentially eligible students.

Sec. 216. RCW 28B.116.030 and 2005 c 215 s 4 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office may award scholarships to eligible students from the foster care scholarship

endowment fund in RCW 28B.116.060, from funds appropriated to the board for this purpose, from any private donations, or from any other funds given to the ~~((board))~~ office for the program.

(2) The ~~((board))~~ office may award scholarships to eligible students from moneys earned from the foster care scholarship endowment fund created in RCW 28B.116.060, or from funds appropriated to the board for this purpose, or from any private donations, or from any other funds given to the ~~((board))~~ office for this program. For an undergraduate student, the amount of the scholarship shall not exceed the student's demonstrated financial need. For a graduate student, the amount of the scholarship shall not exceed the student's demonstrated need; or the stipend of a teaching assistant, including tuition, at the University of Washington; whichever is higher. In calculating a student's need, the ~~((board))~~ office shall consider the student's costs for tuition, fees, books, supplies, transportation, room, board, personal expenses, and child care. The student's scholarship awarded under this chapter shall not exceed the amount received by a student attending a state research university. A student is eligible to receive a scholarship for a maximum of five years. However, the length of the scholarship shall be determined at the discretion of the ~~((board))~~ office.

(3) Grants under this chapter shall not affect eligibility for the state student financial aid program.

Sec. 217. RCW 28B.116.050 and 2005 c 215 s 6 are each amended to read as follows:

(1) The foster care endowed scholarship trust fund is created in the custody of the state treasurer.

(2) Funds appropriated by the legislature for the foster care endowed scholarship trust fund shall be deposited in the foster care endowed scholarship trust fund. When conditions in RCW 28B.116.070 are met, the ~~((higher education coordinating board))~~ office shall deposit state matching moneys from the trust fund into the foster care scholarship endowment fund.

(3) No appropriation is required for expenditures from the trust fund.

Sec. 218. RCW 28B.116.060 and 2007 c 73 s 3 are each amended to read as follows:

The foster care scholarship endowment fund is created in the custody of the state treasurer. The investment of the endowment fund shall be managed by the state investment board.

(1) Moneys received from the ~~((higher education coordinating board))~~ office, private donations, state matching moneys, and funds received from any other source may be deposited into the foster care scholarship endowment fund. Private moneys received as a gift subject to conditions may be deposited into the endowment fund if the conditions do not violate state or federal law.

(2) At the request of the ~~((higher education coordinating board))~~ office, the state investment board shall release earnings from the endowment fund to the state treasurer. The state treasurer shall then release those funds at the request of the ~~((higher education coordinating board))~~ office for scholarships. No appropriation is required for expenditures from the endowment fund.

(3) The ~~((higher education coordinating board))~~ office may disburse grants to eligible students from the foster care scholarship endowment fund. No appropriation is required for expenditures from the endowment fund.

(4) When notified by court order that a condition attached to a gift of private moneys from the foster care scholarship endowment fund has failed, the ~~((higher education coordinating board))~~ office shall release those moneys to the donors according to the terms of the conditional gift.

(5) The principal of the foster care scholarship endowment fund shall not be invaded. For the purposes of this section, only the first twenty-five thousand dollars deposited into the foster care scholarship endowment fund shall be considered the principal. The release of

moneys under subsection (4) of this section shall not constitute an invasion of the corpus.

(6) The foster care scholarship endowment fund shall be used solely for the purposes in this chapter, except when the conditional gift of private moneys in the endowment fund require a portion of the earnings on such moneys be reinvested in the endowment fund.

Sec. 219. RCW 28B.116.070 and 2005 c 215 s 8 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office may deposit twenty-five thousand dollars of state matching funds into the foster care scholarship endowment fund when the ~~((board))~~ office can match state funds with an equal amount of private cash donations.

(2) After the initial match of twenty-five thousand dollars, state matching funds from the foster care endowed scholarship trust fund shall be released to the foster care scholarship endowment fund semiannually so long as there are funds available in the foster care endowed scholarship trust fund.

Sec. 220. RCW 28B.117.020 and 2007 c 314 s 2 are each amended to read as follows:

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

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

(2) "Emancipated from foster care" means a person who was a dependent of the state in accordance with chapter 13.34 RCW and who was receiving foster care in the state of Washington when he or she reached his or her eighteenth birthday.

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

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

(5) "Institution of higher education" means:

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

(b) Any independent college or university in Washington; or

(c) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the higher education coordinating board for the purposes of this section: PROVIDED, That any institution, branch, extension, or facility operating within the state of Washington that is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students.

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

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

Sec. 221. RCW 28B.117.030 and 2007 c 314 s 4 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office shall design and, to the extent funds are appropriated for this purpose, implement, a program of supplemental scholarship and student assistance for students who have emancipated from the state foster care system after having spent at least one year in care.

(2) The ~~((board))~~ office shall convene and consult with an advisory committee to assist with program design and implementation. The committee shall include but not be limited to former foster care youth and their advocates; representatives from the state board for community and technical colleges, and from public and private agencies that assist current and former foster care recipients in their transition to adulthood; and student support specialists from public and private colleges and universities.

(3) To the extent that sufficient funds have been appropriated for this purpose, a student is eligible for assistance under this section if he or she:

(a) Emancipated from foster care on or after January 1, 2007, after having spent at least one year in foster care subsequent to his or her sixteenth birthday;

(b) Is a resident student, as defined in RCW 28B.15.012(2);

(c) Is enrolled with or will enroll on at least a half-time basis with an institution of higher education in Washington state by the age of twenty-one;

(d) Is making satisfactory academic progress toward the completion of a degree or certificate program, if receiving supplemental scholarship assistance;

(e) Has not earned a bachelor's or professional degree; and

(f) Is not pursuing a degree in theology.

(4) A passport to college scholarship under this section:

(a) Shall not exceed resident undergraduate tuition and fees at the highest-priced public institution of higher education in the state; and

(b) Shall not exceed the student's financial need, less a reasonable self-help amount defined by the board, when combined with all other public and private grant, scholarship, and waiver assistance the student receives.

(5) An eligible student may receive a passport to college scholarship under this section for a maximum of five years after the student first enrolls with an institution of higher education or until the student turns age twenty-six, whichever occurs first. If a student turns age twenty-six during an academic year, and would otherwise be eligible for a scholarship under this section, the student shall continue to be eligible for a scholarship for the remainder of the academic year.

(6) The ~~((higher education coordinating board))~~ office, in consultation with and with assistance from the state board for community and technical colleges, shall perform an annual analysis to verify that those institutions of higher education at which students have received a scholarship under this section have awarded the student all available need-based and merit-based grant and scholarship aid for which the student qualifies.

(7) In designing and implementing the passport to college student support program under this section, the ~~((board))~~ office, in consultation with and with assistance from the state board for community and technical colleges, shall ensure that a participating college or university:

(a) Has a viable plan for identifying students eligible for assistance under this section, for tracking and enhancing their academic progress, for addressing their unique needs for assistance during school vacations and academic interims, and for linking them to appropriate sources of assistance in their transition to adulthood;

(b) Receives financial and other incentives for achieving measurable progress in the recruitment, retention, and graduation of eligible students.

Sec. 222. RCW 28B.117.040 and 2007 c 314 s 5 are each amended to read as follows:

Effective operation of the passport to college promise pilot program requires early and accurate identification of former foster care youth so that they can be linked to the financial and other assistance that will help them succeed in college. To that end:

(1) All institutions of higher education that receive funding for student support services under RCW 28B.117.030 shall include on their applications for admission or on their registration materials a question asking whether the applicant has been in foster care in Washington state for at least one year since his or her sixteenth birthday. All other institutions of higher education are strongly encouraged to include such a question. No institution may consider whether an applicant may be eligible for a scholarship or student support services under this chapter when deciding whether the applicant will be granted admission.

(2) The department of social and health services shall devise and implement procedures for efficiently, promptly, and accurately identifying students and applicants who are eligible for services under RCW 28B.117.030, and for sharing that information with the ~~((higher education coordinating board))~~ office and with institutions of higher education. The procedures shall include appropriate safeguards for consent by the applicant or student before disclosure.

Sec. 223. RCW 28B.117.050 and 2007 c 314 s 6 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose, the ~~((higher education coordinating board))~~ office, with input from the state board for community and technical colleges, the foster care partnership, and institutions of higher education, shall develop and maintain an internet web site and outreach program to serve as a comprehensive portal for foster care youth in Washington state to obtain information regarding higher education including, but not necessarily limited to:

(a) Academic, social, family, financial, and logistical information important to successful postsecondary educational success;

(b) How and when to obtain and complete college applications;

(c) What college placement tests, if any, are generally required for admission to college and when and how to register for such tests;

(d) How and when to obtain and complete a federal free application for federal student aid (FAFSA); and

(e) Detailed sources of financial aid likely available to eligible former foster care youth, including the financial aid provided by this chapter.

(2) The ~~((board))~~ office shall determine whether to design, build, and operate such program and web site directly or to use, support, and modify existing web sites created by government or nongovernmental entities for a similar purpose.

Sec. 224. RCW 28B.117.060 and 2007 c 314 s 7 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose, the department of social and health services, with input from the state board for community and technical colleges, the ~~((higher education coordinating board))~~ office, and institutions of higher education, shall contract with at least one nongovernmental entity through a request for proposals process to develop, implement, and administer a program of supplemental educational transition planning for youth in foster care in Washington state.

(2) The nongovernmental entity or entities chosen by the department shall have demonstrated success in working with foster care youth and assisting foster care youth in successfully making the transition from foster care to independent adulthood.

(3) The selected nongovernmental entity or entities shall provide supplemental educational transition planning to foster care youth in

Washington state beginning at age fourteen and then at least every six months thereafter. The supplemental transition planning shall include:

(a) Comprehensive information regarding postsecondary educational opportunities including, but not limited to, sources of financial aid, institutional characteristics and record of support for former foster care youth, transportation, housing, and other logistical considerations;

(b) How and when to apply to postsecondary educational programs;

(c) What precollege tests, if any, the particular foster care youth should take based on his or her postsecondary plans and when to take the tests;

(d) What courses to take to prepare the particular foster care youth to succeed at his or her postsecondary plans;

(e) Social, community, educational, logistical, and other issues that frequently impact college students and their success rates; and

(f) Which web sites, nongovernmental entities, public agencies, and other foster care youth support providers specialize in which services.

(4) The selected nongovernmental entity or entities shall work directly with the school counselors at the foster care youths' high schools to ensure that a consistent and complete transition plan has been prepared for each foster care youth who emancipates out of the foster care system in Washington state.

Sec. 225. RCW 28B.117.070 and 2007 c 314 s 8 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office of student financial assistance shall report to appropriate committees of the legislature by January 15, 2008, on the status of program design and implementation. The report shall include a discussion of proposed scholarship and student support service approaches; an estimate of the number of students who will receive such services; baseline information on the extent to which former foster care youth who meet the eligibility criteria in RCW 28B.117.030 have enrolled and persisted in postsecondary education; and recommendations for any statutory changes needed to promote achievement of program objectives.

(2) The state board for community and technical colleges and the ~~((higher education coordinating board))~~ office of student financial assistance shall monitor and analyze the extent to which eligible young people are increasing their participation, persistence, and progress in postsecondary education, and shall jointly submit a report on their findings to appropriate committees of the legislature by December 1, 2009, and by December 1, 2011.

(3) The Washington state institute for public policy shall complete an evaluation of the passport to college promise pilot program and shall submit a report to appropriate committees of the legislature by December 1, 2012. The report shall estimate the impact of the program on eligible students' participation and success in postsecondary education, and shall include recommendations for program revision and improvement.

Sec. 226. RCW 28B.118.010 and 2008 c 321 s 9 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section.

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

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

(3) To be eligible for a Washington college bound scholarship, a student must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. Students who were in the eighth grade during the 2007-08 school year may sign the pledge during the 2008-09 school year. The pledge must be witnessed by a parent or guardian and forwarded to the ~~((higher education coordinating board))~~ office of student financial assistance by mail or electronically, as indicated on the pledge form.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 227. RCW 28B.118.020 and 2007 c 405 s 3 are each amended to read as follows:

The office of the superintendent of public instruction shall:

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

(2) Work with the ~~((higher education coordinating board))~~ office of student financial assistance to develop application collection and student tracking procedures.

Sec. 228. RCW 28B.118.040 and 2007 c 405 s 5 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall:

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

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

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

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

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

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

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

Sec. 229. RCW 28B.118.050 and 2007 c 405 s 6 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance may accept grants, gifts, bequests, and devises of real and personal property from any source for the purpose of granting financial aid in addition to that funded by the state.

Sec. 230. RCW 28B.118.060 and 2007 c 405 s 7 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance may adopt rules to implement this chapter.

Sec. 231. RCW 28B.119.010 and 2004 c 275 s 60 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall design the Washington promise scholarship program based on the following parameters:

(1) Scholarships shall be awarded to students graduating from public and approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, who meet both an academic and a financial eligibility criteria.

(a) Academic eligibility criteria shall be defined as follows:

(i) Beginning with the graduating class of 2002, students graduating from public and approved private high schools under chapter 28A.195 RCW must be in the top fifteen percent of their graduating class, as identified by each respective high school at the completion of the first term of the student's senior year; or

(ii) Students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, must equal or exceed a cumulative scholastic assessment test I score of twelve hundred on their first attempt or must equal or exceed a composite American college test score of twenty-seven on their first attempt.

(b) To meet the financial eligibility criteria, a student's family income shall not exceed one hundred thirty-five percent of the state median family income adjusted for family size, as determined by the ~~((higher education coordinating board))~~ office of student financial assistance for each graduating class. Students not meeting the eligibility requirements for the first year of scholarship benefits may reapply for the second year of benefits, but must still meet the income standard set by the ~~((board))~~ office for the student's graduating class.

(2) Promise scholarships are not intended to supplant any grant, scholarship, or tax program related to postsecondary education. If the ~~((board))~~ office of student financial assistance finds that promise scholarships supplant or reduce any grant, scholarship, or tax program for categories of students, then the ~~((board))~~ office shall adjust the financial eligibility criteria or the amount of scholarship to the level necessary to avoid supplanting.

(3) Within available funds, each qualifying student shall receive two consecutive annual awards, the value of each not to exceed the full-time annual resident tuition rates charged by Washington's community colleges. The ~~((higher education coordinating board))~~ office of student financial assistance shall award scholarships to as many students as possible from among those qualifying under this section.

(4) By October 15th of each year, the ~~((board))~~ office of student financial assistance shall determine the award amount of the scholarships, after taking into consideration the availability of funds.

(5) The scholarships may only be used for undergraduate coursework at accredited institutions of higher education in the state of Washington.

(6) The scholarships may be used for undergraduate coursework at Oregon institutions of higher education that are part of the border county higher education opportunity project in RCW 28B.76.685 when those institutions offer programs not available at accredited institutions of higher education in Washington state.

(7) The scholarships may be used for college-related expenses, including but not limited to, tuition, room and board, books, and materials.

(8) The scholarships may not be awarded to any student who is pursuing a degree in theology.

(9) The ~~((higher education coordinating board))~~ office of student financial assistance may establish satisfactory progress standards for the continued receipt of the promise scholarship.

(10) The ~~((higher education coordinating board))~~ office of student financial assistance shall establish the time frame within which the student must use the scholarship.

Sec. 232. RCW 28B.119.020 and 2002 c 204 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance, with the assistance of the office of the superintendent of public instruction, shall implement and administer the Washington promise scholarship program described in RCW 28B.119.010 as follows:

(1) The first scholarships shall be awarded to eligible students enrolling in postsecondary education in the 2002-03 academic year.

(2) The office of the superintendent of public instruction shall provide information to the ~~((higher education coordinating board))~~ office of student financial assistance that is necessary for implementation of the program. The ~~((higher education coordinating board))~~ office of student financial assistance and the office of the superintendent of public instruction shall jointly establish a timeline and procedures necessary for accurate and timely data reporting.

(a) For students meeting the academic eligibility criteria as provided in RCW 28B.119.010(1)(a), the office of the superintendent of public instruction shall provide the ~~((higher education coordinating board))~~ office of student financial assistance with student names, addresses, birth dates, and unique numeric identifiers.

(b) Public and approved private high schools under chapter 28A.195 RCW shall provide requested information necessary for implementation of the program to the office of the superintendent of public instruction within the established timeline.

(c) All student data is confidential and may be used solely for the purposes of providing scholarships to eligible students.

(3) The ~~((higher education coordinating board))~~ office of student financial assistance may adopt rules to implement this chapter.

Sec. 233. RCW 28B.119.030 and 2004 c 275 s 71 are each amended to read as follows:

The Washington promise scholarship program shall not be funded at the expense of the state need grant program as defined in chapter 28B.92 RCW. In administering the state need grant and promise scholarship programs, the ~~((higher education coordinating board))~~ office of student financial assistance shall first ensure that eligibility for state need grant recipients is at least fifty-five percent of state median family income.

Sec. 234. RCW 28B.119.050 and 2002 c 204 s 6 are each amended to read as follows:

(1) The Washington promise scholarship account is created in the custody of the state treasurer. The account shall be a nontreasury account retaining its interest earnings in accordance with RCW 43.79A.040.

(2) The ~~((higher education coordinating board))~~ office of student financial assistance shall deposit in the account all money received for the program. The account shall be self-sustaining and consist of funds appropriated by the legislature for the Washington promise scholarship program, private contributions to the program, and refunds of Washington promise scholarships.

(3) Expenditures from the account shall be used for scholarships to eligible students.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

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

(6) Disbursements from the account shall be made only on the authorization of the ~~((higher education coordinating board))~~ office of student financial assistance.

Sec. 235. RCW 28B.120.020 and 2010 c 245 s 8 are each amended to read as follows:

The higher education coordinating board shall have the following powers and duties in administering the program for those proposals in which a four-year institution of higher education is named as the lead institution and fiscal agent:

(1) To adopt rules necessary to carry out the program;

(2) To award grants no later than September 1st in those years when funding is available by June 30th;

(3) To establish each biennium specific guidelines for submitting grant proposals consistent with RCW 28B.120.005 and consistent with the strategic master plan for higher education, the system design plan, the overall goals of the program and the guidelines established by the state board for community and technical colleges under RCW 28B.120.025.

After June 30, 2001, and each biennium thereafter, the board shall determine funding priorities for proposals for the biennium in consultation with ~~((the governor,))~~ the legislature, the office of the superintendent of public instruction, the state board for community and technical colleges, the workforce training and education coordinating board, higher education institutions, educational associations, and business and community groups consistent with statewide needs;

(4) To solicit grant proposals and provide information to the institutions of higher education about the program; and

(5) To establish reporting, evaluation, accountability, monitoring, and dissemination requirements for the recipients of the grants awarded by the ~~((higher education coordinating board))~~ office of financial management.

Sec. 236. RCW 28B.133.030 and 2011 c 60 s 12 are each amended to read as follows:

(1) The students with dependents grant account is created in the custody of the state treasurer. All receipts from the program shall be deposited into the account. Only the ~~((higher education coordinating board))~~ office of student financial assistance, or its designee, may authorize expenditures from the account. Disbursements from the account are exempt from appropriations and the allotment procedures under chapter 43.88 RCW.

(2) The ~~((board))~~ office may solicit and receive gifts, grants, or endowments from private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the educational assistance grant program. The ~~((executive))~~ director, or the ~~((executive))~~ director's designee, may spend gifts, grants, or endowments or income from the private sources according to their terms unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.

(3) The earnings on the account shall be used solely for the purposes in RCW 28B.133.010, except when the terms of a conditional gift of private moneys in the account require that a portion of earnings on such moneys be reinvested in the account.

Sec. 237. RCW 28B.133.040 and 2003 c 19 s 5 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall develop and administer the educational assistance grant program for students with dependents. In administering the program, once the balance in the students with dependents grant account is five hundred thousand dollars, the ~~((board's))~~ office's powers and duties shall include but not be limited to:

(1) Adopting necessary rules and guidelines;

(2) Publicizing the program;

(3) Accepting and depositing donations into the grant account established in RCW 28B.133.030; and

(4) Soliciting and accepting grants and donations from private sources for the program.

Sec. 238. RCW 28B.133.050 and 2004 c 275 s 74 are each amended to read as follows:

The educational assistance grant program for students with dependents grants may be used by eligible participants to attend any public or private college or university in the state of Washington as defined in RCW 28B.92.030. Each participating student may receive an amount to be determined by the ~~((higher education coordinating board))~~ office of student financial assistance, with a minimum amount of one thousand dollars per academic year, not to exceed the student's documented financial need for the course of study as determined by the institution.

Educational assistance grants for students with dependents are not intended to supplant any grant scholarship or tax program related to postsecondary education. If the ~~((higher education coordinating board))~~ office of student financial assistance finds that the educational assistance grants for students with dependents supplant or reduce any grant, scholarship, or tax program for categories of students, then the ~~((higher education coordinating board))~~ office shall adjust the financial eligibility criteria or the amount of the grant to the level necessary to avoid supplanting.

Sec. 239. RCW 28B.135.010 and 2010 1st sp.s. c 9 s 5 are each amended to read as follows:

The four-year student child care in higher education account is established. The ~~((higher education coordinating board))~~ office of student financial assistance shall administer the program for the four-year institutions of higher education. Through ~~((these))~~ this

program(s) the ~~((board))~~ office shall award either competitive or matching child care grants to state institutions of higher education to encourage programs to address the need for high quality, accessible, and affordable child care for students at higher education institutions. The grants shall be used exclusively for the provision of quality child care services for students at institutions of higher education. The university or college administration and student government association, or its equivalent, of each institution receiving the award may contribute financial support in an amount equal to or greater than the child care grant received by the institution.

Sec. 240. RCW 28B.135.030 and 2008 c 162 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall have the following powers and duties in administering the program for the four-year institutions of higher education:

- (1) To adopt rules necessary to carry out the program;
- (2) To establish one or more review committees to assist in the evaluation of proposals for funding. The review committees may receive input from parents, educators, and other experts in the field of early childhood education for this purpose;
- (3) To establish each biennium specific guidelines for submitting grant proposals consistent with the overall goals of the program. The guidelines shall be consistent with the following desired outcomes of increasing access to quality child care for students, providing affordable child care alternatives for students, creating a partnership between university or college administrations, university or college foundations, and student government associations, or their equivalents;
- (4) To proportionally distribute the amount of money available in the trust fund based on the financial support for child care received by the student government associations or their equivalents. Student government associations may solicit funds from private organizations and targeted fund-raising campaigns as part of their financial support for child care;
- (5) To solicit grant proposals and provide information to the institutions of higher education about the program;
- (6) To establish reporting, evaluation, accountability, monitoring, and dissemination requirements for the recipients of the grants; and
- ~~((7))~~ To report to the appropriate committees of the legislature by December 15, 2008, and every two years thereafter, on the status of program design and implementation at the four-year institutions of higher education. The report shall include but not be limited to summary information on the institutions receiving child care grant allocations, the amount contributed by each university or college administration and student government association for the purposes of child care including expenditures and reports for the previous biennium, services provided by each institutional child care center, the number of students using such services, and identifiable unmet need.))

Sec. 241. RCW 28B.135.040 and 2010 1st sp.s. c 9 s 4 are each amended to read as follows:

The four-year student child care in higher education account is established in the custody of the state treasurer. Moneys in the account may be spent only for the purposes of RCW 28B.135.010. Disbursements from the account shall be on the authorization of the ~~((higher education coordinating board))~~ office of student financial assistance. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for disbursements.

Sec. 242. RCW 28C.18.166 and 2009 c 238 s 5 are each amended to read as follows:

On an annual basis, each opportunity internship consortium shall provide the board with a list of the opportunity internship graduates from the consortium. The board shall compile the lists from all consortia and shall notify the ~~((higher education coordinating board))~~

office of student financial assistance of the eligibility of each graduate on the lists to receive a state need grant under chapter 28B.92 RCW if the graduate enrolls in a postsecondary program of study within one year of high school graduation.

Sec. 243. RCW 39.86.130 and 2010 1st sp.s. c 6 s 7 are each amended to read as follows:

(1) In granting an allocation, reallocation, or carryforward of the state ceiling as provided in this chapter, the agency shall consider existing state priorities and other such criteria, including but not limited to, the following criteria:

- (a) Need of issuers to issue bonds within a bond use category subject to a state ceiling;
- (b) Amount of the state ceiling available;
- (c) Public benefit and purpose to be satisfied, including economic development, educational opportunity, and public health, safety, or welfare;
- (d) Cost or availability of alternative methods of financing for the project or program; and
- (e) Certainty of using the allocation which is being requested.

(2) In determining whether to allocate an amount of the state ceiling to an issuer within any bond use category, the agency shall consider, but is not limited to, the following criteria for each of the bond use categories:

- (a) Housing: Criteria which comply with RCW 43.180.200.
- (b) Student loans: Criteria which comply with the applicable provisions of Title 28B RCW and rules adopted by the ~~((higher education coordinating board))~~ office of student financial assistance or applicable state agency dealing with student financial aid.
- (c) Small issue: Factors which may include:
 - (i) The number of employment opportunities the project is likely to create or retain in relation to the amount of the bond issuance;
 - (ii) The level of unemployment existing in the geographic area likely to be affected by the project;
 - (iii) A commitment to providing employment opportunities to low-income persons in cooperation with the employment security department;
 - (iv) Geographic distribution of projects;
 - (v) The number of persons who will benefit from the project;
 - (vi) Consistency with criteria identified in subsection (1) of this section; and
 - (vii) Order in which requests were received.
- (d) Exempt facility or redevelopment: Factors which may include:
 - (i) State issuance needs;
 - (ii) Consistency with criteria identified in subsection (1) of this section;
 - (iii) Order in which requests were received;
 - (iv) The proportionate number of persons in relationship to the size of the community who will benefit from the project; and
 - (v) The unique timing and issuance needs of large scale projects that may require allocations in more than one year.
- (e) Public utility: Factors which may include:
 - (i) Consistency with criteria identified in subsection (1) of this section; and
 - (ii) Timing needs for issuance of bonds over a multi-year period.

NEW SECTION. Sec. 244. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, 2012:

- (1) RCW 28B.76.010 (Board created) and 1985 c 370 s 1;
- (2) RCW 28B.76.030 (Purpose) and 2004 c 275 s 1;
- (3) RCW 28B.76.040 (Members--Appointment) and 2002 c 348 s 1, 2002 c 129 s 1, & 1985 c 370 s 10;
- (4) RCW 28B.76.050 (Members--Terms) and 2007 c 458 s 101, 2004 c 275 s 3, 2002 c 129 s 2, & 1985 c 370 s 11;
- (5) RCW 28B.76.060 (Members--Vacancies) and 1985 c 370 s 12;

(6) RCW 28B.76.070 (Bylaws--Meetings) and 1985 c 370 s 13;

(7) RCW 28B.76.080 (Members--Compensation and travel expenses) and 1985 c 370 s 16, 1984 c 287 s 65, 1975-'76 2nd ex.s. c 34 s 77, & 1969 ex.s. c 277 s 12;

(8) RCW 28B.76.200 (Statewide strategic master plan for higher education--Institution-level strategic plans) and 2007 c 458 s 201, 2004 c 275 s 6, & 2003 c 130 s 2;

(9) RCW 28B.76.260 (Statewide system of course equivalency--Work group) and 2004 c 55 s 3;

(10) RCW 28B.76.280 (Data collection and research--Privacy protection) and 2010 1st sp.s. c 7 s 58 & 2004 c 275 s 12;

(11) RCW 28B.76.330 (Coordination, articulation, and transitions among systems of education--Biennial updates to legislature) and 2004 c 275 s 17 & 1994 c 222 s 3; and

(12) RCW 28B.76.530 (Board may develop and administer demonstration projects) and 1989 c 306 s 2.

NEW SECTION. Sec. 245. The following acts or parts of acts are each repealed:

(1) RCW 28B.10.056 (State enrollment and degree priority--Science and technology fields--Report to the legislature) and 2006 c 180 s 2;

(2) RCW 28B.10.5691 (Campus safety--Institutional assessments-- Updates--Reports) and 2008 c 168 s 2;

(3) RCW 28B.15.465 (Gender equity--Reports) and 1997 c 5 s 3 & 1989 c 340 s 5;

(4) RCW 28B.15.736 (Washington/Oregon reciprocity tuition and fee program--Program review) and 1985 c 370 s 72, 1983 c 104 s 2, & 1979 c 80 s 4;

(5) RCW 28B.15.754 (Washington/Idaho reciprocity tuition and fee program--Implementation agreement--Program review) and 1987 c 446 s 1, 1985 c 370 s 75, & 1983 c 166 s 3;

(6) RCW 28B.15.758 (Washington/British Columbia reciprocity tuition and fee program--Implementation agreement--Program review) and 1987 c 446 s 3, 1985 c 370 s 77, & 1983 c 166 s 5;

(7) RCW 28B.76.300 (State support received by students--Information) and 2004 c 275 s 14, 1997 c 48 s 1, & 1993 c 250 s 1; and

(8) RCW 28B.76.320 (Board to transmit amounts constituting approved educational costs) and 2004 c 275 s 16, 1995 1st sp.s. c 9 s 6, & 1989 c 245 s 4.

NEW SECTION. Sec. 246. (1) All powers, duties, and functions of the higher education coordinating board pertaining to student financial assistance are transferred to the office of student financial assistance. All references to the executive director or the higher education coordinating board in the Revised Code of Washington shall be construed to mean the director or the office of student financial assistance when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the higher education coordinating board pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the office of student financial assistance. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the higher education coordinating board in carrying out the powers, functions, and duties transferred shall be made available to the office of student financial assistance. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the office of student financial assistance.

(b) Any appropriations made to the higher education coordinating board for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the office of student financial assistance.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers

and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the higher education coordinating board engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the office of student financial assistance. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the office of student financial assistance to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the higher education coordinating board pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the office of student financial assistance. All existing contracts and obligations shall remain in full force and shall be performed by the office of student financial assistance.

(5) The transfer of the powers, duties, functions, and personnel of the higher education coordinating board shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) All classified employees of the higher education coordinating board assigned to the office of student financial assistance under this section whose positions are within an existing bargaining unit description at the office of student financial assistance shall become a part of the existing bargaining unit at the office of student financial assistance and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

PART II

COUNCIL FOR HIGHER EDUCATION

NEW SECTION. Sec. 301. On July 1, 2012, the higher education coordinating board is abolished and the council for higher education is created subject to the recommendations of the higher education steering committee established in section 302, chapter ..., Laws of 2011 1st sp. sess. (section 302 of this act) and implementing legislation enacted by the 2012 legislature.

NEW SECTION. Sec. 302. (1) The higher education steering committee is created.

(2) Members of the steering committee include: The governor or the governor's designee, who shall chair the committee; two members from the house of representatives, with one from each of the two major caucuses, appointed by the speaker of the house of representatives; two members from the senate, with one appointed from each of the two major caucuses, appointed by the president of the senate; an equal representation from the key sectors of the higher education system in the state; and at least two members representing the public as appointed by the governor.

(3) The steering committee shall review coordination, planning, and communication for higher education in the state and establish the purpose and functions of the council for higher education. Specifically, the steering committee shall consider options for the following:

(a) Creating an effective and efficient higher education system and coordinating key sectors including through the P-20 system;

(b) Improving the coordination of institutions of higher education and sectors with specific attention to strategic planning, system design, and transfer and articulation;

(c) Improving structures and functions related to administration and regulation of the state's higher education institutions and

programs, including but not limited to financial aid, the advanced college tuition payment program, federal grant administration, new degree program approval, authorization to offer degrees in the state, reporting performance data, and minimum admission standards; and

(d) The composition and mission of the council for higher education.

(4) The steering committee shall consider input from higher education stakeholders, including but not limited to the higher education coordinating board, the state board for community and technical colleges, the community and technical colleges system, private, nonprofit baccalaureate degree-granting institutions, the office of the superintendent of public instruction, the workforce training and education coordinating board, the four-year institutions of higher education, students, faculty, business and labor organizations, and members of the public.

(5) Staff support for the steering committee must be provided by the office of financial management.

(6) The steering committee shall report its findings and recommendations, including proposed legislation, to the governor and appropriate committees of the legislature by December 1, 2011.

(7) This section expires July 1, 2012.

PART III

MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 401. Section 301 of this act constitutes a new chapter in Title 28B RCW.

NEW SECTION. Sec. 402. Sections 220 through 225 of this act expire June 30, 2013.

NEW SECTION. Sec. 403. Sections 101 through 103, 106 through 202, 204 through 244, and 301 of this act take effect July 1, 2012.

NEW SECTION. Sec. 404. Section 302 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011."

Correct the title.

Representative Bailey moved the adoption of amendment (799) to amendment (785).

0)

Beginning on page 1, line 3 of the amendment, strike all material through "legislature." on page 111, line 14

Re-number the remaining sections consecutively, correct any internal references accordingly, and correct the title.

On page 111, line 16 of the amendment, after "created" insert "to consider the merits and disadvantages of establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities"

On page 112, beginning on line 24 of the amendment, strike all material through "2012." on line 31

Re-number the remaining section consecutively, correct any internal references accordingly, and correct the title.

Representatives Bailey, Haler, Bailey (again) and Orcutt spoke in favor of the adoption of the amendment to the amendment.

Representative Seaquist and Seaquist (again) spoke against the adoption of the amendment to the amendment.

Amendment (799) was not adopted.

Representative Dunshee moved the adoption of amendment (794) to amendment (785).

0)

On page 5, beginning on line 5 of the amendment, after "(5)" strike all material through "~~major projects.~~

—(6))" on line 34 and insert "(a) The board's capital budget

recommendations for the community and technical college system and the four-year institutions must be submitted to the office of financial management and to the legislature by November 15th of each even-numbered year. ~~((The board's recommendations for the four-year institutions must include a single, prioritized list of the major projects that the board recommends be funded with state bond and building account appropriations during the forthcoming fiscal biennium. In developing this single prioritized list, the board shall:~~

~~—(a) Seek to identify the combination of projects that will most cost effectively achieve the state's goals. These goals include increasing baccalaureate and graduate degree production, particularly in high-demand fields; promoting economic development through research and innovation; providing quality, affordable educational environments; preserving existing assets; and maximizing the efficient utilization of instructional space;~~

~~—(b) Be guided by the objective analysis and scoring of capital budget projects completed by the office of financial management pursuant to chapter 43.88D RCW;~~

~~—(c) Anticipate (i) that state bond and building account appropriations continue at the same level during each of the two subsequent fiscal biennia as has actually been appropriated for the baccalaureate institutions during the current one; (ii) that major projects funded for design during a biennium are funded for construction during the subsequent one before state appropriations are provided for new major projects; and (iii) that minor health, safety, code, and preservation projects are funded at the same average level as in recent biennia before state appropriations are provided for new major projects.))~~

(b) The board shall develop one prioritized list of capital projects for the legislature to consider that includes all of the projects requested by the four-year institutions of higher education that were scored by the office of financial management pursuant to chapter 43.88D RCW, including projects that were previously scored but not funded. The prioritized list of capital projects shall be based on the following priorities in the following order:

(i) Office of financial management scores pursuant to chapter 43.88D RCW;

(ii) Preserving assets;

(iii) Degree production; and

(iv) Maximizing efficient use of instructional space.

(c) The board shall include all of the capital projects requested by the four-year institutions of higher education, except for the minor works projects, in the prioritized list of capital projects provided to the legislature.

(d) The form of the prioritized list for capital projects requested by the four-year institutions of higher education shall be provided as one list, ranked in priority order with the highest priority project ranked number "1" through the lowest priority project numbered last. The ranking for the prioritized list of capital projects may not:

(i) Include subpriorities;

(ii) Be organized by category;

(iii) Assume any state bond or building account biennial funding level to prioritize the list; or

(iv) Assume any specific share of projects by institution in the priority list.

(6)"

Representatives Dunshee, Haler and Seaquist spoke in favor of the adoption of the amendment to the amendment.

Amendment (794) was adopted.

Representative Haler moved the adoption of amendment (788) to amendment (785).

0)

On page 17, at the beginning of line 10 of the striking amendment, strike "~~(higher education coordinating board)~~ office of financial management" and insert "higher education coordinating board"

On page 29, at the beginning of line 26 of the striking amendment, strike "~~(board)~~ council for higher education" and insert "board"

Representatives Haler and Seaquist spoke in favor of the adoption of amendment (788) to amendment (785).

Amendment (788) was adopted.

Representatives Seaquist and Haler spoke in favor of the adoption of amendment (785) as amended.

Amendment (785) was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Seaquist and Haler spoke in favor of the passage of the bill.

Representatives Hasegawa and Bailey spoke against the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 5182, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5182, as amended by the House, and the bill passed the House by the following vote: Yeas, 59; Nays, 28; Absent, 0; Excused, 11.

Voting yea: Representatives Alexander, Billig, Blake, Carlyle, Cody, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kenney, Kretz, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Ormsby, Orwall, Parker, Pedersen, Probst, Roberts, Rolfes, Ross, Schmick, Seaquist, Sells, Short, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege, Warnick, Wilcox, Wylie and Mr. Speaker.

Voting nay: Representatives Ahern, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, Dahlquist, Dammeier, Harris, Hasegawa, Hope, Kelley, Kirby, Klippert, Moscoso, Nealey, Orcutt, Overstreet, Pearson, Reykdal, Rivers, Ryu, Shea, Smith, Taylor, Walsh and Zeiger.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kristiansen, McCune, Pettigrew, Rodne and Santos.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5182, as amended by the House, having received the constitutional majority, was declared passed.

HOUSE BILL NO. 2119, by Representatives Orwall, Hope, Eddy, Hunter, Rodne and Pedersen

Requiring another one-time sum due by beneficiaries for reporting certain notices of default.

The bill was read the second time.

There being no objection, Substitute House Bill No. 2119 was substituted for House Bill No. 2119 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2119 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Orwall spoke in favor of the passage of the bill.

Representative Orcutt spoke against the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2119.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2119, and the bill passed the House by the following vote: Yeas, 63; Nays, 24; Absent, 0; Excused, 11.

Voting yea: Representatives Alexander, Billig, Blake, Carlyle, Cody, Dahlquist, Dammeier, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Ormsby, Orwall, Parker, Pedersen, Probst, Reykdal, Roberts, Rolfes, Ross, Ryu, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege, Walsh, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Ahern, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, DeBolt, Fagan, Haler, Hargrove, Harris, Klippert, Kretz, Overstreet, Pearson, Rivers, Schmick, Shea, Short, Smith, Taylor and Warnick.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SUBSTITUTE HOUSE BILL NO. 2119, having received the necessary constitutional majority, was declared passed.

THIRD READING

MESSAGE FROM THE SENATE

May 20, 2011

Mr. Speaker:

The Senate has passed SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1224 with the following amendment:

0)

On page 1, line 11, after "(2) A" strike "person" and insert "regional support network"

and the same is herewith transmitted.

Brad Hendrickson, Deputy, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1224 and advanced the bill as amended by the Senate to final passage.

**FINAL PASSAGE OF HOUSE BILL
AS SENATE AMENDED**

Representatives Green and Orcutt spoke in favor of the passage of the bill.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of Second Engrossed Substitute House Bill No. 1224, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Second Engrossed Substitute House Bill No. 1224, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 85; Nays, 2; Absent, 0; Excused, 11.

Voting yea: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Billig, Blake, Buys, Carlyle, Chandler, Cody, Condotta, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Klippert, Kretz, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pearson, Pedersen, Probst, Rivers, Roberts, Rolfes, Ross, Ryu, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Hasegawa and Reykdal.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kristiansen, McCune, Pettigrew, Rodne and Santos.

SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1224, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

May 17, 2011

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1965 with the following amendment:

0)

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that adverse childhood experiences are a powerful common determinant of a child's ability to be successful at school and, as an adult, to be successful at work, to avoid behavioral and chronic physical health conditions, and to build healthy relationships. The purpose of this chapter is to identify the primary causes of adverse childhood experiences in communities and to mobilize broad public and private support to prevent harm to young children and reduce the accumulated harm of adverse experiences throughout childhood. A focused effort is needed to 1) identify and promote the use of innovative strategies based on evidence-based and research-based

approaches and practices; and 2) align public and private policies and funding with approaches and strategies which have demonstrated effectiveness.

The legislature recognizes that many community public health and safety networks across the state have knowledge and expertise regarding the reduction of adverse childhood experiences and can provide leadership on this initiative in their communities. In addition, a broad range of community coalitions involved with early learning, child abuse prevention, and community mobilization have coalesced in many communities. The adverse childhood experiences initiative should coordinate and assemble the strongest components of these networks and coalitions to effectively respond to the challenge of reducing and preventing adverse childhood experiences while providing flexibility for communities to design responses that are appropriate for their community.

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

(1) "Adverse Childhood experiences" means the following indicators of severe childhood stressors and family dysfunction that, when experienced in the first eighteen years of life and taken together, are proven by public health research to be powerful determinants of physical, mental, social, and behavioral health across the lifespan: child physical abuse; child sexual abuse; child emotional abuse; child emotional or physical neglect; alcohol or other substance abuse in the home; mental illness, depression or suicidal behaviors in the home; incarceration of a family member; witnessing intimate partner violence; and parental divorce or separation. Adverse childhood experiences have been demonstrated to affect the development of the brain and other major body systems.

(2) "Community public health and safety networks" or "networks" means the organizations authorized under RCW 70.190.060.

(3) "Department" means the department of social and health services.

(4) "Director" means the director of the department of early learning.

(5) "Evidence-based" has the same meaning as in RCW 43.215.146.

(6) "Research-based" has the same meaning as in RCW 43.215.146.

(7) "Secretary" means the secretary of social and health services.

NEW SECTION. Sec. 3. (1) (a) The secretary of the department of social and health services and the director of the department of early learning shall actively participate in the development of a nongovernmental private-public initiative focused on coordinating government and philanthropic organizations' investments in the positive development of children and preventing and mitigating the effects of adverse childhood experiences. The secretary and director shall convene a planning group to work with interested private partners to: (i) develop a process by which the goals identified in section 1 of this chapter shall be met and(ii) develop recommendations for inclusive and diverse governance to advance the adverse childhood experiences initiative.

(b) The secretary and director shall select no more than twelve to fifteen persons as members of the planning group. The members selected must represent a diversity of interests including: Early learning coalitions, community public health and safety networks, organizations that work to prevent and address child abuse and

neglect, tribes, representatives of public agency agencies involved with interventions in or prevention of adverse childhood experiences, philanthropic organizations, and organizations focused on community mobilization.

(c) The secretary and director shall co-chair the planning group meetings and shall convene the first meeting.

(2) The planning group shall submit a report on its progress and recommendations to the appropriate legislative committees no later than December 15, 2011.

(3) In addition to other powers granted to the secretary, the secretary may:

(a) Enter into contracts on behalf of the department to carry out the purposes of this chapter;

(b) Provide funding to communities or any governance entity that is created as a result of the partnership; ; and

(c) Accept gifts, grants, or other funds for the purposes of this chapter.

Sec. 4. RCW 13.40.462 and 2006 c 304 s 2 are each amended to read as follows:

(1) The department of social and health services juvenile rehabilitation administration shall establish a reinvesting in youth program that awards grants to counties for implementing research-based early intervention services that target juvenile justice-involved youth and reduce crime, subject to the availability of amounts appropriated for this specific purpose.

(2) Effective July 1, 2007, any county or group of counties may apply for participation in the reinvesting in youth program.

(3) Counties that participate in the reinvesting in youth program shall have a portion of their costs of serving youth through the research-based intervention service models paid for with moneys from the reinvesting in youth account established pursuant to RCW 13.40.466.

(4) The department of social and health services juvenile rehabilitation administration shall review county applications for funding through the reinvesting in youth program and shall select the counties that will be awarded grants with funds appropriated to implement this program. The department, in consultation with the Washington state institute for public policy, shall develop guidelines to determine which counties will be awarded funding in accordance with the reinvesting in youth program. At a minimum, counties must meet the following criteria in order to participate in the reinvesting in youth program:

(a) Counties must match state moneys awarded for research-based early intervention services with nonstate resources that are at least proportional to the expected local government share of state and local government cost avoidance that would result from the implementation of such services;

(b) Counties must demonstrate that state funds allocated pursuant to this section are used only for the intervention service models authorized pursuant to RCW 13.40.464;

(c) Counties must participate fully in the state quality assurance program established in RCW 13.40.468 to ensure fidelity of program implementation. If no state quality assurance program is in effect for a particular selected research-based service, the county must submit a quality assurance plan for state approval with its grant application. Failure to demonstrate continuing compliance with quality assurance plans shall be grounds for termination of state funding; and

(d) Counties that submit joint applications must submit for approval by the department of social and health services juvenile rehabilitation administration multicounty plans for efficient program delivery.

~~((5) The department of social and health services juvenile rehabilitation administration shall convene a technical advisory committee comprised of representatives from the house of representatives, the senate, the governor's office of financial management, the department of social and health services juvenile~~

~~rehabilitation administration, the family policy council, the juvenile court administrator's association, and the Washington association of counties to assist in the implementation of chapter 304, Laws of 2006.))~~

Sec. 5. RCW 43.121.100 and 2011 c 171 s 9 are each amended to read as follows:

~~((The council may accept))~~ Contributions, grants, or gifts in cash or otherwise, including funds generated by the sale of "heirloom" birth certificates under chapter 70.58 RCW from persons, associations, or corporations and funds generated through the issuance of the "Keep Kids Safe" license plate under chapter 46.18 RCW~~((All moneys received by the council or any employee thereof from contributions, grants, or gifts and not through appropriation by the legislature)),~~ shall be deposited in a depository approved by the state treasurer to be known as the children's trust fund. Disbursements of such funds shall be authorized by the ~~((council or a duly authorized representative thereof and only for the purposes stated in RCW 43.121.050))~~ director of the department of early learning beginning July 1, 2012. In order to maintain an effective expenditure and revenue control, such funds shall be subject in all respects to chapter 43.88 RCW, but no appropriation shall be required to permit expenditure of such funds.

Sec. 6. RCW 43.215.146 and 2007 c 466 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW ((43.121.170 through) 43.215.145, 43.215.147, and 43.121.185 unless the context clearly requires otherwise.

(1) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.

(2) "Home visitation" means providing services in the permanent or temporary residence, or in other familiar surroundings, of the family receiving such services.

(3) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

Sec. 7. RCW 43.215.147 and 2008 c 152 s 6 are each amended to read as follows:

(1) Within available funds, the ~~((council for children and families))~~ department shall fund evidence-based and research-based home visitation programs for improving parenting skills and outcomes for children. Home visitation programs must be voluntary and must address the needs of families to alleviate the effect on child development of factors such as poverty, single parenthood, parental unemployment or underemployment, parental disability, or parental lack of high school diploma, which research shows are risk factors for child abuse and neglect and poor educational outcomes. In order to maximize opportunities to obtain matching funds from private entities, general funds intended to support home visiting funding shall be appropriated to the home visiting services account established in RCW 43.215.130.

(2) The ~~((council for children and families shall develop a plan))~~ department shall work with the department of social and health services, the department of health~~((, the department of early learning, and the family policy council)),~~ the private-public partnership created in RCW 43.215.070, and key partners and stakeholders to develop a plan to coordinate or consolidate home visitation services for children and families ~~((and report to the appropriate committees of the legislature by December 1, 2007, with their recommendations for implementation of the plan))~~ to the extent practicable.

Sec. 8. RCW 43.70.555 and 1998 c 245 s 77 are each amended to read as follows:

The department~~((, in consultation with the family policy council created in chapter 70.190 RCW,))~~ shall establish, by rule, standards for local health departments and networks to use in assessment,

performance measurement, policy development, and assurance regarding social development to prevent health problems caused by risk factors empirically linked to: Violent criminal acts by juveniles, teen substance abuse, teen pregnancy and male parentage, teen suicide attempts, dropping out of school, child abuse or neglect, and domestic violence. The standards shall be based on the standards set forth in the public health services improvement plan as required by RCW 43.70.550.

NEW SECTION. Sec. 9. (1) Beginning July 1, 2011, the council for children and families and the department of early learning shall develop a plan for transitioning the work of the council for children and families, including public awareness campaigns, to the department of early learning. The council for children and families and the department of early learning shall participate in the development of the private-public initiative in order to streamline efforts around the prevention of child abuse and neglect and avoid duplication of effort.

(2) The executive director of the council for children and families and the director of the department of early learning shall consult with the planning group convened in section 3 of this act to develop strategies to maximize Washington's leverage and match of federal child abuse and neglect prevention moneys.

(3) No later than January 1, 2012, the council for children and families and the department of early learning shall report to the appropriate committees of the legislature on its transition plan.

Sec. 10. RCW 74.14A.060 and 2000 c 219 s 2 are each amended to read as follows:

Within available funds, the secretary of the department of social and health services shall ~~((charge appropriated funds to))~~ support blended funding projects for youth ~~((subject to any current or future waiver the department receives to the requirements of IV-E funding))~~. To be eligible for blended funding a child must be eligible for services designed to address a behavioral, mental, emotional, or substance abuse issue from the department of social and health services and require services from more than one categorical service delivery system. Before any blended funding project is established by the secretary, any entity or person proposing the project shall seek input from the public health and safety network or networks established in the catchment area of the project. The network or networks shall submit recommendations on the blended funding project to the ~~((family policy council))~~ private-public initiative described in section 3 of this act. The ~~((family policy council))~~ private-public initiative shall advise the secretary whether to approve the proposed blended funding project. The network shall review the proposed blended funding project pursuant to its authority to examine the decategorization of program funds under RCW 70.190.110, within the current appropriation level. The department shall document the number of children who participate in blended funding projects, the total blended funding amounts per child, the amount charged to each appropriation by program, and services provided to each child through each blended funding project and report this information to the appropriate committees of the legislature by December 1st of each year, beginning in December 1, 2000.

Sec. 11. RCW 70.190.040 and 1993 c 336 s 901 are each amended to read as follows:

(1) The legislature finds that helping children to arrive at school ready to learn is an important part of improving student learning.

(2) To the extent funds are appropriated, the ~~((family policy council))~~ superintendent of public instruction shall award grants to community-based consortiums that submit comprehensive plans that include strategies to improve readiness to learn.

NEW SECTION. Sec. 12. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 43.121.010 (Legislative declaration, intent) and 1982 c 4 s 1;

(2) RCW 43.121.015 (Definitions) and 2008 c 152 s 8, 1988 c 278 s 4, & 1987 c 351 s 2;

(3) RCW 43.121.020 (Council established--Members, chairperson--Appointment, qualifications, terms, vacancies) and 2008 c 152 s 7, 2007 c 144 s 1, 1996 c 10 s 1, 1994 c 48 s 1, 1989 c 304 s 4, 1987 c 351 s 3, 1984 c 261 s 1, & 1982 c 4 s 2;

(4) RCW 43.121.030 (Compensation and travel expenses of members) and 1984 c 287 s 87 & 1982 c 4 s 3;

(5) RCW 43.121.040 (Executive director, salary--Staff) and 1982 c 4 s 4;

(6) RCW 43.121.050 (Council powers and duties--Generally--Rules) and 1988 c 278 s 5, 1987 c 351 s 4, & 1982 c 4 s 5;

(7) RCW 43.121.060 (Contracts for services--Scope of programs--Funding) and 1982 c 4 s 6;

(8) RCW 43.121.070 (Contracts for services--Factors in awarding) and 1982 c 4 s 7;

(9) RCW 43.121.080 (Contracts for services--Partial funding by administering organization, what constitutes) and 1982 c 4 s 8;

(10) RCW 43.121.110 (Parenting skills--Legislative findings) and 1988 c 278 s 1;

(11) RCW 43.121.120 (Community-based early parenting skills programs--Funding) and 1988 c 278 s 2;

(12) RCW 43.121.130 (Decreased state funding of parenting skills programs--Evaluation) and 1998 c 245 s 48 & 1988 c 278 s 3;

(13) RCW 43.121.140 (Shaken baby syndrome--Outreach campaign) and 1993 c 107 s 2;

(14) RCW 43.121.150 (Juvenile crime--Legislative findings) and 1997 c 338 s 56;

(15) RCW 43.121.160 (Postpartum depression--Public information and communication outreach campaign) and 2005 c 347 s 2;

(16) RCW 43.121.185 (Children's trust of Washington renamed) and 2008 c 152 s 5 & 2007 c 466 s 4; and

(17) RCW 43.121.910 (Severability--1982 c 4) and 1982 c 4 s 15.

NEW SECTION. Sec. 13. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2012:

(1) RCW 70.190.005 (Purpose) and 1994 sp.s. c 7 s 301 & 1992 c 198 s 1;

(2) RCW 70.190.010 (Definitions) and 2009 c 565 s 52, 2009 c 479 s 58, 1996 c 132 s 2, 1995 c 399 s 200, & 1992 c 198 s 3;

(3) RCW 70.190.020 (Consolidate efforts of existing entities) and 1994 sp.s. c 7 s 315 & 1992 c 198 s 4;

(4) RCW 70.190.100 (Duties of council) and 2009 c 479 s 59, 1998 c 245 s 123, & 1994 sp.s. c 7 s 307;

(5) RCW 70.190.110 (Program review) and 1998 c 245 s 124 & 1994 sp.s. c 7 s 308;

(6) RCW 70.190.120 (Interagency agreement) and 1994 sp.s. c 7 s 309;

(7) RCW 70.190.130 (Comprehensive plan--Approval process--Network expenditures--Penalty for noncompliance with chapter) and 1998 c 314 s 13, 1996 c 132 s 8, & 1994 sp.s. c 7 s 310;

(8) RCW 70.190.150 (Federal restrictions on funds transfers, waivers) and 1994 sp.s. c 7 s 312; and

(9) RCW 70.190.920 (Effective date--1992 c 198) and 1992 c 198 s 21.

NEW SECTION. Sec. 14. RCW 74.14C.050 (Implementation and evaluation plan) and 1995 c 311 s 9 & 1992 c 214 s 6 are each repealed.

NEW SECTION. Sec. 15. RCW 70.190.040 is recodified as a section in chapter 28A.300 RCW.

NEW SECTION. Sec. 16. Sections 1 through 3 of this act constitute a new chapter in Title 70 RCW."

Correct the title.

and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1965 and asked the Senate to recede therefrom.

RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which HOUSE BILL NO. 2119 passed the House.

The Speaker (Representative Roberts presiding) stated the question before the House to be the final passage of House Bill No. 2119, on reconsideration.

ROLL CALL

The Clerk called the roll on final passage of House Bill No. 2119, on reconsideration, and the bill passed the House by the following vote: Yeas, 63; Nays, 24; Absent, 0; Excused, 11.

Voting yea: Representatives Alexander, Billig, Blake, Carlyle, Cody, Dahlquist, Dammeier, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Ormsby,

Orwall, Parker, Pedersen, Probst, Reykdal, Roberts, Rolfes, Ross, Ryu, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege, Walsh, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Ahern, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, DeBolt, Fagan, Haler, Hargrove, Harris, Klippert, Kretz, Orcutt, Overstreet, Pearson, Rivers, Schmick, Shea, Short, Smith, Taylor and Warnick.

Excused: Representatives Anderson, Angel, Appleton, Clibborn, Crouse, Hinkle, Kristiansen, McCune, Pettigrew, Rodne and Santos.

HOUSE BILL NO. 2119, on reconsideration, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 10:00 a.m., May 22, 2011, the 27th Day of the 1st Special Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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