

Proposed Substitute HB 2158

H-2633.1

By: Rep. Tarleton

Relating to the Workforce Education Investment Act

The proposed substitute makes the following changes:

- Removes the legislative elements of the Workforce Education Investment Accountability and Oversight Board so it is not an official legislative board and changes the staffing to the Workforce Training and Education Coordinating Board.
- Strikes the specific requirement of a 26.5 percent salary increase for nurse educators at the community and technical colleges.
- Names the bill the Workforce Education Investment Act.
- Clarifies that appropriations for the Washington College Grant are to fund half the backlog of unserved students in fiscal year 2020.

1 AN ACT Relating to creating a workforce education investment to
2 train Washington students for Washington jobs; amending RCW
3 28B.92.030, 43.88C.010, 28B.10.790, 28B.12.030, 28B.92.040,
4 28B.92.065, 28B.15.065, 28B.15.740, 28B.15.760, 28B.15.762,
5 28B.15.820, 28B.116.010, 28A.180.120, 28B.76.502, 28B.76.525,
6 28B.76.526, 28B.76.540, 28B.76.699, 28B.77.020, 28B.117.020,
7 28B.118.090, 28B.133.010, 28B.133.020, 28C.18.166, 28C.18.060,
8 43.216.135, and 43.216.135; reenacting and amending RCW 28B.108.010,
9 28B.118.010, 28B.145.005, 28B.145.010, 28B.145.020, 28B.145.030,
10 28B.145.040, and 28B.145.090; adding a new section to chapter 43.79
11 RCW; adding new sections to chapter 28B.92 RCW; adding a new section
12 to chapter 28A.700 RCW; adding a new section to chapter 28B.145 RCW;
13 adding a new section to chapter 28B.50 RCW; adding a new section to
14 chapter 82.04 RCW; adding a new chapter to Title 28B RCW; adding a
15 new chapter to Title 28C RCW; creating new sections; repealing RCW
16 28B.92.010, 28B.92.020, 28B.92.050, 28B.92.060, 28B.92.080,
17 28B.92.082, 28B.92.084, 28B.97.010, 28B.97.020, 28B.119.005,
18 28B.119.010, 28B.119.020, 28B.119.030, 28B.119.040, 28B.119.050, and
19 28B.119.900; making appropriations; providing an effective date; and
20 providing contingent effective dates.

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

PART I
LEGISLATIVE INTENT

NEW SECTION. **Sec. 1.** The legislature finds it is essential that Washington residents have the opportunity to succeed in a competitive global economy by investing in Washington students for Washington jobs. The legislature finds that Washington state is expected to have seven hundred forty thousand job openings by 2021 and that most of these projected openings will be filled by workers with a postsecondary credential, such as a degree, apprenticeship, or certificate. The legislature finds that the state must focus on educational opportunities with targeted investments to keep tuition low and expand capacity for in-state students. The legislature also finds that currently only forty percent of Washington's high school students earn such a credential by age twenty-six, when seventy percent is the goal set by industry and business leaders intent on hiring Washington-educated workers. The legislature finds that Washington state already has several successful programs that help Washington students train for Washington jobs, including the state need grant, the guided pathways initiative at the community and technical colleges, and degree and apprenticeship programs in high-demand fields, such as computer science, engineering, nursing, and more. The legislature further finds that providing additional resources for workforce investments is critical in maintaining Washington's competitiveness in the global economy by ensuring businesses are able to hire Washington talent. Therefore, the legislature intends to create the new workforce education investment account, supported by professions that depend on higher education, that will expand existing investments to help people earn the credentials essential to obtain family-wage jobs and fill the seven hundred forty thousand jobs of the future.

PART II
WORKFORCE EDUCATION INVESTMENT ACCOUNT

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79 RCW to read as follows:

(1) The workforce education investment account is created in the state treasury. All revenues from the workforce investment surcharges created in section 72 of this act must be deposited directly into the

1 account. Moneys in the account may be spent only after appropriation.
2 Expenditures from the account may be used only for higher education
3 programs, higher education operations, higher education compensation,
4 and state-funded student aid programs.

5 (2) Expenditures from the workforce education investment account
6 must be used to supplement, not supplant, other federal, state, and
7 local funding for higher education.

8 **PART III**
9 **WORKFORCE EDUCATION INVESTMENT ACCOUNTABILITY AND**
10 **OVERSIGHT BOARD**

11 NEW SECTION. **Sec. 3.** (1) The workforce education investment
12 accountability and oversight board is established. The board consists
13 of sixteen members, as provided in this subsection:

14 (a) Four members of the legislature consisting of the chairs and
15 ranking minority members of the respective higher education and
16 workforce development committees of the senate and house of
17 representatives, ex officio; and

18 (b) The following members appointed by the governor with the
19 consent of the senate:

20 (i) Five members representing the businesses described in section
21 72 of this act;

22 (ii) Two members representing labor organizations, one of which
23 must have expertise in registered apprenticeships and training a
24 high-demand workforce and one of which must represent faculty at the
25 four-year institutions of higher education;

26 (iii) Two members representing the institutions of higher
27 education, as defined in RCW 28B.10.016, one of which must be from
28 the four-year sector and one of which must be from the community and
29 technical college sector;

30 (iv) Two members representing students, one of which must be a
31 community and technical college student; and

32 (v) One member representing the student achievement council,
33 established under chapter 28B.77 RCW.

34 (2) Except for ex officio and student members, board members
35 shall hold their offices for a term of three years until their
36 successors are appointed. Student board members shall hold one-year
37 terms.

1 (3) The board shall have two cochair. One cochair shall be one
2 of the chairs of the respective higher education and workforce
3 development committees of the legislature and the other cochair shall
4 be one of the board members representing the businesses described in
5 section 72 of this act. The cochair shall hold the position for a
6 one-year term. The board members shall elect the cochair annually.

7 (4) Nine members of the board constitute a quorum for the
8 transaction of business. The board shall meet four times a year.

9 (5) Staff support for the board shall be provided by the
10 workforce training and education coordinating board established in
11 chapter 28C.18 RCW.

12 (6) The purposes of the board are to:

13 (a) Provide guidance and recommendations to the legislature on
14 what workforce education priorities should be funded with the
15 workforce education investment account; and

16 (b) Ensure accountability that the workforce education
17 investments funded with the workforce education investment account
18 are producing the intended results and are effectively increasing
19 student success and career readiness, such as by increasing
20 retention, completion, and job placement rates.

21 (7) The board shall consult data from the education data center
22 established under RCW 43.41.400 and the workforce training and
23 education coordinating board established under chapter 28C.18 RCW
24 when reviewing and determining whether workforce education
25 investments funded from the workforce education investment account
26 are effectively increasing student success and career readiness.

27 (8) The board shall report its recommendations to the appropriate
28 committees of the legislature by December 1st of each year.

29 **PART IV**

30 **WORKFORCE EDUCATION INVESTMENTS**

31 **A. WORKFORCE EDUCATION INVESTMENT APPROPRIATIONS**

32 NEW SECTION. **Sec. 4.** The appropriations in this section are
33 provided to the Washington student achievement council and are
34 subject to the following conditions and limitations:

35 (1) \$54,543,000, or as much thereof as may be necessary, is
36 appropriated for the fiscal year ending June 30, 2020, from the
37 workforce education investment account and \$98,343,000, or as much

thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for the Washington college grant program under chapter 28B.92 RCW to fund:

(a) The backlog of students eligible for a grant, but who did not receive a grant due to funding limitations in previous years, with the first half of the backlog funded in fiscal year 2020;

(b) The maximum Washington college grant, as defined in RCW 28B.92.030, increase to full tuition and fees; and

(c) Grants for apprenticeship programs.

(2) \$65,757,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for expanding the income eligibility threshold for the Washington college grant program as described in section 17 of this act.

(3) \$10,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for the Washington student loan program created in chapter 28B.--- RCW (the new chapter created in section 74 of this act).

NEW SECTION. **Sec. 5.** The appropriations in this section are provided to the state board for community and technical colleges and are subject to the following conditions and limitations:

(1) \$15,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and \$40,124,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to fully implement guided pathways at each of the state's community and technical colleges by academic year 2020-21. Guided pathways is a research-based approach that provides clear, structured, educational experiences for students with four elements: Clarify paths to students' end goals, help students choose and enter a pathway, help students stay on path, and ensure that students are learning. Guided pathways implementation includes:

(a) Increased student support services, including advising and counseling;

1 (b) Faculty teaching and planning time to redesign curriculum,
2 develop meta-majors, and engage in interdepartmental planning on
3 pathways;

4 (c) Data analytics and student tracking technology to help
5 advisors and students address challenges that may impede a student's
6 progress; and

7 (d) Research and evaluation to ensure reforms lead to
8 improvements for all students.

9 (2) \$20,400,000, or as much thereof as may be necessary, is
10 appropriated for the fiscal year ending June 30, 2020, from the
11 workforce education investment account and \$20,400,000, or as much
12 thereof as may be necessary, is appropriated for the fiscal year
13 ending June 30, 2021, from the workforce education investment account
14 provided solely to increase nurse educator salaries.

15 (3) \$20,000,000, or as much thereof as may be necessary, is
16 appropriated for the fiscal year ending June 30, 2021, from the
17 workforce education investment account provided solely for increasing
18 high-demand program faculty salaries, including but not limited to
19 nursing educators, other health-related professions, information
20 technology, computer science, and trades, including welding. Contract
21 negotiations relating to salary increases must consider, and to the
22 extent practicable establish, salaries that are comparable to
23 industry professionals, and no less than the average salary
24 identified by the college and university professional association for
25 human resources or a similar organization.

26 (4) \$1,000,000, or as much thereof as may be necessary, is
27 appropriated for the fiscal year ending June 30, 2020, from the
28 workforce education investment account and \$2,000,000, or as much
29 thereof as may be necessary, is appropriated for the fiscal year
30 ending June 30, 2021, from the workforce education investment account
31 provided solely for enrollments in new career launch programs as
32 defined in section 56 of this act.

33 NEW SECTION. **Sec. 6.** The appropriations in this section are
34 provided to the University of Washington and are subject to the
35 following conditions and limitations:

36 (1) \$4,000,000, or as much thereof as may be necessary, is
37 appropriated for the fiscal year ending June 30, 2020, from the
38 workforce education investment account and \$4,000,000, or as much
39 thereof as may be necessary, is appropriated for the fiscal year

1 ending June 30, 2021, from the workforce education investment account
2 provided solely to increase degree production in the college of
3 engineering at the Seattle campus.

4 (2) \$500,000, or as much thereof as may be necessary, is
5 appropriated for the fiscal year ending June 30, 2020, from the
6 workforce education investment account and \$500,000, or as much
7 thereof as may be necessary, is appropriated for the fiscal year
8 ending June 30, 2021, from the workforce education investment account
9 provided solely to maintain the Washington state academic redshirt
10 program.

11 (3) \$150,000, or as much thereof as may be necessary, is
12 appropriated for the fiscal year ending June 30, 2020, from the
13 workforce education investment account and \$1,350,000, or as much
14 thereof as may be necessary, is appropriated for the fiscal year
15 ending June 30, 2021, from the workforce education investment account
16 provided solely to add degree capacity and increase undergraduate
17 enrollments per year by two hundred ten in the engineering,
18 mathematics, and science programs to support the biomedical
19 innovation partnership zone at the Bothell campus.

20 (4) \$177,000, or as much thereof as may be necessary, is
21 appropriated for the fiscal year ending June 30, 2020, from the
22 workforce education investment account and \$1,634,000, or as much
23 thereof as may be necessary, is appropriated for the fiscal year
24 ending June 30, 2021, from the workforce education investment account
25 provided solely to establish bachelor of science programs in
26 mechanical and civil engineering, enrolling one hundred eighty
27 students per year by fiscal year 2025, to support increased student
28 and local employer demand for graduates in these fields at the Tacoma
29 campus.

30 NEW SECTION. **Sec. 7.** The appropriations in this section are
31 provided to Central Washington University and are subject to the
32 following conditions and limitations:

33 (1) \$950,000, or as much thereof as may be necessary, is
34 appropriated for the fiscal year ending June 30, 2020, from the
35 workforce education investment account and \$950,000, or as much
36 thereof as may be necessary, is appropriated for the fiscal year
37 ending June 30, 2021, from the workforce education investment account
38 provided solely to increase the number of certified K-12 teachers by:

1 (a) Expanding alternative certification options by targeting
2 conditional or emergency teachers, as well as paraeducators, and
3 encouraging those individuals to gain Washington state certification;
4 and

5 (b) Targeting high-demand endorsement areas, such as special
6 education and elementary education.

7 (2) \$368,000, or as much thereof as may be necessary, is
8 appropriated for the fiscal year ending June 30, 2020, from the
9 workforce education investment account and \$368,000, or as much
10 thereof as may be necessary, is appropriated for the fiscal year
11 ending June 30, 2021, from the workforce education investment account
12 provided solely for increasing mental health counseling at Central
13 Washington University.

14 NEW SECTION. **Sec. 8.** The appropriations in this section are
15 provided to Western Washington University and are subject to the
16 following conditions and limitations:

17 (1) \$1,713,000, or as much thereof as may be necessary, is
18 appropriated for the fiscal year ending June 30, 2020, from the
19 workforce education investment account and \$1,713,000, or as much
20 thereof as may be necessary, is appropriated for the fiscal year
21 ending June 30, 2021, from the workforce education investment account
22 provided solely to increase access to science, technology,
23 engineering, and mathematic degrees, which may include expanding
24 prehealth care capacity, creating an energy science and technology
25 bachelor of science degree, and expanding electrical engineering
26 degrees.

27 (2) \$400,000, or as much thereof as may be necessary, is
28 appropriated for the fiscal year ending June 30, 2020, from the
29 workforce education investment account and \$400,000, or as much
30 thereof as may be necessary, is appropriated for the fiscal year
31 ending June 30, 2021, from the workforce education investment account
32 provided solely to hire additional academic advisors and develop a
33 first-year experience program.

34 NEW SECTION. **Sec. 9.** The appropriations in this section are
35 provided to The Evergreen State College and are subject to the
36 following conditions and limitations:

37 (1) \$335,000, or as much thereof as may be necessary, is
38 appropriated for the fiscal year ending June 30, 2020, from the

workforce education investment account and \$335,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase enrollment capacity by seventy-five students in the psychology program by hiring additional psychology faculty.

(2) \$280,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and \$300,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to increase student success by establishing a new student precollege immersion program and The Evergreen first-year experience program.

NEW SECTION. **Sec. 10.** The appropriations in this section are provided to Eastern Washington University and are subject to the following conditions and limitations:

(1) \$1,318,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and \$1,318,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely to create a computer engineering degree in the college of science, technology, engineering, and math with an average enrollment per year of one hundred thirty-three students at full implementation.

(2) \$600,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2020, from the workforce education investment account and \$600,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for developing a coordinated care network to maximize the connectivity of student support programs by linking offices in a virtual network. The network must use a data driven risk model and observations to inform advisors and case managers of concerns and student needs to help increase retention and graduation.

NEW SECTION. **Sec. 11.** \$2,450,000, or as much thereof as may be necessary, is appropriated to the employment security department for

1 the fiscal year ending June 30, 2020, from the workforce education
2 investment account and \$7,950,000, or as much thereof as may be
3 necessary, is appropriated to the employment security department for
4 the fiscal year ending June 30, 2021, from the workforce education
5 investment account provided solely for the career connected learning
6 grant program established in section 55 of this act.

7 NEW SECTION. **Sec. 12.** The appropriations in this section are
8 provided to the office of the superintendent of public instruction
9 and are subject to the following conditions and limitations:

10 (1) \$700,000, or as much thereof as may be necessary, is
11 appropriated for the fiscal year ending June 30, 2020, from the
12 workforce education investment account and \$700,000, or as much
13 thereof as may be necessary, is appropriated for the fiscal year
14 ending June 30, 2021, from the workforce education investment account
15 provided solely for expanding career connected learning as defined in
16 section 56 of this act.

17 (2) \$50,000, or as much thereof as may be necessary, is
18 appropriated for the fiscal year ending June 30, 2020, from the
19 workforce education investment account and \$50,000, or as much the
20 thereof as may be necessary, is appropriated for the fiscal year
21 ending June 30, 2021, from the workforce education investment account
22 provided solely for increasing the funding per full-time equivalent
23 for career launch programs as described in section 59 of this act.

24 (3) \$750,000, or as much thereof as may be necessary, is
25 appropriated for the fiscal year ending June 30, 2020, from the
26 workforce education investment account and \$750,000, or as much
27 thereof as may be necessary, is appropriated for the fiscal year
28 ending June 30, 2021, from the workforce education investment account
29 provided solely for Marysville school district to collaborate with
30 Arlington school district, Everett Community College, other local
31 school districts, local labor unions, and local industry groups to
32 develop a regional apprenticeship pathways pilot program. The pilot
33 program must seek to:

34 (a) Establish an education-based apprenticeship preparation
35 program recognized by the Washington state apprenticeship and
36 training council that prepares individuals for registered
37 apprenticeships within the building and construction trades;

(b) Provide dual credit for participants by meeting high school graduation requirements and providing opportunities for credit leading to a college credential; and

(c) Provide participants with preferred or direct entry into a state registered apprenticeship program in the building and construction trades.

NEW SECTION. **Sec. 13.** \$50,000, or as much thereof as may be necessary, is appropriated to the office of financial management for the fiscal year ending June 30, 2020, from the workforce education investment account and \$50,000, or as much thereof as may be necessary, is appropriated to the office of financial management for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for implementing career connected learning.

NEW SECTION. **Sec. 14.** \$4,240,892, or as much thereof as may be necessary, is appropriated to the department of children, youth, and families for the fiscal year ending June 30, 2021, from the workforce education investment account provided solely for eliminating the work requirement under the working connections child care program for single parents who are pursuing a vocational education full-time at a community, technical, or tribal college as set forth under section 69 or 70 of this act.

B. WORKFORCE EDUCATION INVESTMENT POLICIES

1. CREATING THE WASHINGTON COLLEGE GRANT PROGRAM TO REPLACE THE STATE NEED GRANT PROGRAM

NEW SECTION. **Sec. 15.** A new section is added to chapter 28B.92 RCW to read as follows:

(1) The legislature finds that individuals with a postsecondary credential have a greater chance of earning a wage that can support themselves and their families than if they do not obtain a postsecondary credential. At the same time, Washington employers are in need of many more individuals who possess postsecondary qualifications. Access to postsecondary opportunities are vital to ensure that more Washington high school graduates and working adults

1 can enter and complete a postsecondary program and compete for the
2 job opportunities available in the state.

3 (2) The legislature further finds that a statewide free college
4 program, for students who demonstrate financial need as defined in
5 section 17 of this act, is necessary to significantly reduce the
6 financial costs of obtaining a postsecondary credential. The
7 Washington college grant program is intended to increase access to
8 postsecondary opportunities for Washington residents.

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

11 (1) The Washington college grant program is created to provide a
12 statewide free college program for eligible participants and greater
13 access to postsecondary education for Washington residents. The
14 Washington college grant program is intended to increase the number
15 of high school graduates and adults that can attain a postsecondary
16 credential and provide them with the qualifications needed to compete
17 for job opportunities in Washington.

18 (2) The office shall implement and administer the Washington
19 college grant program and is authorized to establish rules necessary
20 for implementation of the program.

21 (3) The legislature shall appropriate funding for the Washington
22 college grant program. Allocations must be made on the basis of
23 estimated eligible participants enrolled in eligible institutions of
24 higher education or apprenticeship programs. All eligible students
25 are entitled to a Washington college grant beginning in academic year
26 2020-21.

27 (4) The office shall award Washington college grants to all
28 eligible students beginning in academic year 2020-21.

29 (5) To be eligible for the Washington college grant, students
30 must meet the following requirements:

31 (a) Demonstrate financial need under section 17 of this act;

32 (b) (i) Be enrolled or accepted for enrollment for at least three
33 quarter credits or the equivalent semester credits at an institution
34 of higher education in Washington as defined in RCW 28B.92.030; or

35 (ii) Be enrolled in a registered apprenticeship program approved
36 under chapter 49.04 RCW;

37 (c) Be a resident student as defined in RCW 28B.15.012(2) (a)
38 through (e);

1 (d) File an annual application for financial aid as approved by
2 the office; and

3 (e) Must not have earned a baccalaureate degree or higher from a
4 postsecondary institution.

5 (6) Washington college grant eligibility may not extend beyond
6 five years or one hundred twenty-five percent of the published length
7 of the program in which the student is enrolled or the credit or
8 clock-hour equivalent.

9 (7) Institutional aid administrators shall determine whether a
10 student eligible for the Washington college grant in a given academic
11 year may remain eligible for the ensuing year if the student's family
12 income increases by no more than three percent.

13 (8) Qualifications for receipt and renewal include maintaining
14 satisfactory academic progress toward completion of an eligible
15 program as determined by the office and established in rule.

16 (9) Should a recipient terminate his or her enrollment for any
17 reason during the academic year, the unused portion of the grant
18 shall be returned to the state educational grant fund by the
19 institution of higher education according to the institution of
20 higher education's policy for issuing refunds, except as provided in
21 RCW 28B.92.070.

22 (10) An eligible student enrolled on a part-time basis shall
23 receive a prorated portion of the Washington college grant for any
24 academic period in which he or she is enrolled on a part-time basis.

25 (11) The Washington college grant is intended to be used to meet
26 the costs of postsecondary education for students with financial
27 need. The student shall be awarded all need-based financial aid for
28 which the student qualifies as determined by the institution.

29 (12) Students and participating institutions of higher education
30 shall comply with all the rules adopted by the council for the
31 administration of this chapter.

32 NEW SECTION. **Sec. 17.** A new section is added to chapter 28B.92
33 RCW to read as follows:

34 In addition to other eligibility requirements outlined in this
35 chapter, students who demonstrate financial need are eligible to
36 receive the Washington college grant. Financial need is as follows:

37 (1) Until academic year 2020-21, students with family incomes
38 between zero and fifty percent of the state median family income,
39 adjusted for family size, shall receive the maximum Washington

college grant as defined in RCW 28B.92.030. Grants for students with incomes between fifty-one and seventy percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:

(a) Seventy percent for students with family incomes between fifty-one and fifty-five percent of the state median family income;

(b) Sixty-five percent for students with family incomes between fifty-six and sixty percent of the state median family income;

(c) Sixty percent for students with family incomes between sixty-one and sixty-five percent of the state median family income; and

(d) Fifty percent for students with family incomes between sixty-six and seventy percent of the state median family income.

(2) Beginning with academic year 2020-21, students with family incomes between zero and seventy percent of the state median family income, adjusted for family size, shall receive the maximum Washington college grant as defined in RCW 28B.92.030. Grants for students with incomes between seventy-one and one hundred percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:

(a) Fifty percent for students with family incomes between seventy-one and eighty percent of the state median family income;

(b) Twenty-five percent for students with family incomes between eighty-one and ninety percent of the state median family income; and

(c) Ten percent for students with family incomes between ninety-one and one hundred percent of the state median family income.

Sec. 18. RCW 28B.92.030 and 2013 c 248 s 2 are each amended to read as follows:

As used in this chapter:

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

~~(2) ("Disadvantaged student" means a 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.~~

1 ~~(3))~~ "Financial aid" means either loans ~~((and/or))~~, grants, or
2 both, to ~~((needy))~~ students who demonstrate financial need enrolled
3 or accepted for enrollment as a student at institutions of higher
4 education.

5 (3) "Financial need" means a demonstrated financial inability to
6 bear the total cost of education as directed in rule by the office.

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

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

11 (b) Any other university, college, school, or institute in the
12 state of Washington offering instruction beyond the high school level
13 that is a member institution of an accrediting association recognized
14 by rule of the council for the purposes of this section and that
15 agrees to and complies with program rules adopted pursuant to RCW
16 28B.92.150. However, any institution, branch, extension or facility
17 operating within the state of Washington that is affiliated with an
18 institution operating in another state must be:

19 (i) A separately accredited member institution of any such
20 accrediting association;

21 (ii) A branch of a member institution of an accrediting
22 association recognized by rule of the council for purposes of this
23 section, that is eligible for federal student financial aid
24 assistance and has operated as a nonprofit college or university
25 delivering on-site classroom instruction for a minimum of twenty
26 consecutive years within the state of Washington, and has an annual
27 enrollment of at least seven hundred full-time equivalent students;
28 ~~((or))~~

29 (iii) A nonprofit institution recognized by the state of
30 Washington as provided in RCW 28B.77.240; or

31 (iv) An approved apprenticeship program under chapter 49.04 RCW.

32 (5) ~~((("Needy student" means a posthigh school student of an~~
33 ~~institution of higher education who demonstrates to the office the~~
34 ~~financial inability, either through the student's parents, family~~
35 ~~and/or personally, to meet the total cost of board, room, books, and~~
36 ~~tuition and incidental fees for any semester or quarter. "Needy~~
37 ~~student" also means an opportunity internship graduate as defined by~~
38 ~~RCW 28C.18.162 who enrolls in a postsecondary program of study as~~
39 ~~defined in RCW 28C.18.162 within one year of high school graduation))~~
40 "Maximum Washington college grant":

1 (a) For students attending two or four-year institutions of
2 higher education as defined in RCW 28B.10.016, is tuition and
3 estimated fees for fifteen quarter credit hours or the equivalent, as
4 determined by the office, including operating fees, building fees,
5 and services and activities fees.

6 (b) For students attending private four-year not-for-profit
7 institutions of higher education in Washington, in the 2019-20
8 academic year, is nine thousand seven hundred thirty-nine dollars and
9 may increase each year afterwards by no more than the tuition growth
10 factor.

11 (c) For students attending two-year private not-for-profit
12 institutions of higher education in Washington, in the 2019-20
13 academic year, is three thousand six hundred ninety-four dollars and
14 may increase each year afterwards by no more than the tuition growth
15 factor.

16 (d) For students attending four-year private for-profit
17 institutions of higher education in Washington, in the 2019-20
18 academic year, is eight thousand five hundred seventeen dollars and
19 may increase each year afterwards by no more than the tuition growth
20 factor.

21 (e) For students attending two-year private for-profit
22 institutions of higher education in Washington, in the 2019-20
23 academic year, is two thousand eight hundred twenty-three dollars and
24 may increase each year afterwards by no more than the tuition growth
25 factor.

26 (f) For students attending Western Governors University-
27 Washington, as established in RCW 28B.77.240, in the 2019-20 academic
28 year, is five thousand six hundred nineteen dollars and may increase
29 each year afterwards by no more than the tuition growth factor.

30 (g) For students attending approved apprenticeship programs, is
31 tuition and fees, as determined by the office, in addition to
32 required program supplies and equipment.

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

34 (7) (~~("Placebound student" means a student who (a) is unable to~~
35 ~~complete a college program because of family or employment~~
36 ~~commitments, health concerns, monetary inability, or other similar~~
37 ~~factors; and (b) may be influenced by the receipt of an enhanced~~
38 ~~student financial aid award to complete a baccalaureate degree at an~~
39 ~~eligible institution))~~ "Tuition growth factor" means an increase of
40 no more than the average annual percentage growth rate of the median

hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.

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

The caseload forecast council shall estimate the anticipated caseload of the Washington college grant program and submit the caseload forecast as specified in RCW 43.88C.020.

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

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

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

(3) Approval by an affirmative vote of at least five members of the council is required for any decisions regarding employment of the supervisor. Employment of the supervisor shall terminate after each term of three years. At the end of the first year of each three-year term the council shall consider extension of the supervisor's term by one year. The council may fix the compensation of the supervisor. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

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

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

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

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

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

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

(c) The number of students who are eligible for the Washington college grant program under sections 16 and 17 of this act and are expected to attend an institution of higher education as defined in RCW 28B.92.030; and

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

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

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

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

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

Sec. 21. RCW 28B.10.790 and 2012 c 229 s 518 are each amended to read as follows:

1 Washington residents attending any nonprofit college or
2 university in another state which has a reciprocity agreement with
3 the state of Washington shall be eligible for the student financial
4 aid program outlined in chapter 28B.92 RCW if:

5 (1) They qualify as a (~~("needy")~~) student(~~("")~~) who demonstrates
6 financial need as defined under RCW 28B.92.030(~~((4))~~); and

7 (2) The institution attended is a member institution of an
8 accrediting association recognized by rule of the student achievement
9 council for the purposes of this section and is specifically
10 encompassed within or directly affected by such reciprocity agreement
11 and agrees to and complies with program rules and regulations
12 pertaining to such students and institutions adopted pursuant to RCW
13 28B.92.150.

14 **Sec. 22.** RCW 28B.12.030 and 2017 c 52 s 1 are each amended to
15 read as follows:

16 (~~(As used)~~) The definitions in this section apply throughout this
17 chapter(~~(, the following words and terms shall have the following~~
18 meanings,)) unless the context (~~(shall)~~) clearly (~~(indicate another~~
19 ~~or different meaning or intent:)~~) requires otherwise.

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

26 (~~(2) The term~~) "Eligible institution" (~~(shall)~~) means any
27 postsecondary institution in this state accredited by the Northwest
28 Association of Schools and Colleges, or a campus of a member
29 institution of an accrediting association recognized by rule of the
30 student achievement council for purposes of this section, that is
31 eligible for federal student financial aid assistance and has
32 operated as a nonprofit college or university delivering on-site
33 classroom instruction for a minimum of twenty consecutive years
34 within the state of Washington, or any public technical college in
35 the state.

36 (2) "Financial need" has the same meaning as in RCW 28B.92.030.

37 **Sec. 23.** RCW 28B.92.040 and 2011 1st sp.s. c 11 s 160 are each
38 amended to read as follows:

1 The office shall be cognizant of the following guidelines in the
2 performance of its duties:

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

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

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

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

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

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

31 **Sec. 24.** RCW 28B.92.065 and 2015 3rd sp.s. c 36 s 4 are each
32 amended to read as follows:

33 Beginning with the 2015-2017 omnibus appropriations act and each
34 biennium thereafter, reductions in tuition levels resulting from
35 section 3, chapter 36, Laws of 2015 3rd sp. sess. will allow the
36 legislature to reduce (~~state need~~) Washington college grant program
37 appropriations by an equal amount from the 2013-2015 fiscal biennium
38 amounts. The legislature does not intend to reduce award levels for

1 private colleges and universities below the 2014-15 academic year
2 levels.

3 ~~((By reducing the overall cost of tuition, the legislature in
4 future biennia is better able and intends to serve those students
5 currently eligible but unserved in the state need grant.))~~

6 **Sec. 25.** RCW 28B.15.065 and 1977 ex.s. c 322 s 6 are each
7 amended to read as follows:

8 It is the intent of the legislature that ~~((needy))~~ students who
9 demonstrate financial need not be deprived of access to higher
10 education due to increases in educational costs or consequent
11 increases in tuition and fees. It is the sense of the legislature
12 that state appropriations for student financial aid be adjusted in an
13 amount which together with funds estimated to be available in the
14 form of basic educational opportunity grants as authorized under
15 Section 411 of the federal Higher Education Act of 1965 as now or
16 hereafter amended will equal twenty-four percent of any change in
17 revenue estimated to occur as a result of revisions in tuition and
18 fee levels under the provisions of chapter 322, Laws of 1977 ex.
19 sess.

20 **Sec. 26.** RCW 28B.15.740 and 2015 c 55 s 223 are each amended to
21 read as follows:

22 (1) Subject to the limitations of RCW 28B.15.910, the governing
23 boards of the state universities, the regional universities, The
24 Evergreen State College, and the community and technical colleges may
25 waive all or a portion of tuition and fees for ~~((needy))~~ students who
26 demonstrate financial need and are eligible for resident tuition and
27 fee rates pursuant to RCW 28B.15.012 and 28B.15.013. Subject to the
28 limitations of RCW 28B.15.910, the governing boards of the state
29 universities, the regional universities, The Evergreen State College,
30 and the community and technical colleges may waive all or a portion
31 of tuition and fees for other students at the discretion of the
32 governing boards, except on the basis of participation in
33 intercollegiate athletic programs, not to exceed three-fourths of one
34 percent of gross authorized operating fees revenue under RCW
35 28B.15.910 for the community and technical colleges considered as a
36 whole and not to exceed two percent of gross authorized operating
37 fees revenue for the other institutions of higher education.

(2) In addition to the tuition and fee waivers provided in subsection (1) of this section and subject to the provisions of RCW 28B.15.455, 28B.15.460, and 28B.15.910, a total dollar amount of tuition and fee waivers awarded by any state university, regional university, or state college under this chapter, not to exceed one percent, as calculated in subsection (1) of this section, may be used for the purpose of achieving or maintaining gender equity in intercollegiate athletic programs. At any institution that has an underrepresented gender class in intercollegiate athletics, any such waivers shall be awarded:

(a) First, to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; and

(b) Second, (i) to nonmembers of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for members of the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; or (ii) to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers do not result in any saved or displaced money that can be used for athletic programs for members of the underrepresented gender class.

Sec. 27. RCW 28B.15.760 and 2012 c 229 s 528 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) "Borrower" means an eligible student who has received a loan under RCW 28B.15.762.

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

(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(~~("")~~) who demonstrates financial need 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,

1 or a certificated teacher who meets the same credit hour and (~~"needy~~
2 ~~student"~~) financial eligibility requirements and is seeking an
3 additional degree in science or mathematics.

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

7 (5) "Institution of higher education" or "institution" means a
8 college or university in the state of Washington which is a member
9 institution of an accrediting association recognized as such by rule
10 of the council.

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

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

15 (8) "Satisfied" means paid-in-full.

16 **Sec. 28.** RCW 28B.15.762 and 2012 c 229 s 529 are each amended to
17 read as follows:

18 (1) The council may make long-term loans to eligible students at
19 institutions of higher education from the funds appropriated to the
20 council for this purpose. The amount of any such loan shall not
21 exceed the demonstrated financial need of the student or two thousand
22 five hundred dollars for each academic year whichever is less, and
23 the total amount of such loans to an eligible student shall not
24 exceed ten thousand dollars. The interest rates and terms of deferral
25 of such loans shall be consistent with the terms of the guaranteed
26 loan program established by 20 U.S.C. Sec. 1701 et seq. The period
27 for repaying the loan principal and interest shall be ten years with
28 payments accruing quarterly commencing nine months from the date the
29 borrower graduated. The entire principal and interest of each loan
30 payment shall be forgiven for each payment period in which the
31 borrower teaches science or mathematics in a public school in this
32 state until the entire loan is satisfied or the borrower ceases to
33 teach science or mathematics at a public school in this state. Should
34 the borrower cease to teach science or mathematics at a public school
35 in this state before the time in which the principal and interest on
36 the loan are satisfied, payments on the unsatisfied portion of the
37 principal and interest on the loan shall begin the next payment
38 period and continue until the remainder of the loan is paid.

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

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

21 (4) Any funds not used to make loans, or to cover the cost of
22 making loans or making collections, shall be placed in the state
23 educational trust fund for ~~((needy or disadvantaged))~~ students who
24 demonstrate financial need.

25 (5) The council shall adopt necessary rules to implement this
26 section.

27 **Sec. 29.** RCW 28B.15.820 and 2009 c 215 s 9 are each amended to
28 read as follows:

29 (1) Each institution of higher education, including technical
30 colleges, shall deposit a minimum of three and one-half percent of
31 revenues collected from tuition and services and activities fees in
32 an institutional financial aid fund that is hereby created and which
33 shall be held locally. Moneys in the fund shall be used only for the
34 following purposes: (a) To make guaranteed long-term loans to
35 eligible students as provided in subsections (3) through (8) of this
36 section; (b) to make short-term loans as provided in subsection (9)
37 of this section; (c) to provide financial aid to ~~((needy))~~ students
38 who demonstrate financial need as provided in subsection (10) of this

1 section; or (d) to provide financial aid to students as provided in
2 subsection (11) of this section.

3 (2) An "eligible student" for the purposes of subsections (3)
4 through (8) and (10) of this section is a student registered for at
5 least three credit hours or the equivalent, who is eligible for
6 resident tuition and fee rates as defined in RCW 28B.15.012 and
7 28B.15.013, and who is a (~~("needy"))~~ student(~~(""))~~ who demonstrates
8 financial need as defined in RCW 28B.92.030.

9 (3) The amount of the guaranteed long-term loans made under this
10 section shall not exceed the demonstrated financial need of the
11 student. Each institution shall establish loan terms and conditions
12 which shall be consistent with the terms of the guaranteed loan
13 program established by 20 U.S. Code Section 1071 et seq., as now or
14 hereafter amended. All loans made shall be guaranteed by the
15 Washington student loan guaranty association or its successor agency.
16 Institutions are hereby granted full authority to operate as an
17 eligible lender under the guaranteed loan program.

18 (4) Before approving a guaranteed long-term loan, each
19 institution shall analyze the ability of the student to repay the
20 loan based on factors which include, but are not limited to, the
21 student's accumulated total education loan burdens and the employment
22 opportunities and average starting salary characteristics of the
23 student's chosen fields of study. The institution shall counsel the
24 student on the advisability of acquiring additional debt, and on the
25 availability of other forms of financial aid.

26 (5) Each institution is responsible for collection of guaranteed
27 long-term loans made under this section and shall exercise due
28 diligence in such collection, maintaining all necessary records to
29 insure that maximum repayments are made. Institutions shall cooperate
30 with other lenders and the Washington student loan guaranty
31 association, or its successor agency, in the coordinated collection
32 of guaranteed loans, and shall assure that the guarantability of the
33 loans is not violated. Collection and servicing of guaranteed long-
34 term loans under this section shall be performed by entities approved
35 for such servicing by the Washington student loan guaranty
36 association or its successor agency: PROVIDED, That institutions be
37 permitted to perform such servicing if specifically recognized to do
38 so by the Washington student loan guaranty association or its
39 successor agency. Collection and servicing of guaranteed long-term
40 loans made by community colleges under subsection (1) of this section

1 shall be coordinated by the state board for community and technical
2 colleges and shall be conducted under procedures adopted by the state
3 board.

4 (6) Receipts from payment of interest or principal or any other
5 subsidies to which institutions as lenders are entitled, that are
6 paid by or on behalf of borrowers of funds under subsections (3)
7 through (8) of this section, shall be deposited in each institution's
8 financial aid fund and shall be used to cover the costs of making the
9 guaranteed long-term loans under this section and maintaining
10 necessary records and making collections under subsection (5) of this
11 section: PROVIDED, That such costs shall not exceed five percent of
12 aggregate outstanding loan principal. Institutions shall maintain
13 accurate records of such costs, and all receipts beyond those
14 necessary to pay such costs, shall be deposited in the institution's
15 financial aid fund.

16 (7) The governing boards of the state universities, the regional
17 universities, and The Evergreen State College, and the state board
18 for community and technical colleges, on behalf of the community
19 colleges and technical colleges, shall each adopt necessary rules and
20 regulations to implement this section.

21 (8) First priority for any guaranteed long-term loans made under
22 this section shall be directed toward students who would not normally
23 have access to educational loans from private financial institutions
24 in Washington state, and maximum use shall be made of secondary
25 markets in the support of loan consolidation.

26 (9) Short-term loans, not to exceed one year, may be made from
27 the institutional financial aid fund to students enrolled in the
28 institution. No such loan shall be made to any student who is known
29 by the institution to be in default or delinquent in the payment of
30 any outstanding student loan. A short-term loan may be made only if
31 the institution has ample evidence that the student has the
32 capability of repaying the loan within the time frame specified by
33 the institution for repayment.

34 (10) Any moneys deposited in the institutional financial aid fund
35 that are not used in making long-term or short-term loans may be used
36 by the institution for locally administered financial aid programs
37 for ~~((needy))~~ students who demonstrate financial need, such as need-
38 based institutional employment programs or need-based tuition and fee
39 scholarship or grant programs. These funds shall be used in addition
40 to and not to replace institutional funds that would otherwise

1 support these locally administered financial aid programs. First
2 priority in the use of these funds shall be given to (~~needy~~)
3 students who demonstrate financial need who have accumulated
4 excessive educational loan burdens. An excessive educational loan
5 burden is a burden that will be difficult to repay given employment
6 opportunities and average starting salaries in the student's chosen
7 fields of study. Second priority in the use of these funds shall be
8 given to (~~needy~~) single parents who are students who demonstrate
9 financial need, to assist these students with their educational
10 expenses, including expenses associated with child care and
11 transportation.

12 (11) Any moneys deposited in the institutional financial aid fund
13 may be used by the institution for a locally administered financial
14 aid program for high school students enrolled in dual credit
15 programs. If institutions use funds in this manner, the governing
16 boards of the state universities, the regional universities, The
17 Evergreen State College, and the state board for community and
18 technical colleges shall each adopt necessary rules to implement this
19 subsection. Moneys from this fund may be used for all educational
20 expenses related to a student's participation in a dual credit
21 program including but not limited to tuition, fees, course materials,
22 and transportation.

23 **Sec. 30.** RCW 28B.108.010 and 2011 1st sp.s. c 11 s 191 are each
24 reenacted and amended to read as follows:

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

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

33 (2) "Institution of higher education" or "institution" means a
34 college or university in the state of Washington which is accredited
35 by an accrediting association recognized as such by rule of the
36 council for higher education.

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

1 **Sec. 31.** RCW 28B.116.010 and 2013 c 39 s 10 are each amended to
2 read as follows:

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

5 (1) "Cost of attendance" means the cost associated with the
6 attendance of the institution of higher education as determined by
7 the office of student financial assistance, including but not limited
8 to tuition, room, board, and books.

9 (2) "Eligible student" means a student who:

10 (a) Is between the ages of sixteen and twenty-three;

11 (b) Has been in foster care in the state of Washington for a
12 minimum of six months since his or her fourteenth birthday;

13 (c) Is a (~~financially needy~~) student who demonstrates financial
14 need, as defined in RCW 28B.92.030;

15 (d) Is a resident student, as defined in RCW 28B.15.012(2);

16 (e) Has entered or will enter an institution of higher education
17 in Washington state within three years of high school graduation or
18 having successfully completed his or her high school equivalency
19 certificate as provided in RCW 28B.50.536;

20 (f) Is not pursuing a degree in theology; and

21 (g) Makes satisfactory progress towards the completion of a
22 degree or certificate program.

23 (3) "Institution of higher education" means a college or
24 university in the state of Washington that is accredited by an
25 accrediting association recognized as such by rule of the student
26 achievement council.

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

28 **Sec. 32.** RCW 28A.180.120 and 2017 c 236 s 4 are each amended to
29 read as follows:

30 In 2017, funds must be appropriated for the purposes in this
31 section.

32 (1) The professional educator standards board, beginning in the
33 2017-2019 biennium, shall administer the bilingual educator
34 initiative, which is a long-term program to recruit, prepare, and
35 mentor bilingual high school students to become future bilingual
36 teachers and counselors.

37 (2) Subject to the availability of amounts appropriated for this
38 specific purpose, pilot projects must be implemented in one or two
39 school districts east of the crest of the Cascade mountains and one

1 or two school districts west of the crest of the Cascade mountains,
2 where immigrant students are shown to be rapidly increasing.
3 Districts selected by the professional educator standards board must
4 partner with at least one two-year and one four-year college in
5 planning and implementing the program. The professional educator
6 standards board shall provide oversight.

7 (3) Participating school districts must implement programs,
8 including: (a) An outreach plan that exposes the program to middle
9 school students and recruits them to enroll in the program when they
10 begin their ninth grade of high school; (b) activities in ninth and
11 tenth grades that help build student agency, such as self-confidence
12 and awareness, while helping students to develop academic mind-sets
13 needed for high school and college success; the value and benefits of
14 teaching and counseling as careers; and introduction to leadership,
15 civic engagement, and community service; (c) credit-bearing curricula
16 in grades eleven and twelve that include mentoring, shadowing, best
17 practices in teaching in a multicultural world, efficacy and practice
18 of dual language instruction, social and emotional learning, enhanced
19 leadership, civic engagement, and community service activities.

20 (4) There must be a pipeline to college using two-year and four-
21 year college faculty and consisting of continuation services for
22 program participants, such as advising, tutoring, mentoring,
23 financial assistance, and leadership.

24 (5) High school and college teachers and counselors must be
25 recruited and compensated to serve as mentors and trainers for
26 participating students.

27 (6) After obtaining a high school diploma, students qualify to
28 receive conditional loans to cover the full cost of college tuition,
29 fees, and books. To qualify for funds, students must meet program
30 requirements as developed by their local implementation team, which
31 consists of staff from their school district and the partnering two-
32 year and four-year college faculty.

33 (7) In order to avoid loan repayment, students must (a) earn
34 their baccalaureate degree and certification needed to serve as a
35 teacher or professional guidance counselor; and (b) teach or serve as
36 a counselor in their educational service district region for at least
37 five years. Students who do not meet the repayment terms in this
38 subsection are subject to repaying all or part of the financial aid
39 they receive for college unless students are recipients of funding

provided through programs such as the (~~state-need~~) Washington college grant program or the college bound scholarship program.

(8) Grantees must work with the professional educator standards board to draft the report required in section 6, chapter 236, Laws of 2017.

(9) The professional educator standards board may adopt rules to implement this section.

Sec. 33. RCW 28B.76.502 and 2017 c 177 s 1 are each amended to read as follows:

(1) The office must provide a financial aid counseling curriculum to institutions of higher education with (~~state-need~~) Washington college grant recipients. The curriculum must be available via a web site. The curriculum must include, but not be limited to:

(a) An explanation of the (~~state-need~~) Washington college grant program rules, including maintaining satisfactory progress, repayment rules, and usage limits;

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

(c) An overview of student loan options with an emphasis on the repayment obligations a student borrower assumes regardless of program completion, including the likely consequences of default and sample monthly repayment amounts based on a range of student levels of indebtedness;

(d) An overview of personal finance, including basic money management skills such as living within a budget and handling credit and debt;

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

(f) Financial education that meets the needs of, and includes perspectives from, a diverse group of students who are or were recipients of financial aid, including student loans, who may be trained by the financial education public-private partnership; and

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

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

1 (3) By July 1, 2013, the office must disseminate the curriculum
2 to all institutions of higher education participating in the ((state
3 need)) Washington college grant program. The institutions of higher
4 education may require ((~~nonstate need~~)) students who are not
5 participating in the Washington college grant ((~~recipients~~)) program
6 to participate in all or portions of the financial aid counseling.

7 (4) Subject to the availability of amounts appropriated for this
8 specific purpose, by the 2017-18 academic year, each institution of
9 higher education must take reasonable steps to ensure that the
10 institution presents, and each incoming student participates in, a
11 financial education workshop. The scope of the workshop must include,
12 but is not limited to, the information outlined in subsection (1)(b)
13 through (g) of this section, and include recommendations by the
14 financial education public-private partnership. The institutions are
15 encouraged to present these workshops during student orientation or
16 as early as possible in the academic year.

17 **Sec. 34.** RCW 28B.76.525 and 2011 1st sp.s. c 11 s 110 are each
18 amended to read as follows:

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

24 (2) The office shall deposit in the account all money received
25 for the ((~~state need~~)) Washington college grant program established
26 under chapter 28B.92 RCW ((~~28B.92.010~~)), the state work-study program
27 established under chapter 28B.12 RCW, the Washington scholars program
28 established under RCW 28A.600.110, the Washington award for
29 vocational excellence program established under RCW 28C.04.525, and
30 the educational opportunity grant program established under chapter
31 28B.101 RCW. The account shall consist of funds appropriated by the
32 legislature for the programs listed in this subsection and private
33 contributions to the programs. Moneys deposited in the account do not
34 lapse at the close of the fiscal period for which they were
35 appropriated. Both during and after the fiscal period in which moneys
36 were deposited in the account, the office may expend moneys in the
37 account only for the purposes for which they were appropriated, and
38 the expenditures are subject to any other conditions or limitations
39 placed on the appropriations.

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

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

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

8 **Sec. 35.** RCW 28B.76.526 and 2018 c 232 s 10 are each amended to
9 read as follows:

10 The Washington opportunity pathways account is created in the
11 state treasury. Expenditures from the account may be used only for
12 programs in chapter 28A.710 RCW (charter schools), chapter 28B.12 RCW
13 (state work-study), chapter 28B.50 RCW (opportunity grant), RCW
14 28B.76.660 (Washington scholars award), RCW 28B.76.670 (Washington
15 award for vocational excellence), chapter 28B.92 RCW (~~((state need))~~)
16 Washington college grant program), chapter 28B.105 RCW (GET ready for
17 math and science scholarship), chapter 28B.117 RCW (passport to
18 careers), chapter 28B.118 RCW (college bound scholarship), (~~chapter~~
19 ~~28B.119 RCW (Washington promise scholarship),~~) and chapter
20 (~~((43.215))~~) 43.216 RCW (early childhood education and assistance
21 program).

22 **Sec. 36.** RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each
23 amended to read as follows:

24 In addition to administrative responsibilities assigned in this
25 chapter, the office shall administer the programs set forth in the
26 following statutes: RCW 28A.600.100 through 28A.600.150 (Washington
27 scholars); chapter 28B.85 RCW (degree-granting institutions); chapter
28 28B.92 RCW (~~((state need))~~) Washington college grant); chapter 28B.12
29 RCW (work-study); RCW 28B.15.543 (~~((tuition waivers for Washington~~
30 ~~scholars))~~) grants for undergraduate coursework); RCW 28B.15.760
31 through 28B.15.766 (math and science loans); RCW 28B.15.100
32 (reciprocity agreement); RCW 28B.15.730 through 28B.15.734 (Oregon
33 reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho reciprocity); RCW
34 28B.15.756 (British Columbia reciprocity); chapter 28B.101 RCW
35 (educational opportunity grant); chapter 28B.102 RCW (future teachers
36 conditional scholarship); chapter 28B.108 RCW (American Indian
37 endowed scholarship); chapter 28B.109 RCW (Washington international
38 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. 37. RCW 28B.76.699 and 2016 c 233 s 17 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office shall administer a student teaching residency grant program to provide additional funds to individuals completing student teaching residencies at public schools in Washington.

(2) To qualify for the grant, recipients must be enrolled in a professional educator standards board-approved teacher preparation program, be completing or about to start a student teaching residency at a Title I school, and demonstrate financial need, as defined by the office and consistent with the income criteria required to receive the (~~state need~~) Washington college grant (~~established~~) created in chapter 28B.92 RCW.

(3) The office shall establish rules for administering the grants under this section.

Sec. 38. RCW 28B.77.020 and 2015 c 83 s 2 are each amended to read as follows:

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

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

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

(c) In proposing goals, the council shall collaborate with the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the four-year institutions of

1 higher education, independent colleges and degree-granting
2 institutions, certificate-granting institutions, and the workforce
3 training and education coordinating board.

4 (2) The council shall update the strategic action plan every two
5 years with the first strategic action plan to be submitted to the
6 governor and the legislature by December 1, 2012. The ten-year
7 roadmap must be updated every two years with the first roadmap to be
8 submitted to the governor and the legislature by December 1, 2013.
9 The council must provide regular updates to the joint higher
10 education committee created in RCW 44.04.360 as needed.

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

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

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

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

27 (d) System design and coordination;

28 (e) Improving student transitions;

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

32 (g) College and career access preparedness, in collaboration with
33 the office of the superintendent of public instruction and the state
34 board of education;

35 (h) Expanding participation and success for racial and ethnic
36 minorities in higher education;

37 (i) Development and expansion of innovations in higher education
38 including innovations to increase attainment of postsecondary
39 certificates, and associate, baccalaureate, graduate, and
40 professional degrees; and innovations to improve precollege education

1 in terms of cost-effectiveness and transitions to college-level
2 education;

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

7 (k) Relevant policy research.

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

10 (5) The council shall facilitate the development and expansion of
11 innovative practices within, between, and among the sectors to
12 increase educational attainment and assess the effectiveness of the
13 innovations.

14 (6) The council shall use the data and analysis produced by, and
15 in consultation with, the education data center created in RCW
16 43.41.400 in developing policy recommendations and proposing goals.
17 In conducting research and analysis the council at a minimum must:

18 (a) Identify barriers to increasing educational attainment,
19 evaluate effectiveness of various educational models, identify best
20 practices, and recommend methods to overcome barriers;

21 (b) Analyze data from multiple sources including data from
22 academic research and from areas and agencies outside of education
23 including but not limited to data from the department of health, the
24 department of corrections, and the department of social and health
25 services to determine best practices to remove barriers and to
26 improve educational attainment;

27 (c) Assess educational achievement disaggregated by income level,
28 age, gender, race and ethnicity, country of origin, and other
29 relevant demographic groups working with data from the education data
30 center;

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

32 (e) Communicate results and provide access to data analysis to
33 policymakers, the superintendent of public instruction, institutions
34 of higher education, students, and the public; and

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

37 (7) The council shall collaborate with the appropriate state
38 agencies and stakeholders, including the state board of education,
39 the office of the superintendent of public instruction, the state
40 board for community and technical colleges, the workforce training

1 and education coordinating board, and the four-year institutions of
2 higher education to improve student transitions and success including
3 but not limited to:

4 (a) Setting minimum college admission standards for four-year
5 institutions of higher education, including:

6 (i) A requirement that coursework in American sign language or an
7 American Indian language satisfies any requirement for instruction in
8 a language other than English that the council or the institutions
9 may establish as a general undergraduate admissions requirement; and

10 (ii) Encouragement of the use of multiple measures to determine
11 whether a student must enroll in a precollege course, such as
12 placement tests, the SAT, high school transcripts, college
13 transcripts, or initial class performance;

14 (b) Proposing comprehensive policies and programs to encourage
15 students to prepare for, understand how to access, and pursue
16 postsecondary college and career programs, including specific
17 policies and programs for students with disabilities;

18 (c) Recommending policies that require coordination between or
19 among sectors such as dual high school-college programs, awarding
20 college credit for advanced high school work, and transfer between
21 two and four-year institutions of higher education or between
22 different four-year institutions of higher education; and

23 (d) Identifying transitions issues and solutions for students,
24 from high school to postsecondary education including community and
25 technical colleges, four-year institutions of higher education,
26 apprenticeships, training, or workplace education; between two-year
27 and four-year institutions of higher education; and from
28 postsecondary education to career. In addressing these issues the
29 council must recognize that these transitions may occur multiple
30 times as students continue their education.

31 (8) The council directs the work of the office, which includes
32 administration of student financial aid programs under RCW
33 28B.76.090, including the ((state need)) Washington college grant and
34 other scholarships, the Washington advanced college tuition payment
35 program, and work-study programs.

36 (9) The council may administer state and federal grants and
37 programs including but not limited to those programs that provide
38 incentives for improvements related to increased access and success
39 in postsecondary education.

1 (10) The council shall protect higher education consumers
2 including:

3 (a) Approving degree-granting postsecondary institutions
4 consistent with existing statutory criteria;

5 (b) Establishing minimum criteria to assess whether students who
6 attend proprietary institutions of higher education shall be eligible
7 for the ~~((state-need))~~ Washington college grant and other forms of
8 state financial aid.

9 (i) The criteria shall include retention rates, completion rates,
10 loan default rates, and annual tuition increases, among other
11 criteria for students who receive ~~((state-need))~~ the Washington
12 college grant ~~((as))~~ in chapter 28B.92 RCW and any other state
13 financial aid.

14 (ii) The council may remove proprietary institutions of higher
15 education from eligibility for the ~~((state-need))~~ Washington college
16 grant or other form of state financial aid if it finds that the
17 institution or college does not meet minimum criteria.

18 (iii) The council shall report by December 1, 2014, to the joint
19 higher education committee in RCW 44.04.360 on the outcomes of
20 students receiving ~~((state-need))~~ Washington college grants, impacts
21 on meeting the state's higher education goals for educational
22 attainment, and options for prioritization of the ~~((state-need))~~
23 Washington college grant and possible consequences of implementing
24 each option. When examining options for prioritizing the ~~((state~~
25 ~~need))~~ Washington college grant the council shall consider awarding
26 grants based on need rather than date of application and making
27 awards based on other criteria selected by the council.

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

29 (12) The council shall arbitrate disputes between and among four-
30 year institutions of higher education and the state board for
31 community and technical colleges at the request of one or more of the
32 institutions involved, or at the request of the governor, or from a
33 resolution adopted by the legislature. The decision of the council
34 shall be binding on the participants in the dispute.

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

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

1 **Sec. 39.** RCW 28B.117.020 and 2018 c 232 s 3 are each amended to
2 read as follows:

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

5 (1) "Apprentice" means a person enrolled in a state-approved,
6 federally registered, or reciprocally recognized apprenticeship
7 program.

8 (2) "Apprenticeship" means an apprenticeship training program
9 approved or recognized by the state apprenticeship council or similar
10 federal entity.

11 (3) "Cost of attendance" means the cost associated with attending
12 a particular institution of higher education as determined by the
13 office, including but not limited to tuition, fees, room, board,
14 books, personal expenses, and transportation, plus the cost of
15 reasonable additional expenses incurred by an eligible student and
16 approved by a financial aid administrator at the student's school of
17 attendance.

18 (4) "Federal foster care system" means the foster care program
19 under the federal unaccompanied refugee minors program, Title 8
20 U.S.C. Sec. 1522 of the immigration and nationality act.

21 (5) "Financial need" means the difference between a student's
22 cost of attendance and the student's total family contribution as
23 determined by the method prescribed by the United States department
24 of education.

25 (6) "Homeless" or "homelessness" means without a fixed, regular,
26 and adequate nighttime residence as set forth in the federal
27 McKinney-Vento homeless assistance act, 42 U.S.C. Sec. 11301 et seq.

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

36 (8) "Institution of higher education" means any institution
37 eligible to and participating in the ((state—need)) Washington
38 college grant program.

39 (9) "Occupational-specific costs" means the costs associated with
40 entering an apprenticeship or preapprenticeship, including but not

1 limited to fees, tuition for classes, work clothes, rain gear, boots,
2 occupation-specific tools.

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

4 (11) "Preapprenticeship" means an apprenticeship preparation
5 program recognized by the state apprenticeship council and as defined
6 in RCW 28C.18.162.

7 (12) "Program" means the passport to careers program created in
8 this chapter.

9 (13) "State foster care system" means out-of-home care pursuant
10 to a dependency and includes the placement of dependents from other
11 states who are placed in Washington pursuant to orders issued under
12 the interstate compact on the placement of children, chapter 26.34
13 RCW.

14 (14) "Tribal court" has the same meaning as defined in RCW
15 13.38.040.

16 (15) "Tribal foster care system" means an out-of-home placement
17 under a dependency order from a tribal court.

18 (16) "Unaccompanied" means a youth or young adult experiencing
19 homelessness while not in the physical custody of a parent or
20 guardian.

21 **Sec. 40.** RCW 28B.118.010 and 2018 c 204 s 1 and 2018 c 12 s 1
22 are each reenacted and amended to read as follows:

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

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

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

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

34 (i) In grade seven through twelve; or

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

37 (c) Were dependent pursuant to chapter 13.34 RCW and were adopted
38 between the ages of fourteen and eighteen with a negotiated adoption

1 agreement that includes continued eligibility for the Washington
2 state college bound scholarship program pursuant to RCW 74.13A.025.

3 (2) Eligible students and the students' parents or guardians
4 shall be notified of the student's eligibility for the Washington
5 college bound scholarship program beginning in the student's seventh
6 grade year. Students and the students' parents or guardians shall
7 also be notified of the requirements for award of the scholarship.

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

15 (b)(i) Beginning in the 2018-19 academic year, the office of
16 student financial assistance shall make multiple attempts to secure
17 the signature of the student's parent or guardian for the purpose of
18 witnessing the pledge.

19 (ii) If the signature of the student's parent or guardian is not
20 obtained, the office of student financial assistance may partner with
21 the school counselor or administrator to secure the parent's or
22 guardian's signature to witness the pledge. The school counselor or
23 administrator shall make multiple attempts via all phone numbers,
24 email addresses, and mailing addresses on record to secure the
25 parent's or guardian's signature. All attempts to contact the parent
26 or guardian must be documented and maintained in the student's
27 official file.

28 (iii) If a parent's or guardian's signature is still not
29 obtained, the school counselor or administrator shall indicate to the
30 office of student financial assistance the nature of the unsuccessful
31 efforts to contact the student's parent or guardian and the reasons
32 the signature is not available. Then the school counselor or
33 administrator may witness the pledge unless the parent or guardian
34 has indicated that he or she does not wish for the student to
35 participate in the program.

36 (c) A student eligible under subsection (1)(b) of this section
37 shall be automatically enrolled, with no action necessary by the
38 student or the student's family, and the enrollment form must be
39 forwarded by the department of social and health services to the

1 office of student financial assistance by mail or electronically, as
2 indicated on the form.

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

7 (b)(i) To receive the Washington college bound scholarship, a
8 student must graduate with at least a "C" average from a public high
9 school or an approved private high school under chapter 28A.195 RCW
10 in Washington or have received home-based instruction under chapter
11 28A.200 RCW, must have no felony convictions, and must be a resident
12 student as defined in RCW 28B.15.012(2) (a) through (e). A student
13 who is eligible to receive the Washington college bound scholarship
14 because the student is a resident student under RCW 28B.15.012(2) (e)
15 must provide the institution, as defined in RCW 28B.15.012, an
16 affidavit indicating that the individual will file an application to
17 become a permanent resident at the earliest opportunity the
18 individual is eligible to do so and a willingness to engage in any
19 other activities necessary to acquire citizenship, including but not
20 limited to citizenship or civics review courses.

21 (ii) For eligible children as defined in subsection (1)(b) and
22 (c) of this section, to receive the Washington college bound
23 scholarship, a student must have received a high school equivalency
24 certificate as provided in RCW 28B.50.536 or have graduated with at
25 least a "C" average from a public high school or an approved private
26 high school under chapter 28A.195 RCW in Washington or have received
27 home-based instruction under chapter 28A.200 RCW, must have no felony
28 convictions, and must be a resident student as defined in RCW
29 28B.15.012(2) (a) through (e).

30 For a student who does not meet the "C" average requirement, and
31 who completes fewer than two quarters in the running start program,
32 under chapter 28A.600 RCW, the student's first quarter of running
33 start course grades must be excluded from the student's overall grade
34 point average for purposes of determining their eligibility to
35 receive the scholarship.

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

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

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

7 (b) For students attending private four-year institutions of
8 higher education in Washington, the award amount shall be the
9 representative average of awards granted to students in public
10 research universities in Washington or the representative average of
11 awards granted to students in public research universities in
12 Washington in the 2014-15 academic year, whichever is greater.

13 (c) For students attending private vocational schools in
14 Washington, the award amount shall be the representative average of
15 awards granted to students in public community and technical colleges
16 in Washington or the representative average of awards granted to
17 students in public community and technical colleges in Washington in
18 the 2014-15 academic year, whichever is greater.

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

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

26 (9) The first scholarships shall be awarded to students
27 graduating in 2012.

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

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

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

Sec. 41. RCW 28B.118.090 and 2015 c 244 s 6 are each amended to read as follows:

(1) Beginning January 1, 2015, and at a minimum every year thereafter, the student achievement council and all institutions of higher education eligible to participate in the college bound scholarship program shall ensure data needed to analyze and evaluate the effectiveness of the college bound scholarship program is promptly transmitted to the education data center created in RCW 43.41.400 so that it is available and easily accessible. The data to be reported should include but not be limited to:

(a) The number of students who sign up for the college bound scholarship program in seventh or eighth grade;

(b) The number of college bound scholarship students who graduate from high school;

(c) The number of college bound scholarship students who enroll in postsecondary education;

(d) Persistence and completion rates of college bound scholarship recipients disaggregated by institutions of higher education;

(e) College bound scholarship recipient grade point averages;

(f) The number of college bound scholarship recipients who did not remain eligible and reasons for ineligibility;

(g) College bound scholarship program costs; and

(h) Impacts to the ~~((state—need))~~ Washington college grant program.

(2) Beginning May 12, 2015, and at a minimum every December 1st thereafter, the student achievement council shall submit student unit record data for the college bound scholarship program applicants and recipients to the education data center.

Sec. 42. RCW 28B.133.010 and 2013 c 248 s 4 are each amended to read as follows:

The educational assistance grant program for students with dependents is hereby created, subject to the availability of receipts of gifts, grants, or endowments from private sources. The program is created to serve ~~((financially—needy))~~ students who demonstrate financial need with dependents eighteen years of age or younger, by assisting them directly through a grant program to pursue a degree or certificate at public or private institutions of higher education, as defined in RCW 28B.92.030(4) (a) and (b) (i) and (ii), that participate in the ~~((state—need))~~ Washington college grant program.

1 **Sec. 43.** RCW 28B.133.020 and 2004 c 275 s 73 are each amended to
2 read as follows:

3 To be eligible for the educational assistance grant program for
4 students with dependents, applicants shall: (1) Be residents of the
5 state of Washington; (2) be ~~((needy))~~ students who demonstrate
6 financial need as defined in RCW 28B.92.030~~((+3))~~; (3) be eligible
7 to participate in the ~~((state-need))~~ Washington college grant program
8 as set forth under chapter 28B.92 RCW ~~((28B.92.080))~~; and (4) have
9 dependents eighteen years of age or younger who are under their care.

10 **Sec. 44.** RCW 28C.18.166 and 2011 1st sp.s. c 11 s 242 are each
11 amended to read as follows:

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

20 **2. ESTABLISHING A STATE STUDENT LOAN PROGRAM**

21 NEW SECTION. **Sec. 45.** (1) The legislature finds that college
22 students continue to borrow in order to fund their higher education.
23 In Washington state, the institute for college access and success
24 estimates over fifty percent of 2017 graduates had student debt with
25 an average balance just under twenty-four thousand dollars. Student
26 loan debt now outpaces other sources of consumer debt, such as credit
27 card and vehicle debt. While research shows that earning a
28 postsecondary credential positively impacts a person's earning
29 potential, high student loan debt erodes much of this benefit.

30 (2) The legislature recognizes that people with student loan debt
31 are less likely to get married and start a family, establish small
32 businesses, and buy homes. High student loan debt negatively impacts
33 a person's credit score and their debt-to-income ratio, which impacts
34 their ability to qualify for a mortgage. A federal reserve study
35 looking at the impact of student loan debt on home ownership found
36 that a one thousand dollar increase in student loan debt causes a one
37 to two percentage point drop in the homeownership rate for borrowers

1 during their late twenties and early thirties. The study found that
2 between 2005 and 2014, about twenty percent of the decline in
3 homeownership among individuals aged twenty-four to thirty-two is
4 attributed to the rise in student loan debt. This indicates that over
5 four hundred thousand individuals would have owned a home in 2014 had
6 it not been for the rise in student loan debt.

7 (3) Therefore, the legislature intends to support students
8 pursuing higher education by establishing an affordable state student
9 loan program. The legislature recognizes that student loans are
10 beneficial for students who have no other way to pay for college, but
11 finds that high interest rates that accumulate while the student is
12 in school negatively impact the student's ability to prosper
13 financially and contribute to the state's economy after graduation.
14 Therefore, the legislature intends to offer student loans to low-
15 income and middle-income state residents who graduated from
16 Washington high schools and are pursuing undergraduate studies at a
17 subsidized, one percent interest rate.

18 NEW SECTION. **Sec. 46.** The definitions in this section apply
19 throughout this chapter unless the context clearly requires
20 otherwise.

21 (1) "Borrower" means an eligible student who has received a
22 student loan under the Washington student loan program.

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

27 (3) "Eligible program" means a postsecondary education program
28 that leads to a certificate, associate's degree, or bachelor's
29 degree.

30 (4) "Eligible student" means a student who:

31 (a) Meets the definition of resident student;

32 (b) Graduated from a Washington high school;

33 (c) Has a family income no greater than one hundred forty percent
34 of the state median family income, adjusted for family size;

35 (d) Is enrolled in an institution of higher education in an
36 eligible program; and

37 (e) Has completed either the free application for federal student
38 aid or the Washington application for state financial aid.

(5) "Gift aid" means federal, state, institutional, or private financial aid provided for educational purposes with no obligation of repayment. "Gift aid" does not include student loans or work-study programs.

(6) "Institutions of higher education" include the state universities, the regional universities, The Evergreen State College, the community and technical colleges, and private not-for-profit institutions of higher education authorized to participate in state financial aid programs.

(7) "Office" means the office of student financial assistance established under chapter 28B.76 RCW.

(8) "Program" means the Washington student loan program.

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

(10) "Student loan" means a loan that is approved by the office and awarded to an eligible student.

(11) "Washington high school" means a Washington public high school, a Washington private high school under chapter 28A.195 RCW, or home-based instruction under chapter 28A.200 RCW.

NEW SECTION. **Sec. 47.** (1) The Washington student loan program is created to assist students who need additional financial support to obtain postsecondary education.

(2) The office must administer the program. In administering the program, the office must:

- (a) Screen and select eligible students to receive student loans;
- (b) Issue low-interest student loans;
- (c) Establish annual and lifetime loan limits;
- (d) Define the terms of repayment;
- (e) Collect and manage repayments from borrowers;
- (f) Establish an appeals process;
- (g) Exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;
- (h) Publicize the program; and
- (i) Adopt necessary rules.

NEW SECTION. **Sec. 48.** (1) Beginning with the academic year 2021-22, the office may award student loans under the program to eligible students from the funds available in the Washington student loan account created in section 50 of this act.

(2) The office must set the interest rate for student loans issued under the program at one percent to begin accruing six months after the borrower is no longer enrolled on at least a half-time basis at an institution of higher education.

(3) The office must establish repayment procedures for student loans issued under the program, but in no event shall the period of repayment exceed ten years from the borrower's termination of enrollment at an institution of higher education, or fifteen years from the date of the borrower's first loan, whichever is less.

(4) The office must determine annual and lifetime loan limits, but a loan may not exceed the eligible student's cost of attendance as determined by the institution of higher education, less all gift aid.

(5) The office must establish an appeals process for borrowers who believe there is an unresolved error in the servicing of their loan. The office must provide borrowers with a description of the appeals process.

NEW SECTION. **Sec. 49.** The office may contract with a third-party entity to provide loan servicing for student loans issued under the program. The third-party entity must comply with all of the requirements for student education loan servicers under chapter 31.04 RCW.

NEW SECTION. **Sec. 50.** The Washington student loan account is created in the custody of the state treasurer. All receipts received for the program, including loan repayments, must be deposited into the account. Expenditures from the account may be used only for the program. Only the director of the office or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec. 51.** (1) The office must collect data on the program. The data must include, but is not limited to, the following:

- (a) The number of eligible students who were awarded a student loan;
- (b) The number of borrowers;
- (c) The average borrowed annual and total balances;
- (d) Borrower demographics; and

(e) Repayment statistics, such as the number of borrowers in active repayment, delinquency, forbearance, and default.

(2) By December 1, 2026, and in compliance with RCW 43.01.036, the office must submit an annual report on the data under subsection (1) of this section and any other relevant information regarding the program to the appropriate committees of the legislature.

3. EXPANDING CAREER CONNECTED LEARNING OPPORTUNITIES

NEW SECTION. **Sec. 52.** (1) The legislature recognizes that in Washington's fast-growing economy local employers need access to a pool of diverse, skilled talent, but too few people are prepared for the career opportunities available. Across the state, there are persistent opportunity gaps in education and employment. Even in today's thriving economy, the path to economic self-sufficiency and fulfillment is difficult for many people.

(2) The legislature intends to scale up high-quality career connected learning opportunities that address persistent educational opportunity gaps and meet the talent needs of employers. Through career connected learning opportunities that are available across communities and regions, individuals can advance their academic learning and build awareness of, exposure to, and preparation for, career opportunities.

(3) In order to create a statewide, sustainable career connected learning system, three areas must be addressed:

(a) Statewide system development through cross-sector coordination;

(b) Directing resources to K-12 and higher education partners to support enrollment in career launch and registered apprenticeship programs and other career connected learning opportunities; and

(c) Support for regional leadership and coordination to facilitate connections between industry and education, implement career connected learning programs, and help young adults and employers to navigate these opportunities.

NEW SECTION. **Sec. 53.** (1) Within existing resources, a career connected learning cross-agency work group is established to scale up and expand high-quality career connected learning opportunities in communities across the state.

(2) The purpose of the work group is to coordinate agency functions and external partnerships and carry out the duties and responsibilities set forth in section 54 of this act.

(3) The governor shall select the chair of the work group.

(4) The governor's office may consult or contract with entities with expertise in industry and education partnerships to provide staffing support and guidance on industry talent needs. The governor's office may convene additional ad hoc committees that include industry sector advisory groups and leaders including, but not limited to, high-level representatives from education, industry, philanthropy, as well as students, parents, and community partners.

(5) The work group must consist of, but is not limited to, representatives from the following offices and agencies:

(a) The department of labor and industries in consultation with the regulatory apprenticeship council under RCW 49.04.010;

(b) The department of social and health services, including the division of vocational rehabilitation;

(c) The education research and data center at the office of financial management;

(d) The employment security department;

(e) The office of the superintendent of public instruction;

(f) The state board of education;

(g) The state board for community and technical colleges;

(h) The student achievement council;

(i) The workforce training and education coordinating board;

(j) One representative of the public baccalaureate institutions;

(k) One representative of the independent four-year institutions of higher education; and

(l) The office of the governor.

(6) The office of the governor may establish subcommittees of the work group to plan and execute the duties and responsibilities under section 54 of this act.

(7) The work group shall:

(a) Meet at least six times during the calendar year; and

(b) Report progress to the governor and appropriate committees of the legislature by September 1st annually.

NEW SECTION. **Sec. 54.** The career connected learning cross-agency work group established in section 53 of this act shall have the following duties and responsibilities:

1 (1) Advance and promote the career connect Washington vision to
2 create a statewide system for career connected learning and the need
3 for joint action as follows:

4 (a) Create, and periodically update, clear guidance for endorsing
5 career launch programs to guide quality assurance for the purpose of
6 expanding enrollments by August 1, 2019. Registered apprenticeships
7 as approved by the Washington apprenticeship and training council at
8 the department of labor and industries are considered endorsed career
9 launch programs;

10 (b) Prioritize activities including coordinating cross-agency and
11 industry sector leadership to advance strategic priorities;

12 (c) Implement a marketing and communications agenda;

13 (d) Mobilize private sector and philanthropic leadership and
14 resources to support system building;

15 (e) Build systemic functions in key agencies and existing
16 systems;

17 (f) Create a statewide inventory that identifies existing support
18 programs to promote equitable participation in career connected
19 learning, including resources for populations to reengage with
20 educational opportunities;

21 (g) Develop web sites and other resources, and coordinate current
22 resources managed by the workforce training and education
23 coordinating board, the student achievement council, and the
24 employment security department, to inform students, employers, and
25 the public about career connected learning opportunities;

26 (h) Develop financial and other support services to increase
27 access and success in career connected learning for students facing
28 barriers or living in underserved communities;

29 (i) Address transfer and articulation issues to ensure career
30 launch program participants receive high school and college credit in
31 programs initiated in K-12 or dropout reengagement programs, or
32 college credit in postsecondary programs and registered
33 apprenticeships, and work to expand the portability of credits to the
34 maximum extent possible;

35 (j) Establish clear targets for equity to guide state data
36 development and action by regional partners related to program design
37 and expansion, including specific equity-focused criteria within
38 grant funding processes and strategies; and

39 (k) Develop data systems and protocols for career connected
40 learning planning and evaluation purposes;

1 (2) By September 1, 2019, and by each September 1st thereafter,
2 make budget recommendations to the office of financial management, to
3 direct resources to education programs for career connected learning
4 as follows:

5 (a) Support the K-12 system and the office of the superintendent
6 of public instruction to increase student participation in career
7 connected learning programs that include career awareness and
8 exploration, career preparation, and career launch;

9 (b) Support expansion of innovative program design in registered
10 apprenticeships, year-round and summer programs, and equitable access
11 to dual credit;

12 (c) Support two-year and four-year institutions of higher
13 education to expand career connected learning enrollments, and
14 specifically:

15 (i) Build capacity at community and technical colleges to support
16 innovative design in career launch and registered apprenticeship
17 programs, as well as program participation by high school graduates
18 or out-of-school youth;

19 (ii) Align the use of work-study to support career launch and
20 registered apprenticeship programs; and

21 (iii) Clarify financial aid eligibility and exclusions from
22 financial aid caps for career launch and registered apprenticeship
23 programs;

24 (d) Promote innovation in equivalency and credentialing within
25 endorsed career launch and registered apprenticeship programs
26 including, but not limited to, offering guidance and technical
27 assistance to school districts and local education agencies to ensure
28 students take advantage of flexibility in the twenty-four credit
29 diploma and earn high school credit for career launch and registered
30 apprenticeship programs;

31 (e) Expand the number of portable credits and credit for prior
32 learning to ensure that career launch programs transfer for high
33 school or college credit to the maximum extent possible; and

34 (f) Support the registered apprenticeship system and the
35 department of labor and industries to build capacity to expand
36 registered apprenticeship and preapprenticeship programs;

37 (3) Support regional leadership, program intermediaries, and
38 career connected learning navigation and coordination to expand
39 participation in career connected learning opportunities and the

1 implementation of the career connected learning grant program
2 established in section 55 of this act;

3 (4) Support the formation and operation of regional networks in
4 both rural and urban areas to guide career connected learning
5 opportunities that are both tailored to the local needs of students
6 and employers, and designed for portable credentials across education
7 settings and across an industry; and

8 (5) Develop a data enclave for career connected learning to
9 measure progress and ensure equity of opportunity for career
10 connected learning, led by the education research and data center at
11 the office of financial management, as follows:

12 (a) Develop program codes for career connected learning
13 opportunities in K-12 and postsecondary education in order to track
14 those programs that are designated as career connected learning
15 programs for each of the three categories set forth in the definition
16 of "career connected learning" in section 56 of this act; and

17 (b) Collect and disaggregate program participation and outcomes
18 data by race, gender, income, rurality, ability, foster youth,
19 homeless youth, English language learner, and other relevant
20 categories.

21 NEW SECTION. **Sec. 55.** (1) Subject to the availability of
22 amounts appropriated for this specific purpose, the career connected
23 learning grant program is established as a competitive grant program
24 to advance the career connect Washington vision under section 54 of
25 this act. The employment security department shall administer the
26 program. The governor's office shall work with the employment
27 security department to establish grant criteria and guide the process
28 for selection with consultation from the career connected learning
29 cross-agency work group.

30 (2) The purpose of the career connected learning grant program is
31 to create career connected learning opportunities, including career
32 awareness and exploration, career preparation, and career launch
33 programs, that are both tailored to the local needs of students and
34 employers and designed so that students may receive high school or
35 college credit across industries and regions of the state to the
36 maximum extent possible.

37 (3) The program funds shall be used for two overarching purposes:

38 (a) Support regional career connected learning networks in both
39 rural and urban areas under subsection (5) of this section; and

1 (b) Support career connected learning program intermediaries
2 working within and across regions who partner with multiple
3 employers, labor partners, and educational institutions, work with
4 K-12 and postsecondary career representatives to develop curricula
5 for new and innovative programs, and scale existing career awareness
6 and exploration, career preparation, and endorsed career launch
7 programs.

8 (4) The program administrator shall consult with the governor's
9 office to develop a formal request for proposal for both the regional
10 career connected learning networks and the program intermediaries.

11 (5)(a) Proposals for regional career connected learning networks
12 and intermediaries may be sought from applicants within the
13 geographic areas of the nine educational service districts.
14 Successful applicants shall convene and manage regional, cross-
15 industry networks that will lead to the expansion of career connected
16 learning opportunities.

17 (b) Regional career connected learning network applicants must
18 demonstrate regional knowledge and status as a trusted partner of
19 industry and education stakeholders, a track record of success with
20 career connected learning and aligned initiatives, and a commitment
21 to equity. Regional career connected learning networks may include,
22 but are not limited to, regional education networks, school
23 districts, educational service districts, higher education
24 institutions, workforce development councils, chambers of commerce,
25 industry associations, joint labor management councils, multiemployer
26 training partnerships, economic development councils, and nonprofit
27 organizations.

28 (6) Eligible program intermediary applicants may include, but are
29 not limited to, new or existing industry associations, joint labor
30 management councils, regional networks, postsecondary education and
31 training institutions working with multiple employer partners, and
32 other community-based organizations and expanded learning partners.

33 (7) Program intermediaries must work with appropriate faculty and
34 staff at the state universities, the regional universities, and the
35 state college, and K-12 education representatives, to expand the
36 number of career launch program credits that may be articulated and
37 transferred to postsecondary degree programs.

38 (8) Subject to the availability of amounts appropriated for this
39 specific purpose, the employment security department, as the
40 administrator of the program, has the authority to utilize funds

deposited in the career connected learning account for the purposes of the program.

NEW SECTION. **Sec. 56.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Career awareness and exploration" means programs, activities, and events that provide early exposure to jobs and industries. "Career awareness and exploration" are structured programs that include job fairs, guest speakers, job shadows, job site tours, and other similar activities.

(2) "Career connected learning" means a learning experience that is integrated with work-related content and skills in the following three categories: (a) Career awareness and exploration; (b) career preparation; and (c) career launch.

(3)(a) "Career launch programs" means registered apprenticeships and programs that combine the following three elements:

(i) Supervised paid work experience;

(ii) Aligned classroom learning to academic and employer standards; and

(iii) Culmination in a valuable credential beyond a high school diploma or forty-five college credits towards a two-year or four-year postsecondary credential.

(b) "Career launch programs" include the elements in (a) of this subsection and may be achieved through, but are not limited to, one or more of the following:

(i) A state-approved career and technical education sequence of courses or program of study that include requirements in alignment with RCW 28A.700.030;

(ii) A qualifying degree or credential earned through a community or technical college or university.

(c) "Career launch programs" may be initiated in a secondary education system and completed in a postsecondary education system, or first year of paid employment, as long as all parties jointly plan the program.

(d) "Career launch programs" must be endorsed through the process created under section 54(1)(a) of this act.

(4) "Career preparation programs" means programs that give students hands-on skills and knowledge experience within a particular business, career track, or industry, and help prepare students to

work in a professional setting. "Career preparation programs" include career and technical education courses, on-site internships, preapprenticeship programs, and other similar opportunities.

(5) "Work group" means the career connected learning cross-agency work group established in section 53 of this act.

NEW SECTION. **Sec. 57.** Where applicable, career awareness and exploration, career connected learning, career launch programs, and career preparation programs are subject to RCW 49.12.121 and 49.12.123 regarding employing minors.

NEW SECTION. **Sec. 58.** The career connected learning account is created in the state treasury. All receipts from public or private sources provided for the purpose of funding grants under section 55 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for career connected learning grants.

NEW SECTION. **Sec. 59.** A new section is added to chapter 28A.700 RCW to read as follows:

(1) Beginning in the 2019-20 school year, to allow students to engage in learning outside of the school day or in a summer program, school districts shall be funded up to one and two-tenths full-time equivalents for career launch programs, as defined in section 56 of this act.

(2) The office of the superintendent of public instruction shall develop procedures to ensure that school districts do not report any student for more than one and two-tenths full-time equivalent students, combining both the student's high school enrollment and career launch enrollment.

Sec. 60. RCW 28C.18.060 and 2017 c 39 s 4 are each amended to read as follows:

The board, in cooperation with the operating agencies of the state training system and private career schools and colleges, shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system;

1 (2) Advocate for the state training system and for meeting the
2 needs of employers and the workforce for workforce education and
3 training;

4 (3) Establish and maintain an inventory of the programs of the
5 state training system, and related state programs, and perform a
6 biennial assessment of the vocational education, training, and adult
7 basic education and literacy needs of the state; identify ongoing and
8 strategic education needs; and assess the extent to which employment,
9 training, vocational and basic education, rehabilitation services,
10 and public assistance services represent a consistent, integrated
11 approach to meet such needs;

12 (4) Develop and maintain a state comprehensive plan for workforce
13 training and education, including but not limited to, goals,
14 objectives, and priorities for the state training system, and review
15 the state training system for consistency with the state
16 comprehensive plan. In developing the state comprehensive plan for
17 workforce training and education, the board shall use, but shall not
18 be limited to: Economic, labor market, and populations trends reports
19 in office of financial management forecasts; joint office of
20 financial management and employment security department labor force,
21 industry employment, and occupational forecasts; the results of
22 scientifically based outcome, net-impact and cost-benefit
23 evaluations; the needs of employers as evidenced in formal employer
24 surveys and other employer input; and the needs of program
25 participants and workers as evidenced in formal surveys and other
26 input from program participants and the labor community;

27 (5) In consultation with the student achievement council, review
28 and make recommendations to the office of financial management and
29 the legislature on operating and capital facilities budget requests
30 for operating agencies of the state training system for purposes of
31 consistency with the state comprehensive plan for workforce training
32 and education;

33 (6) Provide for coordination among the different operating
34 agencies and components of the state training system at the state
35 level and at the regional level;

36 (7) Develop a consistent and reliable database on vocational
37 education enrollments, costs, program activities, and job placements
38 from publicly funded vocational education programs in this state;

39 (8)(a) Establish standards for data collection and maintenance
40 for the operating agencies of the state training system in a format

1 that is accessible to use by the board. The board shall require a
2 minimum of common core data to be collected by each operating agency
3 of the state training system;

4 (b) Develop requirements for minimum common core data in
5 consultation with the office of financial management and the
6 operating agencies of the training system;

7 (9) Establish minimum standards for program evaluation for the
8 operating agencies of the state training system, including, but not
9 limited to, the use of common survey instruments and procedures for
10 measuring perceptions of program participants and employers of
11 program participants, and monitor such program evaluation;

12 (10) Every two years administer scientifically based outcome
13 evaluations of the state training system, including, but not limited
14 to, surveys of program participants, surveys of employers of program
15 participants, and matches with employment security department payroll
16 and wage files. Every five years administer scientifically based net-
17 impact and cost-benefit evaluations of the state training system;

18 (11) In cooperation with the employment security department,
19 provide for the improvement and maintenance of quality and utility in
20 occupational information and forecasts for use in training system
21 planning and evaluation. Improvements shall include, but not be
22 limited to, development of state-based occupational change factors
23 involving input by employers and employees, and delineation of skill
24 and training requirements by education level associated with current
25 and forecasted occupations;

26 (12) Provide for the development of common course description
27 formats, common reporting requirements, and common definitions for
28 operating agencies of the training system;

29 (13) Provide for effectiveness and efficiency reviews of the
30 state training system;

31 (14) In cooperation with the student achievement council,
32 facilitate transfer of credit policies and agreements between
33 institutions of the state training system, and encourage articulation
34 agreements for programs encompassing two years of secondary workforce
35 education and two years of postsecondary workforce education;

36 (15) In cooperation with the student achievement council,
37 facilitate transfer of credit policies and agreements between private
38 training institutions and institutions of the state training system;

39 (16) Develop policy objectives for the workforce innovation and
40 opportunity act, P.L. 113-128, or its successor; develop coordination

1 criteria for activities under the act with related programs and
2 services provided by state and local education and training agencies;
3 and ensure that entrepreneurial training opportunities are available
4 through programs of each local workforce development board in the
5 state;

6 (17) Ensure that the expansion of K-12 and postsecondary
7 opportunities for career connected learning, as defined in section 56
8 of this act, is incorporated into the state plan adopted for the
9 purposes of the Carl D. Perkins career and technical education
10 improvement act, P.L. 109-270;

11 (18) Make recommendations to the commission of student
12 assessment, the state board of education, and the superintendent of
13 public instruction, concerning basic skill competencies and essential
14 core competencies for K-12 education. Basic skills for this purpose
15 shall be reading, writing, computation, speaking, and critical
16 thinking, essential core competencies for this purpose shall be
17 English, math, science/technology, history, geography, and critical
18 thinking. The board shall monitor the development of and provide
19 advice concerning secondary curriculum which integrates vocational
20 and academic education;

21 ((+18+)) (19) Establish and administer programs for marketing and
22 outreach to businesses and potential program participants;

23 ((+19+)) (20) Facilitate the location of support services,
24 including but not limited to, child care, financial aid, career
25 counseling, and job placement services, for students and trainees at
26 institutions in the state training system, and advocate for support
27 services for trainees and students in the state training system;

28 ((+20+)) (21) Facilitate private sector assistance for the state
29 training system, including but not limited to: Financial assistance,
30 rotation of private and public personnel, and vocational counseling;

31 ((+21+)) (22) Facilitate the development of programs for school-
32 to-work transition that combine classroom education and on-the-job
33 training, including entrepreneurial education and training, in
34 industries and occupations without a significant number of
35 apprenticeship programs;

36 ((+22+)) (23) Include in the planning requirements for local
37 workforce development boards a requirement that the local workforce
38 development boards specify how entrepreneurial training is to be
39 offered through the one-stop system required under the workforce
40 innovation and opportunity act, P.L. 113-128, or its successor;

1 ~~((23))~~ (24) Encourage and assess progress for the equitable
2 representation of racial and ethnic minorities, women, and people
3 with disabilities among the students, teachers, and administrators of
4 the state training system. Equitable, for this purpose, shall mean
5 substantially proportional to their percentage of the state
6 population in the geographic area served. This function of the board
7 shall in no way lessen more stringent state or federal requirements
8 for representation of racial and ethnic minorities, women, and people
9 with disabilities;

10 ~~((24))~~ (25) Participate in the planning and policy development
11 of governor set-aside grants under P.L. 97-300, as amended;

12 ~~((25))~~ (26) Administer veterans' programs, licensure of private
13 vocational schools, the job skills program, and the Washington award
14 for vocational excellence;

15 ~~((26))~~ (27) Allocate funding from the state job training trust
16 fund;

17 ~~((27))~~ (28) Work with the director of commerce to ensure
18 coordination among workforce training priorities and economic
19 development and entrepreneurial development efforts, including but
20 not limited to assistance to industry clusters;

21 ~~((28))~~ (29) Conduct research into workforce development
22 programs designed to reduce the high unemployment rate among young
23 people between approximately eighteen and twenty-four years of age.
24 In consultation with the operating agencies, the board shall advise
25 the governor and legislature on policies and programs to alleviate
26 the high unemployment rate among young people. The research shall
27 include disaggregated demographic information and, to the extent
28 possible, income data for adult youth. The research shall also
29 include a comparison of the effectiveness of programs examined as a
30 part of the research conducted in this subsection in relation to the
31 public investment made in these programs in reducing unemployment of
32 young adults. The board shall report to the appropriate committees of
33 the legislature by November 15, 2008, and every two years thereafter.
34 Where possible, the data reported to the legislative committees
35 should be reported in numbers and in percentages;

36 ~~((29))~~ (30) Adopt rules as necessary to implement this chapter.

37 The board may delegate to the director any of the functions of
38 this section.

39 **4. WASHINGTON STATE OPPORTUNITY SCHOLARSHIP**

Sec. 61. RCW 28B.145.005 and 2018 c 209 s 5 and 2018 c 114 s 1 are each reenacted and amended to read as follows:

The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to: Help mitigate the impact of tuition increases((7)); increase the number of professional-technical certificates, professional-technical degrees, ~~((and))~~ baccalaureate degrees in high employer demand and other programs, and advanced degrees in health professions ~~((needed in service obligation areas,7))~~; and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

Sec. 62. RCW 28B.145.010 and 2018 c 254 s 9, 2018 c 209 s 6, and 2018 c 114 s 2 are each reenacted and amended to read as follows:

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

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

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

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

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

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

1 (6) "Eligible expenses" means reasonable expenses associated with
2 the costs of acquiring an education such as tuition, books,
3 equipment, fees, room and board, and other expenses as determined by
4 the program administrator in consultation with the council and the
5 state board for community and technical colleges.

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

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

11 (a)(i) Has been accepted at a four-year institution of higher
12 education into an eligible education program leading to a
13 baccalaureate degree;

14 (ii) Will attend a two-year institution of higher education and
15 intends to transfer to an eligible education program at a four-year
16 institution of higher education;

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

20 (iv) Has been accepted at an institution of higher education into
21 a professional-technical certificate program in an eligible education
22 program; or

23 (v) Has been accepted at an institution of higher education into
24 an eligible advanced degree program ~~((and has agreed to the service
25 obligation established by the board))~~ that leads to credentials in
26 health professions;

27 (b) Declares an intention to obtain a professional-technical
28 certificate, professional-technical degree, ~~((or))~~ baccalaureate
29 degree~~((or))~~, or an advanced degree; and

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

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

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

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

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

9 (12) "Private sources," "private funds," "private contributions,"
10 or "private sector contributions" means donations from private
11 organizations, corporations, federally recognized Indian tribes,
12 municipalities, counties, and other sources, but excludes state
13 dollars.

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

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

22 ~~((14))~~ (15) "Program administrator" means a private nonprofit
23 corporation registered under Title 24 RCW and qualified as a tax-
24 exempt entity under section 501(c)(3) of the federal internal revenue
25 code.

26 ~~((15))~~ (16) "Resident student" has the same meaning as provided
27 in RCW 28B.15.012.

28 ~~((16))~~ (17) "Rural jobs program" means the rural county high
29 employer demand jobs program created in this chapter.

30 ~~((17)) "Service obligation" means an obligation by the~~
31 ~~participant to be employed in a service obligation area in the state~~
32 ~~for a specific period to be established by the board.~~

33 ~~(18) "Service obligation area" means a location that meets one of~~
34 ~~the following conditions:~~

35 ~~(a) Has been designated by the council as an eligible site under~~
36 ~~the health professional conditional scholarship program established~~
37 ~~under chapter 28B.115 RCW;~~

38 ~~(b) Serves at least forty percent uninsured or medicaid enrolled~~
39 ~~patients;~~

1 ~~(c) Is located in a rural county as defined in RCW 82.14.370 and~~
2 ~~serves a combination of uninsured, medicaid enrolled patients, and~~
3 ~~medicare enrolled patients, equal to at least forty percent of the~~
4 ~~practice location's total patients; or~~

5 ~~(d) Serves a public agency, nonprofit organization, or local~~
6 ~~health jurisdiction as defined in RCW 43.70.575 by providing public~~
7 ~~health services necessary to preserve, protect, and promote the~~
8 ~~health of the state's population, as determined by the board after~~
9 ~~consultation with the department of health.))~~

10 **Sec. 63.** RCW 28B.145.020 and 2018 c 254 s 2, 2018 c 209 s 7, and
11 2018 c 114 s 3 are each reenacted and amended to read as follows:

12 (1) The opportunity scholarship board is created. The board
13 consists of eleven members:

14 (a) Six members appointed by the governor. For three of the six
15 appointments, the governor shall consider names from a list provided
16 by the president of the senate and the speaker of the house of
17 representatives; and

18 (b) Five foundation or business and industry representatives
19 appointed by the governor from among the state's most productive
20 industries such as aerospace, manufacturing, health care, information
21 technology, engineering, agriculture, and others, as well as
22 philanthropy. The foundation or business and industry representatives
23 shall be selected from among nominations provided by the private
24 sector donors to the opportunity scholarship and opportunity
25 expansion programs. However, the governor may request, and the
26 private sector donors shall provide, an additional list or lists from
27 which the governor shall select these representatives.

28 (2) Board members shall hold their offices for a term of four
29 years from the first day of September and until their successors are
30 appointed. No more than the terms of two members may expire
31 simultaneously on the last day of August in any one year.

32 (3) The members of the board shall elect one of the business and
33 industry representatives to serve as chair.

34 (4) Seven members of the board constitute a quorum for the
35 transaction of business. In case of a vacancy, or when an appointment
36 is made after the date of expiration of the term, the governor or the
37 president of the senate or the speaker of the house of
38 representatives, depending upon which made the initial appointment to

1 that position, shall fill the vacancy for the remainder of the term
2 of the board member whose office has become vacant or expired.

3 (5) The board shall be staffed by a program administrator, under
4 contract with the board and the council.

5 (6) The purpose of the board is to provide oversight and guidance
6 for the opportunity expansion (~~(([program]))~~) program, the opportunity
7 scholarship program(~~(s—[program])~~), and the rural jobs program, in
8 light of established legislative priorities and to fulfill the duties
9 and responsibilities under this chapter, including but not limited to
10 determining eligible education programs and eligible advanced degree
11 programs for purposes of the opportunity scholarship program and
12 rural jobs program. In determining eligible advanced degree programs,
13 the board shall consider advanced degree programs that lead to
14 credentials in health professions that include, but are not limited
15 to, primary care, dental care, behavioral health, and public health.
16 Duties, exercised jointly with the program administrator, include
17 soliciting funds and setting annual fund-raising goals.

18 (7) The board may report to the governor and the appropriate
19 committees of the legislature with recommendations as to:

20 (a) Whether some or all of the scholarships should be changed to
21 conditional scholarships that must be repaid in the event the
22 participant does not complete the eligible education program;

23 (b) A source or sources of funds for the opportunity expansion
24 program in addition to the voluntary contributions of the high-
25 technology research and development tax credit under RCW 82.32.800;
26 and

27 (c) Whether the program should include a loan repayment or low-
28 interest or no-interest loan component for the advanced degree
29 portion of the program.

30 ~~((8) The board shall report to the governor and the appropriate~~
31 ~~committees of the legislature by December 1st of each biennium,~~
32 ~~beginning December 1, 2019, on the following:~~

33 ~~(a) A list of the eligible advanced degree programs and service~~
34 ~~obligation areas;~~

35 ~~(b) The number of participants in eligible advanced degree~~
36 ~~programs, the number of participants completing their service~~
37 ~~obligations in a service obligation area, and the number of~~
38 ~~participants who have completed their service obligation; and~~

1 ~~(c) The number of participants who did not complete their service~~
2 ~~obligation who now owe a repayment obligation and the reasons why the~~
3 ~~participants did not complete their service obligations.))~~

4 **Sec. 64.** RCW 28B.145.030 and 2018 c 209 s 8, 2018 c 204 s 2, and
5 2018 c 114 s 4 are each reenacted and amended to read as follows:

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

17 (2) With respect to the opportunity scholarship program, the
18 program administrator shall:

19 (a) Establish and manage ~~((three—separate))~~ the specified
20 accounts created in (b) of this subsection, into which to receive
21 grants and contributions from private sources as well as state
22 matching funds, and from which to disburse scholarship funds to
23 participants;

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

29 (i) The "scholarship account," whose principal may be invaded,
30 and from which scholarships must be disbursed for baccalaureate
31 programs beginning no later than December 1, 2011, if, by that date,
32 state matching funds in the amount of five million dollars or more
33 have been received. Thereafter, scholarships shall be disbursed on an
34 annual basis beginning no later than May 1, 2012, and every October
35 1st thereafter;

36 (ii) The "student support pathways account," whose principal may
37 be invaded, and from which scholarships may be disbursed for
38 professional-technical certificate or degree programs in the fiscal

1 year following appropriations of state matching funds. Thereafter,
2 scholarships shall be disbursed on an annual basis;

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

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

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

13 (B) The state appropriations for the ~~((state need))~~ Washington
14 college grant program under chapter 28B.92 RCW ~~((28B.92.010))~~ meet or
15 exceed state appropriations for the state need grant made in the
16 2011-2013 biennium, adjusted for inflation, and eligibility for
17 ~~((state need))~~ Washington college grant recipients is at least
18 seventy percent of state median family income;

19 (v) An amount equal to at least fifty percent of all grants and
20 contributions must be deposited into the scholarship account until
21 such time as twenty million dollars have been deposited into the
22 scholarship account, after which time the private donors may
23 designate whether their contributions must be deposited to the
24 scholarship account, the student support pathways account, the
25 advanced degrees pathways account, or the endowment account~~((s))~~. The
26 board and the program administrator must work to maximize private
27 sector contributions to ~~((the scholarship account, the student~~
28 ~~support pathways account, the advanced degrees pathways account, and~~
29 ~~the endowment account,))~~ these accounts to maintain a robust
30 scholarship program while simultaneously building the endowment, and
31 to determine the division between the ~~((scholarship, the student~~
32 ~~support pathways, the advanced degrees pathways, and the endowment))~~
33 accounts in the case of undesignated grants and contributions, taking
34 into account the need for a long-term funding mechanism and the
35 short-term needs of families and students in Washington. The first
36 five million dollars in state match, as provided in RCW 28B.145.040,
37 shall be deposited into the scholarship account and thereafter the
38 state match shall be deposited into the ~~((three))~~ specified accounts
39 created in this subsection (2)(b) in equal proportion to the private
40 funds deposited in each account, except that no more than one million

dollars in state match shall be deposited into the advanced degrees pathways account in a single fiscal biennium; and

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

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

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

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

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

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

(h) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or

1 to encourage participation in professional-technical certificate
2 programs, professional-technical degree programs, ~~((e))~~
3 baccalaureate degree programs, or eligible advanced degree programs
4 identified by the board;

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

19 ~~((i))~~ (j) Notify institutions of scholarship recipients who
20 will attend their institutions and inform them of the terms of the
21 students' eligibility; and

22 ~~((j) Establish a required service obligation))~~ (k) For
23 participants enrolled in an eligible advanced degree program, ~~((and~~
24 ~~establish a process for verifying a))~~ document each participant's
25 employment ~~((in a service obligation area; and~~

26 ~~(k) Establish a repayment obligation and appeals process for~~
27 ~~participants who serve less than the required service obligation,~~
28 ~~unless the program administrator determines the circumstances are~~
29 ~~beyond the participant's control. If the participant is unable to pay~~
30 ~~the repayment obligation in full, the participant may enter into~~
31 ~~payment arrangements with the program administrator. The program~~
32 ~~administrator is responsible for the collection of repayment~~
33 ~~obligations on behalf of participants who fail to complete their~~
34 ~~service obligation))~~ following graduation.

35 (3) With respect to the opportunity expansion program, the
36 program administrator shall:

37 (a) Assist the board in developing and implementing an
38 application, selection, and notification process for making
39 opportunity expansion awards; and

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

Sec. 65. RCW 28B.145.040 and 2018 c 209 s 9 and 2018 c 114 s 5 are each reenacted and amended to read as follows:

(1) The opportunity scholarship program is established.

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

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

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

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

(c) A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014,

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

6 **Sec. 66.** RCW 28B.145.090 and 2018 c 254 s 3, 2018 c 209 s 10,
7 and 2018 c 114 s 6 are each reenacted and amended to read as follows:

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

19 (2) All investments made by the state investment board shall be
20 made with the exercise of that degree of judgment and care under RCW
21 43.33A.140 and the investment policy established by the state
22 investment board.

23 (3) As deemed appropriate by the state investment board, money in
24 the scholarship account, the student support pathways account, the
25 advanced degrees pathways account, and the endowment account may be
26 commingled for investment with other funds subject to investment by
27 the state investment board.

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

31 (5) Members of the state investment board are not liable to the
32 state, to the fund, or to any other person as a result of their
33 activities as members, whether ministerial or discretionary, except
34 for willful dishonesty or intentional violations of law. The state
35 investment board in its discretion may purchase liability insurance
36 for members.

37 (6) The authority to establish all policies relating to the
38 scholarship account, the student support pathways account, the
39 advanced degrees pathways account, and the endowment account, other

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

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

14 NEW SECTION. **Sec. 67.** A new section is added to chapter 28B.145
15 RCW to read as follows:

16 The office of student financial assistance and the institutions
17 of higher education may not consider awards made under the
18 opportunity scholarship program to be state-funded for the purpose of
19 determining the value of an award for other state financial aid
20 programs.

21 **5. WORKING CONNECTIONS CHILD CARE PROGRAM**

22 NEW SECTION. **Sec. 68.** (1) The legislature recognizes the
23 following:

24 (a) In Washington, over forty-six thousand community and
25 technical college students, which represents twenty-three percent of
26 all community and technical college students in the state, are
27 parents of dependent children. Student parents represent more than
28 one-quarter of community and technical college students in Washington
29 who receive financial aid. Financial assistance however, does not
30 sufficiently cover many student parents' college expenses.

31 (b) Caregiving demands affect student parents' ability to devote
32 the time needed to succeed in school. Nearly three-quarters of women
33 community college students living with dependents report spending
34 over twenty hours per week caring for dependents. Many of these
35 students report that care demands are likely to lead them to drop
36 out: Forty-three percent of women and thirty-seven percent of men at

1 two-year institutions who live with children say they are likely or
2 very likely to withdraw from college to care for dependents.

3 (c) In addition, child care costs represent a large financial
4 burden for parents who are in college. The annual cost of full-time,
5 center-based infant care averages over thirteen thousand dollars in
6 Washington. Given the financial pressures experienced by student
7 parents, both married and single, assistance with paying for quality
8 child care services could dramatically improve their ability to make
9 ends meet and complete their higher education programs.

10 (d) Work requirements imposed on student parents as a condition
11 for receiving child care assistance can have negative consequences
12 for parents in education or job training. Students working more than
13 fifteen hours per week achieve significantly lower college attainment
14 compared with those who work fewer hours. Nationally, fifty-eight
15 percent of community college student parents who work fifteen or more
16 hours per week leave school without earning a credential within six
17 years of enrollment, compared with forty-eight percent who work less
18 than fifteen hours per week.

19 (2) Therefore, the legislature intends to improve access and
20 completion rates of student parents enrolled in community and
21 technical colleges by reducing existing restrictions to subsidized
22 child care.

23 **Sec. 69.** RCW 43.216.135 and 2018 c 52 s 6 are each amended to
24 read as follows:

25 (1) The department shall establish and implement policies in the
26 working connections child care program to promote stability and
27 quality of care for children from low-income households. These
28 policies shall focus on supporting school readiness for young
29 learners. Policies for the expenditure of funds constituting the
30 working connections child care program must be consistent with the
31 outcome measures established by the department and the standards
32 established in this section intended to promote stability, quality,
33 and continuity of early care and education programming.

34 (2) As recommended by Public Law 113-186, authorizations for the
35 working connections child care subsidy shall be effective for twelve
36 months beginning July 1, 2016, unless an earlier date is provided in
37 the omnibus appropriations act.

(3) Existing child care providers serving nonschool-age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:

(a) Enroll in the early achievers program by August 1, 2016;

(b) Complete level 2 activities in the early achievers program by August 1, 2017; and

(c) Rate at a level 3 or higher in the early achievers program by December 31, 2019. If a child care provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with the department, and rate at a level 3 or higher no later than June 30, 2020.

(4) Effective July 1, 2016, a new child care provider serving nonschool-age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:

(a) Enroll in the early achievers program within thirty days of receiving the initial state subsidy payment;

(b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and

(c) Rate at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider rates below a level 3 within thirty months from enrollment into the early achievers program, the provider must complete remedial activities with the department, and rate at a level 3 or higher within six months of beginning remedial activities.

(5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.

(6) If a child care provider serving nonschool-age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

(7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

(8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

1 (9)(a) The department shall establish and implement policies in
2 the working connections child care program to allow eligibility for
3 families with children who:

4 (i) In the last six months have:

5 (A) Received child protective services as defined and used by
6 chapters 26.44 and 74.13 RCW;

7 (B) Received child welfare services as defined and used by
8 chapter 74.13 RCW; or

9 (C) Received services through a family assessment response as
10 defined and used by chapter 26.44 RCW;

11 (ii) Have been referred for child care as part of the family's
12 case management as defined by RCW 74.13.020; and

13 (iii) Are residing with a biological parent or guardian.

14 (b) Children who are eligible for working connections child care
15 pursuant to this subsection do not have to keep receiving services
16 identified in this subsection to maintain twelve-month authorization.
17 The department of social and health services' involvement with the
18 family referred for working connections child care ends when the
19 family's child protective services, child welfare services, or family
20 assessment response case is closed.

21 (10)(a) Beginning August 1, 2020, the department may not require
22 an applicant or consumer to meet work requirements as a condition of
23 receiving working connections child care benefits when the applicant
24 or consumer is:

25 (i) A single parent;

26 (ii) A full-time student of a community, technical, or tribal
27 college; and

28 (iii) Pursuing vocational education that leads to a degree or
29 certificate in a specific occupation, not to result in a bachelor's
30 or advanced degree.

31 (b) An applicant or consumer is a full-time student for the
32 purposes of this subsection if he or she meets the college's
33 definition of a full-time student. The student must maintain passing
34 grades and be in good standing pursuant to college attendance
35 requirements.

36 (c) Nothing in this subsection is intended to change how
37 applicants or consumers are prioritized when applicants or consumers
38 are placed on a wait list for working connections child care
39 benefits.

1 **Sec. 70.** RCW 43.216.135 and 2019 c ... (Second Substitute House
2 Bill No. 1303) s 2 are each amended to read as follows:

3 (1) The department shall establish and implement policies in the
4 working connections child care program to promote stability and
5 quality of care for children from low-income households. These
6 policies shall focus on supporting school readiness for young
7 learners. Policies for the expenditure of funds constituting the
8 working connections child care program must be consistent with the
9 outcome measures established by the department and the standards
10 established in this section intended to promote stability, quality,
11 and continuity of early care and education programming.

12 (2) As recommended by Public Law 113-186, authorizations for the
13 working connections child care subsidy shall be effective for twelve
14 months beginning July 1, 2016, unless an earlier date is provided in
15 the omnibus appropriations act.

16 (3) Existing child care providers serving nonschool-age children
17 and receiving state subsidy payments must complete the following
18 requirements to be eligible for a state subsidy under this section:

19 (a) Enroll in the early achievers program by August 1, 2016;

20 (b) Complete level 2 activities in the early achievers program by
21 August 1, 2017; and

22 (c) Rate at a level 3 or higher in the early achievers program by
23 December 31, 2019. If a child care provider rates below a level 3 by
24 December 31, 2019, the provider must complete remedial activities
25 with the department, and rate at a level 3 or higher no later than
26 June 30, 2020.

27 (4) Effective July 1, 2016, a new child care provider serving
28 nonschool-age children and receiving state subsidy payments must
29 complete the following activities to be eligible to receive a state
30 subsidy under this section:

31 (a) Enroll in the early achievers program within thirty days of
32 receiving the initial state subsidy payment;

33 (b) Complete level 2 activities in the early achievers program
34 within twelve months of enrollment; and

35 (c) Rate at a level 3 or higher in the early achievers program
36 within thirty months of enrollment. If a child care provider rates
37 below a level 3 within thirty months from enrollment into the early
38 achievers program, the provider must complete remedial activities
39 with the department, and rate at a level 3 or higher within six
40 months of beginning remedial activities.

(5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.

(6) If a child care provider serving nonschool-age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.

(7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.

(8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.

(9)(a) The department shall establish and implement policies in the working connections child care program to allow eligibility for families with children who:

(i) In the last six months have:

(A) Received child protective services as defined and used by chapters 26.44 and 74.13 RCW;

(B) Received child welfare services as defined and used by chapter 74.13 RCW; or

(C) Received services through a family assessment response as defined and used by chapter 26.44 RCW;

(ii) Have been referred for child care as part of the family's case management as defined by RCW 74.13.020; and

(iii) Are residing with a biological parent or guardian.

(b) Children who are eligible for working connections child care pursuant to this subsection do not have to keep receiving services identified in this subsection to maintain twelve-month authorization. The department of social and health services' involvement with the family referred for working connections child care ends when the family's child protective services, child welfare services, or family assessment response case is closed.

(10)(a) Beginning August 1, 2020, the department may not require an applicant or consumer to meet work requirements as a condition of receiving working connections child care benefits when the applicant or consumer is:

(i) A single parent;

(ii) A full-time student of a community, technical, or tribal college; and

~~((ii))~~ (iii) Pursuing ~~((a certificate in nursing, early childhood education, a mental health profession, or paraeducation))~~ vocational education that leads to a degree or certificate in a specific occupation, not to result in a bachelor's or advanced degree.

(b) An applicant or consumer is a full-time student for the purposes of this subsection if he or she meets the college's definition of a full-time student. The student must ~~((be maintaining))~~ maintain passing grades and be in good standing pursuant to college attendance requirements.

(c) Nothing in this subsection is intended to change how applicants or consumers are prioritized when applicants or consumers are placed on a wait list for working connections child care benefits.

NEW SECTION. **Sec. 71.** A new section is added to chapter 28B.50
RCW to read as follows:

Nothing in RCW 43.216.135 requires a community or technical college to expand any of its existing child care facilities. Any additional child care services provided by a community or technical college as a result of RCW 43.216.135 must be provided within existing resources and existing facilities.

PART V

WORKFORCE EDUCATION INVESTMENT ASSESSMENT

NEW SECTION. **Sec. 72.** A new section is added to chapter 82.04
RCW to read as follows:

The legislature intends the provisions of this act to be applied broadly in favor of application of the surcharges. To achieve this intent, any provision within this act that is deemed to be ambiguous by a court of competent jurisdiction, the board of tax appeals, or any other judicial or administrative body, should be construed in favor of application of the surcharges.

(1) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of

1 tax payable by the person on business activities taxed under RCW
2 82.04.290(2), including any additional tax due resulting from any
3 other surcharges on such business activities, but before application
4 of any tax credits, multiplied by the rate of twenty percent.

5 (2) For the purposes of this section, "specified person" means a
6 person who is not subject to the surcharge under subsection (4) of
7 this section and who is primarily engaged within this state in any
8 combination of the following activities:

9 (a) Computer software publishing or publishing and reproduction.
10 Establishments in this industry carry out operations necessary for
11 producing and distributing computer software, such as designing,
12 providing documentation, assisting in installation, and providing
13 support services to software purchasers. These establishments may
14 design, develop, and publish, or publish only. These establishments
15 may publish and distribute software remotely through subscriptions
16 and downloads;

17 (b) Conducting original investigation undertaken on a systematic
18 basis to gain new knowledge or the application of research findings
19 or other scientific knowledge for the creation of new or
20 significantly improved products or processes. Techniques may include
21 modeling and simulation. The industries within this industry group
22 are defined on the basis of the domain of research and on scientific
23 expertise of the establishment;

24 (c) Putting capital at risk in the process of underwriting
25 securities issues or in making markets for securities and commodities
26 and those acting as agents or brokers between buyers and sellers of
27 securities and commodities, usually charging a commission;

28 (d) Providing expertise in the field of information technologies
29 through one or more of the following activities: (i) Writing,
30 modifying, testing, and supporting computer software to meet the
31 needs of a particular customer; (ii) planning and designing computer
32 systems that integrate computer hardware, computer software, and
33 communication technologies; (iii) on-site management and operation of
34 clients' computer systems and data processing facilities; or (iv)
35 other professional and technical computer-related advice and
36 services;

37 (e) Performing central banking functions, such as issuing
38 currency, managing the nation's money supply and international
39 reserves, holding deposits that represent the reserves of other banks

1 and other central banks, and acting as a fiscal agent for the central
2 government;

3 (f) (i) Purchasing access and network capacity from owners and
4 operators of telecommunications networks and reselling wired and
5 wireless telecommunications services, except satellite, to businesses
6 and households; (ii) providing specialized telecommunications
7 services, such as satellite tracking, communications telemetry, and
8 radar station operation; (iii) providing satellite terminal stations
9 and associated facilities connected with one or more terrestrial
10 systems and capable of transmitting telecommunications to, and
11 receiving telecommunications from, satellite systems; or (iv)
12 providing internet access services or voice over internet protocol
13 services via client-supplied telecommunications connections.
14 Establishments in this industry do not operate as telecommunications
15 carriers. Mobile virtual network operators are included in this
16 industry;

17 (g) (i) Acting as principals in buying or selling financial
18 contracts, except investment bankers, securities dealers, and
19 commodity contracts dealers; (ii) acting as agents or brokers, except
20 securities brokerages and commodity contracts brokerages, in buying
21 or selling financial contracts; or (iii) providing other investment
22 services except securities and commodity exchanges, such as portfolio
23 management, investment advice, and trust, fiduciary, and custody
24 services;

25 (h) Supplying information, such as news reports, articles,
26 pictures, and features, to the news media. This industry comprises
27 establishments primarily engaged in providing library or archive
28 services. These establishments are engaged in maintaining collections
29 of documents and facilitating the use of these documents as required
30 to meet the informational, research, educational, or recreational
31 needs of their user. These establishments may also acquire, research,
32 store, preserve, and generally make accessible to the public
33 historical documents, photographs, maps, audio material, audiovisual
34 material, and other archival material of historical interest. All or
35 portions of these collections may be accessible electronically. This
36 industry comprises establishments engaged in: (i) Publishing and
37 broadcasting content on the internet exclusively; or (ii) operating
38 web sites that use a search engine to generate and maintain extensive
39 databases of internet addresses and content in an easily searchable
40 format, known as web search portals. The publishing and broadcasting

1 establishments in this industry do not provide traditional versions
2 of the content they publish or broadcast. They provide textual,
3 audio, or video content of general or specific interest on the
4 internet exclusively. Establishments known as web search portals
5 often provide additional internet services, such as email,
6 connections to other web sites, auctions, news, and other limited
7 content, and serve as a home base for internet users. This industry
8 comprises establishments primarily engaged in providing other
9 information services, except news syndicates, libraries, archives,
10 internet publishing and broadcasting, and web search portals;

11 (i) Architectural, engineering, and related services, such as
12 drafting services, building inspection services, geophysical
13 surveying and mapping services, surveying and mapping, except
14 geophysical services and testing services;

15 (j) Retailing all types of merchandise using nonstore means, such
16 as catalogs, toll-free telephone numbers, electronic media, such as
17 interactive television or the internet, or selling directly to
18 consumers in a nonretail, physical environment. Included in this
19 industry are establishments primarily engaged in retailing from
20 catalog showrooms of mail-order houses;

21 (k) Providing advice and assistance to businesses and other
22 organizations on management, environmental, scientific, and technical
23 issues;

24 (l) Providing infrastructure for hosting or data processing
25 services. These establishments may provide specialized hosting
26 activities, such as web hosting, streaming services, or application
27 hosting, or they may provide general time-share mainframe facilities
28 to clients. Data processing establishments provide complete
29 processing and specialized reports from data supplied by clients or
30 provide automated data processing and data entry services;

31 (m) Facilitating credit intermediation by performing activities,
32 such as arranging loans by bringing borrowers and lenders together
33 and clearing checks and credit card transactions;

34 (n) Offering legal services, such as those offered by offices of
35 lawyers, offices of notaries, and title abstract and settlement
36 offices, and paralegal services;

37 (o) Operating or providing access to transmission facilities and
38 infrastructure that they own or lease for the transmission of voice,
39 data, text, sound, and video using wired telecommunications networks.
40 Transmission facilities may be based on a single technology or a

1 combination of technologies. Establishments in this industry use the
2 wired telecommunications network facilities that they operate to
3 provide a variety of services, such as wired telephony services,
4 including voice over internet protocol services, wired audio and
5 video programming distribution, and wired broadband internet
6 services. By exception, establishments providing satellite television
7 distribution services using facilities and infrastructure that they
8 operate are included in this industry;

9 (p) Providing telecommunications services to other establishments
10 in the telecommunications and broadcasting industries by forwarding
11 and receiving communications signals via a system of satellites or
12 reselling satellite telecommunications;

13 (q) Operating and maintaining switching and transmission
14 facilities to provide communications via the airwaves. Establishments
15 in this industry have spectrum licenses and provide services using
16 that spectrum, such as cellular phone services, paging services,
17 wireless internet access, and wireless video services;

18 (r) Extending credit or lending funds raised by credit market
19 borrowing, such as issuing commercial paper or other debt instruments
20 or by borrowing from other financial intermediaries;

21 (s) Underwriting annuities and insurance policies and investing
22 premiums to build up a portfolio of financial assets to be used
23 against future claims. Direct insurance carriers are establishments
24 that are primarily engaged in initially underwriting and assuming the
25 risk of annuities and insurance policies. Reinsurance carriers are
26 establishments that are primarily engaged in assuming all or part of
27 the risk associated with an existing insurance policy originally
28 underwritten by another insurance carrier. Industries are defined in
29 terms of the type of risk being insured against, such as death, loss
30 of employment because of age or disability, or property damage.
31 Contributions and premiums are set on the basis of actuarial
32 calculations of probable payouts based on risk factors from
33 experience tables and expected investment returns on reserves;

34 (t) Merchant wholesale distribution of photographic equipment and
35 supplies and office, computer, and computer peripheral equipment and
36 medical, dental, hospital, ophthalmic, and other commercial and
37 professional equipment and supplies;

38 (u) Operating studios and facilities for the broadcasting of
39 programs on a subscription or fee basis. The broadcast programming is
40 typically narrowcast in nature. These establishments produce

1 programming in their own facilities or acquire programming from
2 external sources. The programming material is usually delivered to a
3 third party, such as cable systems or direct-to-home satellite
4 systems, for transmission to viewers;

5 (v) Publishing newspapers, magazines, other periodicals, books,
6 directories and mailing lists, and other works, such as calendars,
7 greeting cards, and maps. These works are characterized by the
8 intellectual creativity required in their development and are usually
9 protected by copyright. Publishers distribute or arrange for the
10 distribution of these works. Publishing establishments may create the
11 works in-house, or contract for, purchase, or compile works that were
12 originally created by others. These works may be published in one or
13 more formats, such as print or electronic form, including proprietary
14 electronic networks. Establishments in this industry may print,
15 reproduce, or offer direct access to the works themselves or may
16 arrange with others to carry out such functions. Establishments that
17 both print and publish may fill excess capacity with commercial or
18 job printing. However, the publishing activity is still considered to
19 be the primary activity of these establishments;

20 (w) Generating, transmitting, or distributing electric power.
21 Establishments in this industry group may perform one or more of the
22 following activities: (i) Operate generation facilities that produce
23 electric energy; (ii) operate transmission systems that convey the
24 electricity from the generation facility to the distribution system;
25 or (iii) operate distribution systems that convey electric power
26 received from the generation facility or the transmission system to
27 the final consumer;

28 (x) Providing specialized design services including interior
29 design, industrial design, graphic design, and others, but not
30 including architectural, engineering, and computer systems design;

31 (y) Assigning rights to assets, such as patents, trademarks,
32 brand names, or franchise agreements, for which a royalty payment or
33 licensing fee is paid to the asset holder;

34 (z) Acting as agents in selling annuities and insurance policies
35 or providing other employee benefits and insurance related services,
36 such as claims adjustment and third-party administration;

37 (aa) Business-to-business electronic markets that bring together
38 buyers and sellers of goods using the internet or other electronic
39 means and generally receive a commission or fee for the service.
40 Business-to-business electronic markets for durable and nondurable

1 goods are included in this industry. This industry comprises
2 wholesale trade agents and brokers acting on behalf of buyers or
3 sellers in the wholesale distribution of goods. Agents and brokers do
4 not take title to the goods being sold but rather receive a
5 commission or fee for their service. Agents and brokers for all
6 durable and nondurable goods are included in this industry;

7 (bb) Accepting deposits or share deposits and in lending funds
8 from these deposits. Within this group, industries are defined on the
9 basis of differences in the types of deposit liabilities assumed and
10 in the nature of the credit extended;

11 (cc)(i) Manufacturing complete aircraft, missiles, or space
12 vehicles; (ii) manufacturing aerospace engines, propulsion units,
13 auxiliary equipment or parts; (iii) developing and making prototypes
14 of aerospace products; (iv) aircraft conversion; or (v) complete
15 aircraft or propulsion systems overhaul and rebuilding;

16 (dd) Advertising, public relations, and related services, such as
17 media buying, independent media representation, outdoor advertising,
18 direct mail advertising, advertising material distribution services,
19 and other services related to advertising;

20 (ee) Providing services, such as auditing of accounting records,
21 designing accounting systems, preparing financial statements,
22 developing budgets, preparing tax returns, processing payrolls,
23 bookkeeping, and billing;

24 (ff) The independent practice of general or specialized medicine
25 or surgery by businesses comprised of one or more health
26 practitioners having the degree of doctor of medicine or doctor of
27 osteopathy. These practitioners operate private or group practices in
28 their own offices or in the facilities of others, such as hospitals
29 or health maintenance organization medical centers;

30 (gg) Providing a range of outpatient services, such as family
31 planning, diagnosis and treatment of mental health disorders and
32 alcohol and other substance abuse, and other general or specialized
33 outpatient care by businesses with medical staff;

34 (hh) Pooling securities or other assets, except insurance and
35 employee benefit funds, on behalf of shareholders, unit holders, or
36 beneficiaries, by legal entities such as investment pools or funds;

37 (ii) Promoting the interests of an organization's members, except
38 religious organizations, social advocacy organizations, and civic and
39 social organizations. Examples of establishments in this industry are

1 business associations, professional organizations, labor unions, and
2 political organizations;

3 (jj)(i) Operating water treatment plants or water supply systems;
4 (ii) operating sewer systems or sewage treatment facilities; or (iii)
5 providing steam, heated air, or cooled air;

6 (kk) Holding the securities of or other equity interests in
7 companies and enterprises for the purpose of owning a controlling
8 interest or influencing management decisions or businesses that
9 administer, oversee, and manage other establishments of the company
10 or enterprise and that normally undertake the strategic or
11 organizational planning and decision-making role of the company or
12 enterprise. Establishments that administer, oversee, and manage may
13 hold the securities of the company or enterprise;

14 (ll) For medical and diagnostic laboratories, providing analytic
15 or diagnostic services, including body fluid analysis and diagnostic
16 imaging, generally to the medical profession or to the patient on
17 referral from a health practitioner;

18 (mm) Serving as offices of chief executives and their advisory
19 committees and commissions. This industry includes offices of the
20 president, governors, and mayors, in addition to executive advisory
21 commissions. This industry comprises government establishments
22 serving as legislative bodies and their advisory committees and
23 commissions. Included in this industry are legislative bodies, such
24 as congress, state legislatures, and advisory and study legislative
25 commissions. This industry comprises government establishments
26 primarily engaged in public finance, taxation, and monetary policy.
27 Included are financial administration activities, such as monetary
28 policy, tax administration and collection, custody and disbursement
29 of funds, debt and investment administration, auditing activities,
30 and government employee retirement trust fund administration. This
31 industry comprises government establishments serving as councils and
32 boards of commissioners or supervisors and such bodies where the
33 chief executive is a member of the legislative body itself. This
34 industry comprises American Indian and Alaska Native governing
35 bodies. Establishments in this industry perform legislative,
36 judicial, and administrative functions for their American Indian and
37 Alaska Native lands. Included in this industry are American Indian
38 and Alaska Native councils, courts, and law enforcement bodies. This
39 industry comprises government establishments primarily engaged in
40 providing general support for government. Such support services

1 include personnel services, election boards, and other general
2 government support establishments that are not classified elsewhere
3 in public administration;

4 (nn) Providing a range of office administrative services, such as
5 financial planning, billing and recordkeeping, personnel, and
6 physical distribution and logistics, for others on a contract or fee
7 basis. These establishments do not provide operating staff to carry
8 out the complete operations of a business;

9 (oo) Providing professional, scientific, or technical services
10 including marketing research, public opinion polling, photographic
11 services, translation and interpretation services, and veterinary
12 services. This category does not include legal services, accounting,
13 tax preparation, bookkeeping, architectural, engineering, and related
14 services, specialized design services, computer systems design,
15 management, scientific and technical consulting services, scientific
16 research and development services, or advertising services;

17 (pp) The independent practice of general or specialized dentistry
18 or dental surgery by businesses comprised of one or more health
19 practitioners having the degree of doctor of dental medicine, doctor
20 of dental surgery, or doctor of dental science. These practitioners
21 operate private or group practices in their own offices or in the
22 facilities of others, such as hospitals or health maintenance
23 organization medical centers. They may provide either comprehensive
24 preventive, cosmetic, or emergency care, or specialize in a single
25 field of dentistry;

26 (qq) The independent practice of general or specialized medicine
27 or surgery, or general or specialized dentistry or dental surgery, by
28 businesses comprised of one or more independent health practitioners,
29 other than physicians and dentists;

30 (rr) Providing ambulatory health care services.

31 (3) (a) (i) For the purposes of this section, a person is primarily
32 engaged within this state in any combination of the activities
33 described in subsection (2) of this section if more than fifty
34 percent of the person's cumulative gross amount reportable under this
35 chapter during the entire current or immediately preceding calendar
36 year was generated from engaging in any one or more of the activities
37 described in subsection (2) of this section. For purposes of this
38 subsection, "gross amount reportable" means the total value of
39 products, gross proceeds of sales, and gross income of the business,

1 reportable to the department before application of any tax
2 deductions.

3 (ii) If a person was not primarily engaged within this state in
4 any combination of the activities described in subsection (2) of this
5 section during the immediately preceding year, and the person is
6 unsure whether the person will be subject to the workforce investment
7 surcharge for the current calendar year until the close of the
8 current calendar year, the person must, if necessary, file corrected
9 returns with the department of revenue to pay any additional tax due
10 under this section for the current calendar year. Payment of
11 additional tax, along with corrected returns, is due and payable when
12 the person's last return for the calendar year during which the tax
13 liability accrued is due and payable. Additional tax due under this
14 section is subject to penalties and interest as provided under
15 chapter 82.32 RCW only if the tax is not paid in full by the date due
16 as provided in this subsection (3)(a)(ii).

17 (b) The entire amount of gross income of the business received by
18 a person pursuant to a contract under which the person is obligated
19 to perform any activity described under subsection (2) of this
20 section is deemed to be generated from engaging in any one or more of
21 the activities described in subsection (2) of this section.

22 (4) Beginning with business activities occurring on or after
23 January 1, 2020, in addition to the taxes imposed under RCW
24 82.04.290(2), a workforce education investment surcharge is imposed
25 on select advanced computing businesses as follows:

26 (a) For an affiliated group that has worldwide gross revenue of
27 more than twenty-five billion dollars, but not more than one hundred
28 billion dollars, during the entire current or immediately preceding
29 calendar year, the surcharge is equal to the total amount of tax
30 payable by each member of the affiliated group on all business
31 activities taxed under RCW 82.04.290(2), including any additional tax
32 due resulting from any other surcharges on such business activities,
33 but before application of any tax credits, multiplied by the rate of
34 thirty-three and one-third percent.

35 (b) For an affiliated group that has worldwide gross revenue of
36 more than one hundred billion dollars during the entire current or
37 immediately preceding calendar year, the surcharge is equal to the
38 total amount of tax payable by each member of the affiliated group on
39 all business activities taxed under RCW 82.04.290(2), including any
40 additional tax due resulting from any other surcharges on such

1 business activities, but before application of any tax credits,
2 multiplied by the rate of sixty-six and two-thirds percent.

3 (c) For the purposes of this subsection (4):

4 (i) "Advanced computing" means designing or developing computer
5 software or computer hardware, whether directly or contracting with
6 another person, including modifications to computer software or
7 computer hardware, cloud computing services, or operating an online
8 marketplace, an online search engine, or online social networking
9 platform;

10 (ii) "Affiliate" and "affiliated" means a person that directly or
11 indirectly, through one or more intermediaries, controls, is
12 controlled by, or is under common control with another person;

13 (iii) "Affiliated group" means a group of two or more persons
14 that are affiliated with each other;

15 (iv) "Cloud computing services" means on-demand delivery of
16 computing resources, such as networks, servers, storage,
17 applications, and services, over the internet;

18 (v) "Control" means the possession, directly or indirectly, of
19 more than fifty percent of the power to direct or cause the direction
20 of the management and policies of a person, whether through the
21 ownership of voting shares, by contract, or otherwise; and

22 (vi) "Select advanced computing business" means a person who is a
23 member of an affiliated group with at least one member of the
24 affiliated group engaging in the business of advanced computing, and
25 the affiliated group has worldwide gross revenue of more than twenty-
26 five billion dollars during the entire current or immediately
27 preceding calendar year.

28 (5) The workforce education investment surcharge under this
29 section does not apply to any hospital as defined in RCW 70.41.020,
30 including any hospital that comes within the scope of chapter 71.12
31 RCW if the hospital is also licensed under chapter 70.41 RCW.

32 (6) Revenues from the surcharges under this section must be
33 deposited directly into the workforce education investment account
34 established in section 2 of this act.

35 (7) The department has the authority to determine through an
36 audit or other investigation whether a person is subject to the
37 surcharges imposed in this section. The department's determination is
38 presumed to be correct unless the person shows by clear, cogent, and
39 convincing evidence that the department's determination was
40 incorrect.

1 **PART VI**

2 **MISCELLANEOUS PROVISIONS**

3 NEW SECTION. **Sec. 73.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 74.** Sections 45 through 51 of this act
8 constitute a new chapter in Title 28B RCW.

9 NEW SECTION. **Sec. 75.** Sections 52 through 58 of this act
10 constitute a new chapter in Title 28C RCW.

11 NEW SECTION. **Sec. 76.** Section 72 of this act takes effect
12 January 1, 2020.

13 NEW SECTION. **Sec. 77.** (1) Section 70 of this act takes effect
14 only if chapter . . . (Second Substitute House Bill No. 1303), Laws
15 of 2019 is enacted by the effective date of this section.

16 (2) Section 69 of this act takes effect only if section 70 of
17 this act does not take effect by the effective date of this section.

18 NEW SECTION. **Sec. 78.** The following acts or parts of acts are
19 each repealed:

20 (1) RCW 28B.92.010 (State need grant program established—Purpose)
21 and 2014 c 1 s 1, 2004 c 275 s 34, 1999 c 345 s 2, 1993 sp.s. c 18 s
22 2, & 1969 ex.s. c 222 s 7;

23 (2) RCW 28B.92.020 (State need grant program—Findings—Intent)
24 and 2011 1st sp.s. c 11 s 158, 2003 c 19 s 11, & 1999 c 345 s 1;

25 (3) RCW 28B.92.050 (Powers and duties of office) and 2011 1st
26 sp.s. c 11 s 161, 1999 c 345 s 4, 1989 c 254 s 3, & 1969 ex.s. c 222
27 s 11;

28 (4) RCW 28B.92.060 (State need grant awards) and 2012 c 229 s
29 558;

30 (5) RCW 28B.92.080 (Eligibility for state need grant) and 2015 c
31 121 s 1, 2012 c 229 s 605, 2009 c 238 s 9, 2007 c 404 s 1, 2004 c 275
32 s 39, 1999 c 345 s 6, 1989 c 254 s 5, & 1969 ex.s. c 222 s 13;

1 (6) RCW 28B.92.082 (Enhanced need grants—Eligibility) and 2012 c
2 229 s 560 & 2009 c 215 s 3;

3 (7) RCW 28B.92.084 (Eligibility of opportunity internship
4 graduates) and 2011 1st sp.s. c 11 s 163 & 2009 c 238 s 8;

5 (8) RCW 28B.97.010 (Washington higher education loan program) and
6 2011 1st sp.s. c 11 s 174 & 2009 c 215 s 13;

7 (9) RCW 28B.97.020 (Definitions) and 2012 c 229 s 561, 2011 1st
8 sp.s. c 11 s 175, & 2009 c 215 s 14;

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

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

13 (12) RCW 28B.119.020 (Implementation and administration) and 2011
14 1st sp.s. c 11 s 232 & 2002 c 204 s 3;

15 (13) RCW 28B.119.030 (Funding for state need grant program not
16 impaired) and 2011 1st sp.s. c 11 s 233, 2004 c 275 s 71, & 2002 c
17 204 s 4;

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

20 (15) RCW 28B.119.050 (Washington promise scholarship account) and
21 2011 1st sp.s. c 11 s 234 & 2002 c 204 s 6; and

22 (16) RCW 28B.119.900 (Effective date—2002 c 204) and 2002 c 204 s
23 9.

24 NEW SECTION. **Sec. 79.** This act may be known and cited as the
25 workforce education investment act.

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