

**NEW SECTION.** Sec. 7. Sections 1 through 6 of this act shall expire June 30, 1990. A review and determination on its continuation beyond this date shall be made prior to its expiration.

Passed the House April 22, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor May 11, 1987.

Filed in Office of Secretary of State May 11, 1987.

## CHAPTER 305

[Engrossed House Bill No. 1021]

### EDUCATION FOR LOW-INCOME WORKING PERSONS AND SINGLE HEADS OF HOUSEHOLDS—WASHINGTON STATE AND EMPLOYERS' HIGHER EDUCATIONAL OPPORTUNITIES PROGRAM

AN ACT Relating to higher educational opportunities; adding a new chapter to Title 28B RCW; adding a new section to chapter 28B.15 RCW; creating a new section; making an appropriation; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

**NEW SECTION.** Sec. 1. The legislature recognizes that families headed by women constitute the largest percentage group below the poverty level in Washington state. Due to financial and familial obligations certain persons are not able to attend institutions of higher education. The legislature further recognizes that education enhances a person's chances of being productive and improving his or her economic status. The legislature intends to cooperate with the higher education coordinating board, and with selected private business entities in the development of a scholarship program aimed at providing higher educational opportunities for low-income working persons and single heads of households.

**NEW SECTION.** Sec. 2. (1) The Washington state and employers' higher educational opportunities program is created. The higher education coordinating board shall develop and revise, as necessary, the Washington state and employers' higher educational opportunities program. The pilot program shall be made available to three selected private business entities for each congressional district.

(2) The pilot program shall be administered by the higher education coordinating board and designed to:

(a) Provide socially and economically disadvantaged working persons with an increased chance to improve their social and economic status through public higher educational opportunities;

(b) Encourage and permit certain employees through higher education to acquire skills to meet the responsibilities and challenges of their present vocation or profession;

(c) Encourage and permit certain employees through higher education to acquire skills to pursue new career opportunities;

(d) Promote cooperation between the state, private business entities, and public institutions of higher education in working towards the goals of the program; and

(e) Monitor and evaluate the effectiveness of the program.

**NEW SECTION.** Sec. 3. An administrator shall be appointed to coordinate the pilot program. The coordinator shall be chosen from the higher education coordinating board's staff.

**NEW SECTION.** Sec. 4. (1) The higher education coordinating board shall select three private business entities for each congressional district to participate in the Washington state and employer higher educational opportunities program. Each eligible private business entity in Washington state may apply for participation on forms prescribed by the higher education coordinating board. Guidelines and application procedures for the selection of participating business entities shall be developed by the higher education coordinating board. These private business entities shall not include private colleges or universities.

(2) The following factors shall be required of business entity applicants:

(a) The business shall be located in Washington state;

(b) The business shall be owned by a private entity;

(c) The business shall have been in operation for at least three years;

and

(d) The business entity shall employ at least ten employees.

(3) The guidelines shall include the following factors which shall be considered in the selection process:

(a) The variety of jobs and disciplines used within the company including opportunities for advancement;

(b) Whether the business employs persons with diverse economic, social, and ethnic backgrounds; and

(c) The commitment by the business entity to cooperate with the higher education coordinating board to meet the objectives of the program.

(4) Those private business entities which already have an education program where the business pays tuition and fees costs for employees enrolled in work-related courses at state institutions of higher education, and which have applied for participation in the Washington state and employers' higher educational opportunities program, shall maintain their previous financial commitment to their respective education programs.

**NEW SECTION.** Sec. 5. (1) By July 1, 1988, the higher education coordinating board shall select fifty employees from the twenty-four selected businesses to participate in the Washington state and employers' higher educational opportunities program. An employee shall be recommended by the employee's employer. Recommended employees may apply for participation on forms prescribed by the higher education coordinating board.

Guidelines and application procedures for the selection of participating employees shall be developed by the higher education coordinating board. The board shall adopt such rules as are necessary to administer the program.

(2) To be eligible, the scholarship applicants shall:

(a) Be Washington state residents;

(b) Not be related to the employers;

(c) Be full-time employees working thirty-five hours or more per week or the equivalent during any monthly period who have been employed by their current employers for a minimum of one year.

(3) In selecting the recipients the following factors shall be considered:

(a) Age;

(b) Disability;

(c) Income;

(d) Number of dependents; and

(e) Family situation including whether or not the applicant is a single head of household;

(f) Whether the applicant needs retraining to meet the job requirements of the current employment or to advance to a higher position;

(g) Whether the applicant needs continued higher education to advance to professional status or to change professions or disciplines; and

(h) Whether the applicant is capable of succeeding in an institution of higher education and is committed to meet the objectives of the program.

(4) Academic qualifications shall not be the sole criteria for selection. Selection is not intended to be an academically competitive process.

(5) Scholarship recipients shall have applied or be in the process of applying to the applicant's preferred institution or institutions of higher education.

**NEW SECTION.** Sec. 6. Two types of scholarships are available through the Washington state and employers' higher educational opportunities program:

(1) A scholarship for retraining purposes to provide the recipient with tuition and fees payment for forty-five quarter credits or the equivalent of one academic year of full-time attendance as defined by the institution of higher education attended by the scholarship recipient.

(2) A scholarship for career promotion or career change purposes to provide the recipient with tuition and fees payment for ninety quarter credits or the equivalent of two academic years of full-time attendance as defined by the institution of higher education attended by the scholarship recipient.

**NEW SECTION.** Sec. 7. Each scholarship award shall specify that:

(1) The type of scholarship under section 6 of this act and the duration of the scholarship which shall not exceed a total of three years of part-time attendance as defined by the institution of higher education attended by the scholarship recipient;

(2) Use of the scholarship is subject to the various academic requirements, disciplinary standards, and other requirements and standards respecting attendance and graduation as established by the institution of higher education attended;

(3) Scholarship recipients shall maintain a minimum cumulative grade point of 2.5 each quarter or semester or the recipient's scholarship shall be terminated unless the higher education coordinating board waives for good cause the minimum cumulative grade point average requirement for a particular student; and

(4) In order to advance the objectives of the program throughout the private sector, a person is not eligible for more than one scholarship award.

NEW SECTION. Sec. 8. The higher education coordinating board, in cooperation with an advisory committee which includes representatives from institutions of higher education and businesses, and chosen by the higher education coordinating board, shall develop guidelines for the administration of this program. The guidelines shall include, but not be limited to, the following:

(1) Fifty percent of the tuition and fees for each scholarship recipient shall be waived by the applicable institution of higher education if the employer pays fifty percent of the tuition and fees; and

(2) Tuition and fee payments and waivers shall be administered in an expedient manner so as not to interfere with recipient's enrollment at an institution of higher education.

NEW SECTION. Sec. 9. The higher education coordinating board shall submit a report to the legislature, including its findings and specific recommendations evaluating the program by January 1990.

NEW SECTION. Sec. 10. A new section is added to chapter 28B.15 RCW to read as follows:

Fifty percent of the tuition and fees at any institution of higher education shall be waived for a scholarship recipient under sections 1 through 9 of this act if the requirements of sections 1 through 9 of this act are met.

NEW SECTION. Sec. 11. The sum of twenty thousand dollars, or so much thereof as may be necessary, is appropriated from the general fund to the higher education coordinating board for the 1987-89 biennium for the administration of the program under sections 2 through 9 of this act.

NEW SECTION. Sec. 12. Sections 1 through 9 of this act shall constitute a new chapter in Title 28B RCW.

NEW SECTION. Sec. 13. After consulting with the higher education coordinating board, the governor may transfer the administration of this program to another agency with an appropriate educational mission.

NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or

the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 15. This act shall expire June 30, 1990.

NEW SECTION. Sec. 16. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 20, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor May 11, 1987.

Filed in Office of Secretary of State May 11, 1987.

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## CHAPTER 306

[House Bill No. 379]

### RISK RETENTION GROUPS REGULATED

AN ACT Relating to insurance; adding a new chapter to Title 48 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The purpose of this chapter is to regulate the formation and operation of risk retention groups in this state formed pursuant to the provisions of the federal Liability Risk Retention Act of 1986.

NEW SECTION. Sec. 2. As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise:

(1) "Commissioner" means the insurance commissioner of Washington state or the commissioner, director, or superintendent of insurance in any other state.

(2) "Completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by:

(a) Any person who performs that work; or

(b) Any person who hires an independent contractor to perform that work; but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability.

(3) "Domicile," for purposes of determining the state in which a purchasing group is domiciled, means:

(a) For a corporation, the state in which the purchasing group is incorporated; and

(b) For an unincorporated entity, the state of its principal place of business.

(4) "Hazardous financial condition" means that, based on its present or reasonably anticipated financial condition, a risk retention group, although not yet financially impaired or insolvent, is unlikely to be able: