#### HOUSE BILL 2072

State of Washington 60th Legislature 2007 Regular Session

By Representatives Wallace, Haigh, McDermott, Hunter, Sells, Linville, Pedersen, Kenney, Moeller, Morrell, O'Brien, Conway, Eddy, Goodman, Simpson, Hudgins and Ormsby

Read first time 02/07/2007. Referred to Committee on Higher Education.

AN ACT Relating to increasing access to higher education; amending RCW 28B.92.060, 28B.92.080, 28B.15.820, 28B.50.030, and 28B.76.250; adding new sections to chapter 28B.15 RCW; adding a new section to chapter 28B.92 RCW; adding new sections to chapter 28B.50 RCW; adding a new chapter to Title 28B RCW; creating new sections; making appropriations; providing an expiration date; and declaring an emergency.

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

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- 9 <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that access to 10 higher education is of paramount importance to the citizens of the 11 state of Washington. However, the legislature further finds that the 12 following three factors are creating barriers to access for students:
  - (a) Tuition increases have varied dramatically over the last decade, making the cost of postsecondary attendance unpredictable for students and families.
- 16 (b) There are at least thirty separate state and federal programs
  17 providing direct financial aid or tax benefits to individuals seeking
  18 postsecondary education, in addition to institutional aid, private
  19 scholarships, and other programs. The system is complicated and

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difficult to understand, with the unfortunate effect of discouraging some low-income students from even applying to college. Additionally, some students are not able to access enough financial assistance to make postsecondary education affordable.

- (c) Students frequently must repeat college-level coursework when transferring from one institution of higher education to another.
- (2) Through implementing of a complementary and coordinated set of policies around tuition, financial aid, and student transitions, the legislature intends to make access to higher education a top priority.

10 PART 1

### 11 TUITION POLICY

NEW SECTION. Sec. 101. A new section is added to chapter 28B.15
RCW to read as follows:

TUITION--FUNDING LEVELS--LIMITATIONS. (1) Beginning with the 2007-08 academic year and ending with the 2016-17 academic year, tuition fees charged to full-time resident undergraduate students may increase no greater than seven percent over the previous academic year in any institution of higher education. Annual reductions or increases in full-time tuition fees for resident undergraduate students shall be as provided in the omnibus appropriations act, within the seven percent increase limit established in this section. To the extent that state appropriations combined with tuition and fee revenues are insufficient to achieve the total per-student funding goals established in subsection (2) of this section, the legislature may revisit state appropriations, authorized enrollment levels, and changes in tuition fees for any given fiscal year.

(2) The state shall adopt as its goal total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states. The office of financial management shall develop a funding trajectory for each four-year institution of higher education and for the community and technical college system as a whole that when combined with tuition and fees revenue allows the state to achieve its funding goal for each four-year institution and the community and technical college system as a whole no later than fiscal year 2017. The state shall not reduce

enrollment levels below fiscal year 2007 budgeted levels in order to improve or alter the per-student funding amount at any four-year institution of higher education or the community and technical college system as a whole. The state recognizes that each four-year institution of higher education and the community and technical college system as a whole have different funding requirements to achieve desired performance levels, and that increases to the total per-student funding amount may need to exceed the minimum funding goal. 

- (3) By September 1st of each year beginning in 2008, the office of financial management shall report to the governor, the higher education coordinating board, and appropriate committees of the legislature with updated estimates of the total per-student funding level that represents the sixtieth percentile of funding for comparable institutions of higher education in the global challenge states, and the progress toward that goal that was made for each of the public institutions of higher education.
- (4) As used in this section, "global challenge states" are the top performing states on the new economy index published by the progressive policy institute as of the effective date of this section. The new economy index ranks states on indicators of their potential to compete in the new economy. At least once every five years, the office of financial management shall determine if changes to the list of global challenge states are appropriate. The office of financial management shall report its findings to the governor and the legislature.
- NEW SECTION. Sec. 102. A new section is added to chapter 28B.15 RCW to read as follows:

BILLING DISCLOSURES TO STUDENTS. In addition to the requirement in RCW 28B.76.300(4), institutions of higher education shall disclose to their undergraduate resident students on the tuition billing statement, in dollar figures for a full-time equivalent student: (1) The full cost of instruction, (2) the amount collected from student tuition and fees, and (3) the difference between the amounts for the full cost of instruction and the student tuition and fees, noting that the difference between the cost and tuition was paid by state tax funds and other moneys.

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2 PART 2

#### 3 EXPANDING THE STATE NEED GRANT ON A SLIDING SCALE

**Sec. 201.** RCW 28B.92.060 and 2005 c 93 s 3 are each amended to read as follows:

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

- (1) The board shall annually select the financial aid award recipients from among Washington residents applying for student financial aid who have been ranked according to:
- 14 (a) Financial need as determined by the amount of the family 15 contribution; and
  - (b) Other considerations, such as whether the student is a former foster youth.
  - (2) The financial need of the highest ranked students shall be met by grants depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until disbursed, except that eligible former foster youth shall be assured receipt of a grant.
  - (3) A student shall be eligible to receive a state need grant for up to five years, or the credit or clock hour equivalent of five years, or up to one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as a state need grant recipient until at least five years have elapsed since earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. Qualifications for renewal will include maintaining satisfactory academic progress toward completion of an eligible program as determined by the board. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.92.070.

- (4) ((In computing financial need, the board shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average state appropriation per student for operating expense in the public institutions.
- (5)) The state need grant award for an individual student shall be the base grant, appropriate for the educational sector attended, and a dependent care allowance, if applicable, adjusted for the student's family income and rate of enrollment.
  - (5) The maximum base grant for students shall:

- (a) Be established based on the representative average resident tuition, service, and activity fees charged within each public sector of higher education. The average is to be determined annually by the higher education coordinating board. The amount of the base grant may be less than the actual average if the higher education coordinating board finds it necessary to be able to serve the expected number of eligible students;
- 18 <u>(b) Not exceed the actual tuition and fees charged to the eligible</u>
  19 <u>student; and</u>
  - (c) Be the same for students attending private four-year institutions of higher education and students attending the public four-year research universities. The base grant for students attending private vocational institutions shall be the same as students attending the public community and technical colleges.
  - (6)(a) For full-time students, the amount of the state need grant shall be as follows:
  - (i) Students with family incomes less than or equal to fifty percent of the state's median family income shall receive the maximum award;
- (ii) Students whose incomes are greater than fifty percent, but
  less than or equal to sixty-five percent, of the state's median family
  income shall receive seventy-five percent of the maximum award;
- (iii) Students whose incomes are greater than sixty-five percent, but less than or equal to seventy-five percent, of the state's median family income shall receive fifty percent of the maximum award;
- (iv) Students whose incomes are greater than seventy-five percent,
  but less than or equal to eighty-five percent, of the state's median

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family income shall receive twenty-five percent of the maximum award;
and

- (v) Each eligible grant recipient must receive the maximum grant award for which he or she is eligible, unless the award would exceed the student's overall need or the institution's approved gift equity packaging policy.
- (b) Students attending less than full time shall have their grants prorated based on attendance.
- (7)(a) A student who is enrolled in three to six credit-bearing quarter credits, or the equivalent semester credits, may receive a grant for up to one academic year before beginning a program that leads to a degree or certificate.
- (b) An eligible student enrolled on a less-than-full-time basis shall receive a prorated portion of his or her state need grant for any academic period in which he or she is enrolled on a less-than-full-time basis, as long as funds are available.
- (c) An institution of higher education may award a state need grant to an eligible student on a provisional basis before the student completes the required free application for federal student aid if:
- (i) The student has not previously received a state need grant from that institution;
- (ii) The institution has conducted a review of the student's financial condition, and the financial condition of the student's family if the student is a dependent student, and has determined that the student is likely eligible for a state need grant; and
- (iii) The student has signed a document attesting to the fact that the financial information the student provided to the institution is accurate and complete and that the student agrees to repay the institution for the grant amount if the student is subsequently deemed to be ineligible for a state need grant.
- (d) An institution of higher education that awards a student a state need grant on a provisional basis shall require the student to submit his or her free application for federal student aid by no later than the forty-fifth day of the quarter or sixtieth day of the semester in which the student received the provisional grant.
- (e) A student who fails to submit the free application for federal
  student aid by the forty-fifth day of the quarter or the sixtieth day
  of the semester in which the student receives a provisional grant shall

1	be deemed to have been ineligible to receive a state need grant for
2	that quarter or semester, and shall repay the amount of the grant. In
3	the case of exceptional circumstances, a school may extend the time
4	period in which a particular student must submit the free application
5	for federal student aid. However, that time period may not be extended
5	beyond the last day of the quarter or semester in which the student
7	received a provisional grant.

- (f) No student who is required to repay a provisional state need grant is eligible to receive a subsequent state need grant until the student has repaid the provisional grant in full.
- 11 (8) As used in this section, "former foster youth" means a person 12 who is at least eighteen years of age, but not more than twenty-four 13 years of age, who was a dependent of the department of social and 14 health services at the time he or she attained the age of eighteen.

15 **PART 3** 

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# EXPANDING THE STATE NEED GRANT TO STUDENTS ENROLLED FOR THREE OR MORE CREDITS

- 18 **Sec. 301.** RCW 28B.92.080 and 2004 c 275 s 39 are each amended to 19 read as follows:
- 20 For a student to be eligible for a state need grant a student must:
- 21 (1) Be a "needy student" or "disadvantaged student" as determined 22 by the board in accordance with RCW 28B.92.030 (3) and (4).
- 23 (2) Have been domiciled within the state of Washington for at least 24 one year.
  - (3) Be enrolled or accepted for enrollment ((on at least a half-time basis)) for at least three quarter credits or the equivalent semester credits at an institution of higher education in Washington as defined in RCW 28B.92.030(1).
- 29 (4) Have complied with all the rules and regulations adopted by the 30 board for the administration of this chapter.
- NEW SECTION. Sec. 302. A new section is added to chapter 28B.92 RCW to read as follows:
- Institutions of higher education are encouraged to review their policies and procedures regarding financial aid for students taking a less-than-half-time course load, and to implement policies and

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- 1 procedures providing students taking a less-than-half-time course load
- 2 with the same access to institutional aid, including tuition waivers,
- 3 as provided to students enrolled half time or more.

- Sec. 303. RCW 28B.15.820 and 2004 c 275 s 66 are each amended to read as follows:
  - (1) Each institution of higher education, including technical colleges, shall deposit a minimum of three and one-half percent of revenues collected from tuition and services and activities fees in an institutional financial aid fund that is hereby created and which shall be held locally. Moneys in the fund shall be used only for the following purposes: (a) To make guaranteed long-term loans to eligible students as provided in subsections (3) through (8) of this section; (b) to make short-term loans as provided in subsection (9) of this section; or (c) to provide financial aid to needy students as provided in subsection (10) of this section.
  - (2) An "eligible student" for the purposes of subsections (3) through (8) and (10) of this section is a student registered for at least ((six)) three credit hours or the equivalent, who is eligible for resident tuition and fee rates as defined in RCW 28B.15.012 and 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.
  - (3) The amount of the guaranteed long-term loans made under this section shall not exceed the demonstrated financial need of the student. Each institution shall establish loan terms and conditions which shall be consistent with the terms of the guaranteed loan program established by 20 U.S. Code Section 1071 et seq., as now or hereafter amended. All loans made shall be guaranteed by the Washington student loan guaranty association or its successor agency. Institutions are hereby granted full authority to operate as an eligible lender under the guaranteed loan program.
- (4) Before approving a guaranteed long-term loan, each institution shall analyze the ability of the student to repay the loan based on factors which include, but are not limited to, the student's accumulated total education loan burdens and the employment opportunities and average starting salary characteristics of the student's chosen fields of study. The institution shall counsel the student on the advisability of acquiring additional debt, and on the availability of other forms of financial aid.

(5) Each institution is responsible for collection of guaranteed long-term loans made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Institutions shall cooperate and the Washington with other lenders student loan quaranty association, or its successor agency, in the coordinated collection of quaranteed loans, and shall assure that the quarantability of the loans is not violated. Collection and servicing of guaranteed long-term loans under this section shall be performed by entities approved for such servicing by the Washington student loan quaranty association or its successor agency: PROVIDED, That institutions be permitted to perform such servicing if specifically recognized to do so by the Washington student loan guaranty association or its successor agency. Collection and servicing of quaranteed long-term loans made by community colleges under subsection (1) of this section shall be coordinated by the state board for community and technical colleges and shall be conducted under procedures adopted by the state board.

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- (6) Receipts from payment of interest or principal or any other subsidies to which institutions as lenders are entitled, that are paid by or on behalf of borrowers of funds under subsections (3) through (8) of this section, shall be deposited in each institution's financial aid fund and shall be used to cover the costs of making the guaranteed long-term loans under this section and maintaining necessary records and making collections under subsection (5) of this section: PROVIDED, That such costs shall not exceed five percent of aggregate outstanding loan principal. Institutions shall maintain accurate records of such costs, and all receipts beyond those necessary to pay such costs, shall be deposited in the institution's financial aid fund.
- (7) The governing boards of the state universities, the regional universities, and The Evergreen State College, and the state board for community and technical colleges, on behalf of the community colleges and technical colleges, shall each adopt necessary rules and regulations to implement this section.
- (8) First priority for any guaranteed long-term loans made under this section shall be directed toward students who would not normally have access to educational loans from private financial institutions in Washington state, and maximum use shall be made of secondary markets in the support of loan consolidation.

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- (9) Short-term loans, not to exceed one year, may be made from the institutional financial aid fund to students enrolled in the institution. No such loan shall be made to any student who is known by the institution to be in default or delinquent in the payment of any outstanding student loan. A short-term loan may be made only if the institution has ample evidence that the student has the capability of repaying the loan within the time frame specified by the institution for repayment.
- (10) Any moneys deposited in the institutional financial aid fund 9 that are not used in making long-term or short-term loans may be used 10 by the institution for locally-administered financial aid programs for 11 needy students, such as need-based institutional employment programs or 12 13 need-based tuition and fee scholarship or grant programs. These funds shall be used in addition to and not to replace institutional funds 14 that would otherwise support these locally-administered financial aid 15 programs. First priority in the use of these funds shall be given to 16 17 needy students who have accumulated excessive educational loan burdens. An excessive educational loan burden is a burden that will be difficult 18 to repay given employment opportunities and average starting salaries 19 in the student's chosen fields of study. Second priority in the use of 20 21 these funds shall be given to needy single parents, to assist these 22 students with their educational expenses, including expenses associated with child care and transportation. 23

24 PART 4

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#### IMPLEMENTING POSTSECONDARY OPPORTUNITIES

NEW SECTION. Sec. 401. The legislature finds that:

- (1) The economic trends of globalization and technological change are increasing the demand for higher and differently skilled workers than in the past;
- (2) Increasing Washington's economic competitiveness requires increasing the supply of skilled workers in the state;
- (3) Improving the labor market competitiveness of all Washington residents requires that all residents have access to postsecondary education; and
- 35 (4) Community and technical college workforce training programs and 36 Washington state apprenticeship and training council-approved

- 1 apprenticeship programs provide effective and efficient pathways for
- 2 people to enter high wage, high skill careers while also meeting the
- 3 needs of the economy.

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- 4 <u>NEW SECTION.</u> **Sec. 402.** A new section is added to chapter 28B.50 5 RCW to read as follows:
  - (1) The college board shall develop and implement a workforce education program known as the opportunity grant program to provide funding for students enrolled at qualified institutions of higher education in opportunity grant-eligible programs of study as described in section 404 of this act. Students enrolled in the opportunity grant program are eligible for:
- 12 (a) Funding for tuition and mandatory fees at the public community 13 and technical college rate, prorated if the credit load is less than 14 full time, paid directly to the educational institution; and
- 15 (b) An additional one thousand dollars per academic year for books, 16 tools, and supplies, prorated if the credit load is less than full 17 time.
- 18 (2) Funding under subsection (1)(a) and (b) of this section is
  19 limited to a maximum forty-five credits or the equivalent in an
  20 opportunity grant-eligible program of study, including required related
  21 courses. No student may receive opportunity grant funding for more
  22 than forty-five credits or for more than three years from initial
  23 receipt of grant funds in one or a combination of programs.
- NEW SECTION. Sec. 403. A new section is added to chapter 28B.50 RCW to read as follows:
  - (1) To be eligible for participation in the opportunity grant program established in section 402 of this act, a student must:
  - (a) Be a Washington resident student as defined in RCW 28B.15.012 enrolled in an opportunity grant-eligible program of study; and
- 30 (b)(i) Be enrolled on or after January 1, 2008, but before January 1, 2010, and have a family income that is at or below two hundred 22 percent of the federal poverty level using the most current guidelines 23 available from the United States department of health and human 34 services;
- 35 (ii) Be enrolled on or after January 1, 2010, but before January 1,

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2012, and have a family income that is at or below the state median family income using the state need grant schedule for the same academic year; or

- (iii) Be enrolled in a qualified institution of higher education on or after January 1, 2012.
- (2) Upon enrolling, the student must provide evidence of commitment to complete the program. The student must make satisfactory progress and maintain a cumulative 2.0 grade point average for continued eligibility. If a student's cumulative grade point average falls below 2.0, the student may petition the institution of higher education of attendance. The qualified institution of higher education has the authority to establish a probationary period until such time as the student's grade point average reaches required standards.
- (3) Subject to funds appropriated for this specific purpose, qualified institutions of higher education shall receive an enhancement of one thousand five hundred dollars for each full-time equivalent student enrolled in the opportunity grant program whose income is below two hundred percent of the federal poverty level. The funds shall be used for individualized support services which may include, but are not limited to, college and career advising, tutoring, emergency child care, and emergency transportation. The qualified institution of higher education is expected to help students access all financial resources and support services available to them through alternative sources.
- (4) The college board shall be accountable for student retention and completion of opportunity grant-eligible programs of study. It shall set annual performance measures and targets and monitor the performance at all qualified institutions of higher education. The college board must reduce funding at institutions of higher education that do not meet targets for two consecutive years, based on criteria developed by the college board.
- (5) The college board and higher education coordinating board shall work together to ensure that students participating in the opportunity grant program:
- (a) Receive all other state and federal financial aid to which they are entitled while receiving an opportunity grant; and
  - (b) Receive priority for state and federal financial aid when

- pursuing a subsequent related credential, certificate, or degree at a two or four-year institution of higher education, after completing the opportunity grant program.
- (6) The college board and higher education coordinating board shall document the amount of opportunity grant assistance and the types and amounts of other sources of financial aid received by participating students. Annually, they shall produce a summary of the data.
  - (7) The college board shall:

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- (a) Begin developing the program no later than July 1, 2007, with student enrollment to begin no later than January 14, 2008; and 10
- (b) Submit a progress report to the legislature by December 1, 11 12 2008.
  - (8) The college board may, in implementing the opportunity grant program, accept, use, and expend or dispose of contributions of money, services, and property. All such moneys received by the college board for the program must be deposited in an account at a depository approved by the state treasurer. Only the college board or a duly authorized representative thereof may authorize expenditures from this In order to maintain an effective expenditure and revenue account. control, the account is subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of moneys in the account.

#### 23 OPPORTUNITY PARTNERSHIPS

NEW SECTION. Sec. 404. A new section is added to chapter 28B.50 24 25 RCW to read as follows:

The college board, in partnership with business, labor, and the workforce training and education coordinating board, shall:

- (1) Identify job specific training programs offered by qualified postsecondary institutions that lead to a credential, certificate, or degree in high demand occupations, which are occupations where employer demand for workers exceeds the supply of qualified job applicants throughout the state or in a specific region;
- (2) Gain recognition of the credentials, certificates, and degrees by Washington's employers and labor organizations. The college board shall designate these recognized credentials, certificates, and degrees as "opportunity grant-eligible programs of study"; and

- 1 (3) Market the credentials, certificates, and degrees to potential 2 students, businesses, and apprenticeship programs as a way for 3 individuals to advance in their careers and to better meet the needs of 4 industry.
- 5 <u>NEW SECTION.</u> **Sec. 405.** A new section is added to chapter 28B.50 6 RCW to read as follows:

- (1) Community and technical colleges shall partner with local workforce development councils to develop the opportunity partnership program. The opportunity partnership program may be newly developed or part of an existing program, and shall provide mentoring to students participating in the opportunity grant program. The program must develop criteria and identify opportunity grant students who would benefit by having a mentor. Each participating student shall be matched with a business or labor mentor employed in the field in which the student is interested. The mentor shall help the student explore careers and employment options through any combination of tours, informational interviews, job shadowing, and internships.
  - (2) Subject to funds appropriated for this specific purpose, the workforce training and education coordinating board shall create the opportunity partnership program. The board, in partnership with business, labor, and the college board, shall determine the criteria for the distribution of funds.
  - (3) The board may, in implementing this section, accept, use, and dispose of contributions of money, services, and property. All moneys received by the board for the purposes of this section must be deposited in a depository approved by the state treasurer. Only the board or a duly authorized representative thereof may authorize expenditures from this account. In order to maintain an effective expenditure and revenue control, the account is subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of moneys in the account.
- **Sec. 406.** RCW 28B.50.030 and 2005 c 258 s 8 are each amended to 33 read as follows:
- 34 As used in this chapter, unless the context requires otherwise, the 35 term:

1 (1) "System" shall mean the state system of community and technical colleges, which shall be a system of higher education.

- (2) "Board" shall mean the work force training and education coordinating board.
  - (3) "College board" shall mean the state board for community and technical colleges created by this chapter.
  - (4) "Director" shall mean the administrative director for the state system of community and technical colleges.
- (5) "District" shall mean any one of the community and technical college districts created by this chapter.
- (6) "Board of trustees" shall mean the local community and technical college board of trustees established for each college district within the state.
- (7) "Occupational education" shall mean that education or training that will prepare a student for employment that does not require a baccalaureate degree, and education and training leading to an applied baccalaureate degree.
- (8) "K-12 system" shall mean the public school program including kindergarten through the twelfth grade.
- (9) "Common school board" shall mean a public school district board of directors.
- (10) "Community college" shall include those higher education institutions that conduct education programs under RCW 28B.50.020.
- (11) "Technical college" shall include those higher education institutions with the sole mission of conducting occupational education, basic skills, literacy programs, and offering on short notice, when appropriate, programs that meet specific industry needs. The programs of technical colleges shall include, but not be limited to, continuous enrollment, competency-based instruction, industry-experienced faculty, curriculum integrating vocational and basic skills education, and curriculum approved by representatives of employers and labor. For purposes of this chapter, technical colleges shall include Lake Washington Vocational-Technical Institute, Renton Vocational-Technical Institute, and Bellingham Vocational-Technical Institute.
- (12) "Adult education" shall mean all education or instruction, including academic, vocational education or training, basic skills and literacy training, and "occupational education" provided by public

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educational institutions, including common school districts for persons who are eighteen years of age and over or who hold a high school diploma or certificate. However, "adult education" shall not include academic education or instruction for persons under twenty-one years of age who do not hold a high school degree or diploma and who are attending a public high school for the sole purpose of obtaining a high school diploma or certificate, nor shall "adult education" include education or instruction provided by any four year public institution of higher education.

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- (13) "Dislocated forest product worker" shall mean a forest products worker who: (a)(i) Has been terminated or received notice of termination from employment and is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for his or her skills in that occupation or industry; or (ii) is self-employed and has been displaced from his or her business because of the diminishing demand for the business' services or goods; and (b) at the time of last separation from employment, resided in or was employed in a rural natural resources impact area.
- (14) "Forest products worker" shall mean a worker in the forest products industries affected by the reduction of forest fiber enhancement, transportation, or production. The workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries assigned the major group standard industrial classification codes "24" and "26" and the industries involved in the harvesting and management of logs, transportation of logs and wood products, processing of wood products, and the manufacturing and distribution of wood processing and logging equipment. The commissioner may adopt rules further interpreting these definitions. For the purposes of this subsection, "standard industrial classification code" means the code identified in RCW 50.29.025(3).
- (15) "Dislocated salmon fishing worker" means a finfish products worker who: (a)(i) Has been terminated or received notice of termination from employment and is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for his or her skills in that occupation or industry; or (ii) is self-employed and has been displaced from his or

- her business because of the diminishing demand for the business's services or goods; and (b) at the time of last separation from employment, resided in or was employed in a rural natural resources impact area.
  - (16) "Salmon fishing worker" means a worker in the finfish industry affected by 1994 or future salmon disasters. The workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries involved in the commercial and recreational harvesting of finfish including buying and processing finfish. The commissioner may adopt rules further interpreting these definitions.
    - (17) "Rural natural resources impact area" means:

- 13 (a) A nonmetropolitan county, as defined by the 1990 decennial 14 census, that meets three of the five criteria set forth in subsection 15 (18) of this section;
  - (b) A nonmetropolitan county with a population of less than forty thousand in the 1990 decennial census, that meets two of the five criteria as set forth in subsection (18) of this section; or
  - (c) A nonurbanized area, as defined by the 1990 decennial census, that is located in a metropolitan county that meets three of the five criteria set forth in subsection (18) of this section.
  - (18) For the purposes of designating rural natural resources impact areas, the following criteria shall be considered:
  - (a) A lumber and wood products employment location quotient at or above the state average;
  - (b) A commercial salmon fishing employment location quotient at or above the state average;
  - (c) Projected or actual direct lumber and wood products job losses of one hundred positions or more;
  - (d) Projected or actual direct commercial salmon fishing job losses of one hundred positions or more; and
    - (e) An unemployment rate twenty percent or more above the state average. The counties that meet these criteria shall be determined by the employment security department for the most recent year for which data is available. For the purposes of administration of programs under this chapter, the United States post office five-digit zip code delivery areas will be used to determine residence status for eligibility purposes. For the purpose of this definition, a zip code

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- delivery area of which any part is ten miles or more from an urbanized area is considered nonurbanized. A zip code totally surrounded by zip codes qualifying as nonurbanized under this definition is also considered nonurbanized. The office of financial management shall make available a zip code listing of the areas to all agencies and organizations providing services under this chapter.
- (19) "Applied baccalaureate degree" means a baccalaureate degree awarded by a college under RCW 28B.50.810 for successful completion of a program of study that is:
- (a) Specifically designed for individuals who hold an associate of applied science degree, or its equivalent, in order to maximize application of their technical course credits toward the baccalaureate degree; and
- 14 (b) Based on a curriculum that incorporates both theoretical and 15 applied knowledge and skills in a specific technical field.
  - (20) "Qualified institutions of higher education" means:
  - (a) Washington public community and technical colleges;
- 18 <u>(b) Private career schools that are members of an accrediting</u>
  19 <u>association recognized by rule of the higher education coordinating</u>
  20 <u>board for the purposes of chapter 28B.92 RCW; and</u>
- 21 <u>(c) Washington state apprenticeship and training council-approved</u> 22 <u>apprenticeship programs.</u>

23 PART 5
24 PASSPORT TO COLLEGE PROGRAM

NEW SECTION. Sec. 501. (1)(a) The legislature finds that in Washington, there are more than seven thousand three hundred children in foster family or group care. These children face unique obstacles and burdens as they transition to adulthood, including lacking continuity in their elementary and high school educations. As compared to the general population of students, twice as many foster care youth change schools at least once during their elementary and secondary school careers, and three times as many change schools at least three times. Only thirty-four percent of foster care youth graduate from high school within four years, compared to seventy percent for the general population. Of the former foster care youth who earn a high school diploma, more than twenty-eight percent earn a GED instead of a

traditional high school diploma. This is almost six times the rate of the general population. Research indicates that GED holders tend not to be as economically successful as the holders of traditional high school diplomas. Only twenty percent of former foster care youth who earn a high school degree enroll in college, compared to over sixty percent of the population generally. Of the former foster care youth who do enroll in college, very few go on to earn a degree. Less than two percent of former foster care youth hold bachelor's degrees, compared to twenty-eight percent of Washington's population generally.

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- (b) Former foster care youth face two critical hurdles to enrolling in college. The first is a lack of information regarding preparation for higher education and their options for enrolling in higher education. The second is finding the financial resources to fund their education. As a result of the unique hurdles and challenges that face former foster care youth, a disproportionate number of them are part of society's large group of marginalized youth and are at increased risk of continuing the cycle of poverty and violence that frequently plagues their families.
- (c) Former foster care youth suffer from mental health problems at a rate greater than that of the general population. For example, one in four former foster care youth report having suffered from posttraumatic stress disorder within the previous twelve months, compared to only four percent of the general population. Similarly, the incidence of major depression among former foster care youth is twice that of the general population, twenty percent versus ten percent.
- (d) There are other barriers for former foster care youth to achieving successful adulthood. One-third of former foster care youth live in households that are at or below the poverty level. This is three times the rate for the general population. The percentage of former foster care youth who report being homeless within one year of leaving foster care varies from over ten percent to almost twenty-five percent. By comparison, only one percent of the general population reports having been homeless at sometime during the past year. One in three former foster care youth lack health insurance, compared to less than one in five people in the general population. One in six former foster care youth receive cash public assistance. This is five times the rate of the general population.

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(e) Approximately twenty-five percent of former foster care youth are incarcerated at sometime after leaving foster care. This is four times the rate of incarceration for the general population. Of the former foster care youth who "age out" of foster care, twenty-seven percent of the males and ten percent of the females are incarcerated within twelve to eighteen months of leaving foster care.

- (f) Female former foster care youth become sexually active more than seven months earlier than their nonfoster care counterparts, have more sexual partners, and have a mean age of first pregnancy of almost two years earlier than their peers who were not in foster care.
- (2) The legislature further finds that a court may order a noncustodial parent to pay for some or all of their children's reasonable higher education costs. With respect to youth who have been in the foster care system during their adolescent years, and particularly with respect to youth who age out of the foster care system, the state has a duty to these youth that is not less than that of a noncustodial parent.
- (3) The legislature intends to create the passport to college promise program that will have two primary components, as follows:
- (a) Significantly increasing outreach to foster care youth between the ages of fifteen and eighteen regarding the higher education opportunities available to them, how to apply to college, and how to apply for and obtain financial aid; and
- (b) Providing financial aid to former foster care youth to ensure that the entire costs of their public undergraduate college education are paid for.
- NEW SECTION. Sec. 502. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
  - (1) "Cost of attendance" means the cost associated with attending a particular institution of higher education as determined by the higher education coordinating board, including but not limited to tuition, fees, room, board, books, and transportation, plus a cost-of-living enhancement equal to fifty percent of the room and board cost for undergraduate students living on campus.
    - (2) "Eligible student" means a student who:
- (a) Is between the ages of sixteen and twenty-six;

- 1 (b) Has been in foster care in the state of Washington for a minimum of six months since his or her fifteenth birthday;
  - (c) Is a resident student, as defined in RCW 28B.15.012(2);
  - (d) Has enrolled with or will enroll with an institution of higher education in Washington state by the age of twenty-one;
  - (e) Is making satisfactory progress toward the completion of a degree or certificate program;
    - (f) Has not earned a bachelor's or professional degree; and
    - (g) Is not pursuing a degree in theology.

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- (3) "Independent college or university" means a private, nonprofit institution of higher education, open to residents of the state, providing programs of education beyond the high school level leading to at least the baccalaureate degree, and accredited by the Northwest association of schools and colleges, and other institutions as may be developed that are approved by the higher education coordinating board as meeting equivalent standards as those institutions accredited under this section.
  - (4) "Institution of higher education" means:
- (a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or
- (b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the higher education coordinating board for the purposes of this section: PROVIDED, That any institution, branch, extension, or facility operating within the state of Washington that is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students.
- 37 (5) "Program" means the passport to college promise program created 38 in this chapter.

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NEW SECTION. Sec. 503. The passport to college promise program is created. The purpose of the program is:

- (1) To encourage current and former foster care youth to prepare for, attend, and successfully complete higher education; and
- (2) To provide current and former foster care youth with the educational planning, information, institutional support, and direct financial resources necessary for them to succeed in higher education.
- NEW SECTION. Sec. 504. (1) Institutions of higher education are encouraged to recruit and actively assist current and former foster care youth to attend institutions of higher education. Any institution of higher education that receives funds under this chapter must provide enrolled eligible students with comprehensive guidance regarding the financial aid process.
- (2) For fiscal year 2008, the office of financial management shall allocate the appropriation made for the purposes of this section between the higher education coordinating board and the state board for community and technical colleges. The allocation shall be based on and in proportion to the historical enrollment of former foster care youth ages sixteen to twenty-six from 2001 to 2006 at the community and technical colleges in Washington state and at the four-year public institutions of higher education in Washington state. Thereafter, the office of financial management shall allocate the funds appropriated for the purposes of this section based on the prior academic year's enrollments of former foster care youth ages sixteen to twenty-six at the community and technical colleges and at the four-year public institutions of higher education.
- (3) Up to the amount allocated to the state board for community and technical colleges for the purposes of this section, for every eligible student enrolled in a community or technical college in this state who earns forty-five quarter or thirty semester credits, or the equivalent, from a particular community or technical college, the state board for community and technical colleges shall award the college three thousand five hundred dollars. Thereafter, the state board for community and technical colleges shall award the college an additional two thousand five hundred dollars for every additional forty-five quarter or thirty semester credits, or the equivalent, the eligible student earns from the college, until the student has earned ninety quarter or sixty

semester college credits, or met other certification or training requirements established by the state board for community and technical colleges.

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(4) Up to the amount allocated to the higher education coordinating board for the purposes of this section, for every eligible student enrolled at a four-year institution of higher education who earns forty-five quarter or thirty semester credits, or the equivalent, from a particular four-year institution, the higher education coordinating board shall award the institution three thousand five hundred dollars. Thereafter, the higher education coordinating board shall award the institution an additional two thousand five hundred dollars for every additional forty-five quarter or thirty semester credits, or the equivalent, the eligible student earns from the institution, until the student has earned one hundred eighty quarter or one hundred twenty semester college credits.

NEW SECTION. Sec. 505. (1) The purpose of this section is to provide supplemental scholarships to cover the full, effective, and true cost of attendance for eligible students' undergraduate higher education. However, in no instance shall the annual amount of an eligible student's scholarship under this section exceed the lower of (a) the cost of attendance at the institution of higher education attended by the student, plus an amount equal to fifty percent of the cost of room and board for undergraduate students living on campus as established by the higher education coordinating board, or (b) the resident undergraduate cost of attendance at the University of Washington per academic year for a full-time student, plus an amount equal to fifty percent of the cost of room and board for undergraduate students living on campus as estimated by the higher education coordinating board.

- (2) The institution of higher education at which an eligible student is enrolled shall award the student all financial aid that he or she qualifies for, including all need-based, merit-based, campus-based, and institutional aid that the student is eligible to receive, but excluding work-study in an amount greater than twenty percent of the student's cost of attendance and student loans.
- (3) Subject to the limitation set forth in subsection (1) of this section, the institution of higher education at which an eligible

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student is enrolled shall provide each eligible student with a supplementary scholarship equal to the difference between the student's cost of attendance and the amount of financial aid awarded to the student under subsection (2) of this section.

- (4) Each institution of higher education providing supplementary scholarships under this section shall submit, at least annually, a request for reimbursement to the higher education coordinating board for the amount of the supplementary scholarships provided to eligible students. The higher education coordinating board shall timely reimburse the individual institutions of higher education for the amount of the supplementary scholarships from funds appropriated to the board for this purpose.
- (5) A student receiving a scholarship under this section shall be placed on probation if he or she fails to maintain a cumulative grade point average of 2.0 or better. If a student on probation fails to achieve a cumulative grade point average of 2.0 or better within one quarter or semester of being placed on probation, he or she ceases to be eligible to receive scholarship funds under this section until he or she achieves a cumulative grade point average of 2.0 or better.
- (6) An eligible student is eligible to receive a scholarship under this section for a maximum of five consecutive years after the student first enrolls with an institution of higher education or until the student turns age twenty-six, whichever occurs first. If a student turns age twenty-six during an academic year, and would otherwise be eligible for a scholarship under this section, the student shall continue to be eligible for a scholarship for the remainder of the academic year.
- (7) The higher education coordinating board shall perform an annual analysis to ensure that those institutions of higher education at which students have received a scholarship under this section during the previous academic year are in compliance with this section, including the requirement that other available sources of financial aid be used before the use of scholarship funds under this section.
- (8) To allow institutions of higher education to readily identify students who may be eligible for a scholarship under this section, all institutions of higher education shall include on their applications for undergraduate or relevant admission a question asking whether the applicant has been in foster care in Washington state for at least six

- 1 months since his or her fifteenth birthday. An institution shall not
- 2 consider whether an applicant may be eligible for a scholarship under
- 3 this section when deciding whether the applicant will be granted
- 4 admission to the institution.

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- NEW SECTION. Sec. 506. (1) The state board for community and technical colleges, with input from the higher education coordinating board and institutions of higher education, shall develop and maintain an internet web site and outreach program to serve as a comprehensive portal for foster care youth in Washington state to obtain information regarding higher education including, but not necessarily limited to:
- 11 (a) Academic, social, family, financial, and logistical information 12 important to successful postsecondary educational success;
  - (b) How and when to obtain and complete college applications;
- 14 (c) What college placement tests, if any, are generally required 15 for admission to college and when and how to register for such tests;
  - (d) How and when to obtain and complete a federal free application for federal student aid (FAFSA); and
  - (e) Detailed sources of financial aid likely available to eligible former foster care youth, including the financial aid provided by this chapter.
  - (2) The state board for community and technical colleges shall determine whether to design, build, and operate such program and web site directly or to use, support, and modify existing web sites created by government or nongovernmental entities for a similar purpose.
  - NEW SECTION. Sec. 507. (1) The department of social and health services, with input from the state board for community and technical colleges, the higher education coordinating board, and institutions of higher education, shall contract with at least one nongovernmental entity through a request for proposals process to develop, implement, and administer a program of supplemental educational transition planning for youth in foster care in Washington state.
  - (2) The nongovernmental entity or entities chosen by the department shall have demonstrated success in working with foster care youth and assisting foster care youth in successfully making the transition from foster care to independent adulthood.

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(3) The selected nongovernmental entity or entities shall provide supplemental educational transition planning to each foster care youth in Washington state beginning at age fifteen and then at least every six months thereafter. The supplemental transition planning shall include:

- (a) Comprehensive information regarding postsecondary educational opportunities including, but not limited to, sources of financial aid, institutional characteristics and record of support for former foster care youth, transportation, housing, and other logistical considerations;
  - (b) How and when to apply to postsecondary educational programs;
- (c) What precollege tests, if any, the particular foster care youth should take based on his or her postsecondary plans and when to take the tests;
- 15 (d) What courses to take to prepare the particular foster care 16 youth to succeed at his or her postsecondary plans;
  - (e) Social, community, educational, logistical, and other issues that frequently impact college students and their success rates; and
  - (f) Which web sites, nongovernmental entities, public agencies, and other foster care youth support providers specialize in which services.
  - (4) The selected nongovernmental entity or entities shall work directly with the school counselors at the foster care youths' high schools to ensure that a consistent and complete transition plan has been prepared for each foster care youth who emancipates out of the foster care system in Washington state.
  - NEW SECTION. Sec. 508. (1) The state board for community and technical colleges shall award one or more awards totaling twenty-five thousand dollars annually, from the appropriation made for this purpose, to the institutions of higher education that have been the most successful, as determined by the board, in recruiting, retaining, and graduating eligible students under this chapter.
- 32 (2) Institutions that receive an award under this section are 33 encouraged to use the award to further assist former foster care youth 34 in obtaining postsecondary education.
- NEW SECTION. Sec. 509. (1) The state board for community and technical colleges shall monitor and analyze the academic progress of

- community and technical college students who receive scholarships under this chapter, and shall submit a report regarding the number of community and technical college students who have received scholarships under this chapter and the academic progress of those students to the higher education committees of the senate and the house of representatives by January 15, 2010.
- (2) The higher education coordinating board shall monitor and analyze the academic progress of students enrolled at four-year institutions of higher education who receive scholarships under this chapter, and shall submit a report regarding the number of students who have received scholarships under this chapter and the academic progress of those students to the higher education committees of the senate and the house of representatives by January 15, 2010.
- NEW SECTION. **Sec. 510.** Nothing in this chapter may be construed to:
- 16 (1) Guarantee acceptance by, or entrance into, any institution of 17 higher education; or
- 18 (2) Limit the participation of youth, in or formerly in, foster 19 care in Washington state in any other program of financial assistance 20 for postsecondary education.

21 PART 6
22 FINANCIAL AID ACCESS AND TRANSPARENCY

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- NEW SECTION. **Sec. 601.** (1) The higher education coordinating board shall conduct a review of:
- (a) The current types and amounts of need-based financial aid available to students in Washington from state, federal, and institutional sources, with information on the eligible population for each source; and
- (b) The level of understanding of available financial aid and requirements for accessing the aid, among high school students, high school parents, and college students.
- 32 (2) Based on the results of the review, the higher education 33 coordinating board shall develop and propose a plan to:
  - (a) Simplify the delivery of financial aid;

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- 1 (b) Provide easy access to high quality financial aid information; 2 and
  - (c) Address gaps in the financial aid system.
  - (3) The board shall submit its plan to the fiscal and higher education committees of the legislature by November 15, 2007, and shall coordinate its research and development with the state board for community and technical colleges and the superintendent of public instruction.
  - (4) The board may, in carrying out this study, accept, use, and dispose of contributions of money, services, and property. All moneys received by the board for the study must be deposited in a depository approved by the state treasurer. Disbursements of such funds shall be on authorization of the institute or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control, such funds are subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of such funds.
  - (5) This section expires December 31, 2007.

**PART 7** 

## 19 STUDENT TRANSITIONS

NEW SECTION. Sec. 701. (1) The work groups convened pursuant to RCW 28B.76.250, as those groups exist on the effective date of this section, shall conduct a review of all approved associate transfer degrees, including the direct transfer agreement. The purpose of the review is to identify credits within each associate transfer degree that, when not considered as part of the associate transfer degree, are not transferable to a state four-year institution of higher education on a stand-alone basis.

- (2) The work groups shall identify alternatives to ensure that course credits that are transferable to a state four-year institution of higher education as part of an associate transfer degree are also transferable when not part of an associate transfer degree.
- (3) By January 10, 2008, the higher education coordinating board shall submit to the higher education committees of the house of representatives and the senate a report that identifies credits that do not transfer separately from an associate transfer degree. The report

shall also contain information on alternatives to ensure that credits within an associate transfer degree are transferable separately from an associate transfer degree.

- **Sec. 702.** RCW 28B.76.250 and 2004 c 55 s 2 are each amended to read as follows:
- (1) The higher education coordinating board must convene work groups to develop transfer associate degrees that will satisfy lower division requirements at public four-year institutions of higher education for specific academic majors. Work groups must include representatives from the state board for community and technical colleges and the council of presidents, as well as faculty from two and four-year institutions. Work groups may include representatives from independent four-year institutions.
- (2) Each transfer associate degree developed under this section must enable a student to complete the lower-division courses or competencies for general education requirements and preparation for the major that a direct-entry student would typically complete in the freshman and sophomore years for that academic major.
- (3) Completion of a transfer associate degree does not guarantee a student admission into an institution of higher education or admission into a major, minor, or professional program at an institution of higher education that has competitive admission standards for the program based on grade point average or other performance criteria.
- (4) During the 2004-05 academic year, the work groups must develop transfer degrees for elementary education, engineering, and nursing. Each year thereafter, the higher education coordinating board must convene additional groups to identify and develop additional transfer degrees. The board must give priority to majors in high demand by transfer students and majors that the general direct transfer agreement associate degree does not adequately prepare students to enter automatically upon transfer. When developing additional transfer degrees, the work groups shall ensure that at least fifteen of the total credits or at least one-half of the elective credits, whichever is greater, that are transferable as part of a transfer degree will be transferable on a course by course basis without the corresponding transfer degree.

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- (5) The higher education coordinating board, in collaboration with the intercollege relations commission, must collect and maintain lists of courses offered by each community and technical college and public four-year institution of higher education that fall within each transfer associate degree.
- (6) The higher education coordinating board must monitor implementation of transfer associate degrees by public four-year institutions to ensure compliance with subsection (2) of this section.
- (7) Beginning January 10, 2005, the higher education coordinating board must submit a progress report on the development of transfer associate degrees to the higher education committees of the house of representatives and the senate. The first progress report must include measurable benchmark indicators to monitor the effectiveness of the initiatives in improving transfer and baseline data for those indicators before the implementation of the initiatives. Subsequent reports must be submitted by January 10 of each odd-numbered year and must monitor progress on the indicators, describe development of additional transfer associate degrees, and provide other data on improvements in transfer efficiency.

20 **PART 8** 

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#### 21 MISCELLANEOUS PROVISIONS

- NEW SECTION. Sec. 801. Part headings and captions used in this act are not any part of the law.
- NEW SECTION. Sec. 802. Sections 501 through 510 of this act constitute a new chapter in Title 28B RCW.
- NEW SECTION. **sec. 803.** (1) The sum of three million dollars, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2008, from the general fund to the office of financial management for the purposes of sections 501 through 510 of this act.
- 31 (2) The sum of three million dollars, or as much thereof as may be 32 necessary, is appropriated for the fiscal year ending June 30, 2009, 33 from the general fund to the office of financial management for the 34 purposes of sections 501 through 510 of this act.

<u>NEW SECTION.</u> **Sec. 804.** Section 402 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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