NEW SECTION. Sec. 1. This act shall be known as the college promise act.

NEW SECTION. Sec. 2. It is the intent of the legislature to restructure and fully fund the state’s system of financial aid. The restructured financial aid system shall be known as college promise.

NEW SECTION. Sec. 3. (1) The higher education coordinating board shall restructure the state’s financial aid programs into a comprehensive and coordinated system of assistance known as college promise. College promise shall expand and modify three existing programs for needy students: The state need grant program under RCW 28B.10.790 through 28B.10.824; the state work study program under chapter 28B.12 RCW; and the educational opportunity grant program under chapter 28B.101 RCW. In addition, college promise may include a demonstration project to assist needy students whose parents did not complete a degree or certificate from an institution of higher education. College promise shall be implemented beginning in the 1995-96 academic year.

(2) By January 1, 1994, the higher education coordinating board, in consultation with the house of representatives and senate higher education and fiscal committees, and the institutions of higher education, shall develop a detailed implementation plan for college promise. In preparing the plan, the board shall follow the goals and priorities set forth in sections 4 and 5 of this act. The plan shall include, but not be limited to:

(a) Specific program eligibility measures and application procedures for the new populations of state financial aid recipients identified in section 5 of this act;
(b) Specific need analysis criteria and asset protection allowances;

(c) Estimates of how many state residents, both those who are currently enrolled in a college or university, and those not currently enrolled, would be eligible and would apply for aid under the expanded eligibility criteria identified in section 5 of this act. The estimates, developed in consultation with the office of financial management, the office of the superintendent of public instruction, and other agencies as appropriate, shall take into account state economic and demographic factors and other appropriate information;

(d) Estimates of where the new aid applicants identified under (c) of this subsection would choose to enroll by type of institution and level of program; and

(e) Estimates of the costs for each state financial aid program, including the state need grant program under RCW 28B.10.790 through 28B.10.824; the state work study program under chapter 28B.12 RCW; and the educational opportunity grant program under chapter 28B.101 RCW to accommodate any new aid applicants estimated under (c) of this subsection, as offset by nonstate sources of aid. Separate cost estimates shall be made for each of the new aid populations identified under section 5 of this act.

(3) It is the intent of the legislature that the cost estimates completed under subsection (2) of this section shall be the basis for determining funding levels for state financial aid programs for each year of the 1995-97 biennium.

(4) The methodologies used to estimate costs under subsection (2) of this section shall be used for the annual cost estimates required under section 6 of this act.

(5) The plan completed under subsection (2) of this section shall be deemed approved on June 30, 1994, unless legislation is enacted to alter the policies set forth in the plan. The board shall also propose to the legislature any changes to the laws governing state financial aid programs that it deems necessary to accomplish the purposes of college promise.

NEW SECTION. Sec. 4. In restructuring the state’s financial aid programs, the higher education coordinating board shall follow these goals:
(1) For all need-based financial aid programs under RCW 28B.10.790 through 28B.10.824 and chapters 28B.12 and 28B.101 RCW:
(a) Through a mix of federal, state, and other resources:
   (i) Limit the debt of an undergraduate student to no more than one-half of a student’s cost of attendance; and
   (ii) Provide more self-help opportunities than grant aid to middle-income students, and approximately equal amounts of self-help opportunities and grant aid to low-income and lower middle-income students. Self-help opportunities include work study and loans;
(b) In determining eligibility for state financial aid programs, shelter home equity on a family’s principal place of residence, and shelter a reasonable portion of savings and farm or business net worth, each insofar as is permissible under state and federal law;
(c) Consistent with federal law, simplify the financial aid application process;
(d) Strive to preserve a range of educational options for needy students, including choice of institutions and programs;
(e) Recognize otherwise unfunded equipment and assistance needed to accommodate students with disabilities reasonably; and
(f) Deliver clear and timely information to current and future postsecondary students about the costs of attending college and available financial aid.

(2) For the state need grant program under RCW 28B.10.790 through 28B.10.824: As funds are available, expand the program to include new populations of resident students in the following priority order, ensuring that undergraduate students with the most demonstrated financial need receive full grants before less needy students receive any grant:
(a) Low-income undergraduates;
(b) Lower middle-income undergraduates;
(c) Middle-income undergraduates; and
(d) Resident graduate and professional students, following the income priorities established for undergraduate students.

(3) For the state work study program under chapter 28B.12 RCW: Increase employment opportunities including off-campus job opportunities with off-campus community service employers.

(4) For students whose parents did not complete a higher education degree or certificate: Determine the feasibility of providing grants to needy first generation scholars.
NEW SECTION. Sec. 5. In implementing the goals for expanding financial aid to needy undergraduate students, the board shall be
guided by the following matrix. The matrix defines income levels, and
for each level, the funding priority, and the assistance mix goal.
Income levels shall be adjusted annually for family size and changes in
the state’s median income. It is the intent of the legislature these
goals not impair the ability of financial aid officers to adjust aid
packages to meet the needs of students. However, it is the further
intent of the legislature that financial aid officers, insofar as
possible attempt to implement these goals.

Goals for Funding Needy Undergraduate Students

<table>
<thead>
<tr>
<th>Classification</th>
<th>Low-income</th>
<th>Lower middle-income</th>
<th>Middle-income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income:</td>
<td>0-$20,864</td>
<td>$20,865-$31,296</td>
<td>$31,297-$52,160</td>
</tr>
<tr>
<td>(1991 dollars, family of four)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of State</th>
<th>Fifty percent</th>
<th>Fifty-one to seventy-five percent</th>
<th>Seventy-six to one hundred percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority for Receiving Grants</td>
<td>First</td>
<td>Second</td>
<td>Third</td>
</tr>
<tr>
<td>Assistance Mix goal:</td>
<td>One-half grants</td>
<td>One-half grants</td>
<td>Up to one-third grants</td>
</tr>
<tr>
<td>Work study and loans</td>
<td>One-half work study</td>
<td>One-half work study</td>
<td>Two-thirds work study</td>
</tr>
</tbody>
</table>
NEW SECTION. Sec. 7. In administering the state student financial aid program, also known as the state need grant program, under RCW 28B.10.790 through 28B.10.824, the higher education coordinating board shall proceed substantially as follows unless it determines that a modification is required in order to conform with federal law or to improve the administration of the program, consistent with the purposes of this chapter.

(1) Define and assist additional populations of needy students as funding becomes available, in the priorities described in section 20 of this act, and using income level classification definitions as described in section 5 of this act.

(2) In calculating eligibility for aid, where not otherwise inconsistent with federal or state law, shelter home equity on a family’s principal place of residence and shelter a reasonable amount of savings and a reasonable portion of farm or business net worth, in order to equitably evaluate family ability to pay.

(3) To the extent feasible, adjust the student budget of a needy student with disabilities to reflect otherwise unfunded equipment or assistance needed to reasonably accommodate the student in a postsecondary education or training program.

Sec. 8. RCW 28B.101.040 and 1990 c 288 s 6 are each amended to read as follows:

Grants may be used by eligible participants to attend any public or private college or university in the state of Washington that is accredited by an accrediting association recognized by rule of the higher education coordinating board and that has an existing unused capacity. Grants shall not be used to attend any branch campus or educational program established under chapter 28B.45 RCW. The participant shall not be eligible for a grant if it will be used for any programs that include religious worship, exercise, or instruction or to pursue a degree in theology. Each participating student may receive up to two thousand five hundred dollars per academic year, not to exceed the student’s demonstrated financial need for the course of study.

NEW SECTION. Sec. 9. A new section is added to chapter 28B.80 RCW to read as follows:
With the exception of institutions of higher education as defined in RCW 28B.10.016, any institution of postsecondary education that enrolls students receiving state-funded financial aid shall: (1) For Washington residents, match the total amount of the state financial aid grant funds received by all enrolled students at that institution from the state need grant and equal opportunity grant programs, with an equal amount of institutionally raised grant funds from nongovernmental sources, and (2) enter into new or honor existing transfer agreements with institutions of higher education as defined in RCW 28B.10.016. The higher education coordinating board shall adopt rules to implement these requirements. The rules shall ensure that all institutional matching grant funds go to students who are needy as defined in RCW 28B.10.802(3) and who are residents of the state of Washington. "Residents of the state of Washington" means that the students would be eligible to pay resident tuition rates under RCW 28B.15.011 through 28B.15.013 if they were enrolled at a state institution of higher education as defined in RCW 28B.10.016.

Sec. 10. RCW 28B.12.040 and 1985 c 370 s 58 are each amended to read as follows:

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

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

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

NEW SECTION. Sec. 11. A new section is added to chapter 28B.80 RCW to read as follows:

The higher education coordinating board may design a demonstration project to assist needy first generation college students to obtain
either a community or technical college degree or certificate, or a
baccalaureate degree. Through the project, a needy student, as defined
in RCW 28B.10.802(3), who attends a Washington institution of higher
education that is accredited by an accrediting association recognized
by the board by rule, and whose parents did not complete a degree or
certificate from an institution of higher education, may receive a
grant of up to fifteen hundred dollars per year, not to exceed the
student’s documented need. The grant may be renewable each year, if
the student makes satisfactory academic progress. Grants awarded to
any one student shall not exceed a cumulative total of nine thousand
dollars for an individual pursuing a baccalaureate degree or five
thousand dollars for a student pursuing a community or technical
college degree or certificate. Before seeking funding for the program,
the board shall submit to the governor and the legislature a plan for
implementing the project. The plan shall include a provision for
verification of student eligibility to participate in the demonstration
project.

Sec. 12. RCW 28B.15.600 and 1991 c 164 s 5 are each amended to
read as follows:
The boards of regents of the state’s universities and the boards of
trustees of the regional universities and The Evergreen State College
and community colleges may refund or cancel in full the tuition and
services and activities fees if the student withdraws from a university
or college course or program prior to the sixth day of instruction of
the quarter or semester for which said fees have been paid or are due.
If the student withdraws on or after the sixth day of instruction, said
boards of regents and trustees may refund or cancel up to one-half of
said fees, provided such withdrawal occurs within the first thirty
calendar days following the beginning of instruction. However, if
required by federal law in order to maintain eligibility for federal
funding of programs at the university or college, the regents or
trustees of the respective universities and colleges may adopt a refund
policy that meets the minimum requirements of such federal law, and
such policy may treat all students attending the institution in the
same manner. The regents or trustees of the respective universities
and colleges may adopt rules for the refund of tuition and fees for
courses or programs that begin after the start of the regular quarter
or semester. Said boards of regents and trustees may adopt rules to
comply with RCW 28B.15.623 and may extend the refund or cancellation period for students who withdraw for medical reasons or who are called into the military service of the United States.

Said boards of regents and trustees may refund other fees pursuant to such rules as they may prescribe.

NEW SECTION. Sec. 13. 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. 14. Sections 2 through 7 of this act are each added to chapter 28B.10 RCW.

ESHB 1603 - S COMM AMD
By Committee on Higher Education

On page 1, line 1 of the title, after "education;" strike the remainder of the title and insert "amending RCW 28B.101.040, 28B.12.040, and 28B.15.600; adding new sections to chapter 28B.10 RCW; adding new sections to chapter 28B.80 RCW; and creating a new section."