CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 1179

Chapter 404, Laws of 2007

60th Legislature
2007 Regular Session

STATE NEED GRANTS--POSTSECONDARY INSTITUTIONS

EFFECTIVE DATE: 07/22/07

Passed by the House April 19, 2007
Yeas 97  Nays 1

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate April 19, 2007
Yeas 48  Nays 0

BRAD OWEN
President of the Senate

Approved May 9, 2007, 10:07 a.m.

CERTIFICATE
I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE HOUSE BILL 1179 as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER
Chief Clerk

FILED
May 11, 2007

CHRISTINE GREGOIRE
Governor of the State of Washington

SECRETARY OF STATE
State of Washington
AN ACT Relating to allowing students attending a postsecondary institution on a less than half-time basis to qualify for a state need grant; amending RCW 28B.92.080, 28B.92.060, and 28B.15.820; adding a new section to chapter 28B.92 RCW; and creating a new section.

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

Sec. 1. RCW 28B.92.080 and 2004 c 275 s 39 are each amended to read as follows:

For a student to be eligible for a state need grant a student must:

(1) Be a "needy student" or "disadvantaged student" as determined by the board in accordance with RCW 28B.92.030 (3) and (4).

(2) Have been domiciled within the state of Washington for at least one year.

(3) Be enrolled or accepted for enrollment on at least a half-time basis at an institution of higher education in Washington as defined in RCW 28B.92.030(1).

(4) Until June 30, 2011, to the extent funds are specifically appropriated for this purpose, and subject to any terms and conditions specified in the omnibus appropriations act, be enrolled or accepted
for enrollment 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).

(5) Have complied with all the rules and regulations adopted by the
board for the administration of this chapter.

Sec. 2. 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:

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

(b) Other considerations, such as whether the student is a former
foster youth.

(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
cost in the public institutions. Any child support payments
received by students who are parents attending less than half-time
shall not be used in computing financial need.

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

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

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

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

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

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

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

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

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

Sec. 4. 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 with other lenders and the Washington student loan guaranty association, or its successor agency, in the coordinated collection of guaranteed loans, and shall assure that the guarantability 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 guaranty 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 guaranteed 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.

(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.

(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 that are not used in making long-term or short-term loans may be used by the institution for locally-administered financial aid programs for needy students, such as need-based institutional employment programs or need-based tuition and fee scholarship or grant programs. These funds shall be used in addition to and not to replace institutional funds that would otherwise support these locally-administered financial aid programs. First priority in the use of these funds shall be given to needy students who have accumulated excessive educational loan burdens. An excessive educational loan burden is a burden that will be difficult to repay given employment opportunities and average starting salaries in the student's chosen fields of study. Second priority in the use of these funds shall be given to needy single parents, to assist these students with their educational expenses, including expenses associated with child care and transportation.

NEW SECTION. Sec. 5. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2007, in the omnibus appropriations act, this act is null and void.

Passed by the House April 19, 2007.
Passed by the Senate April 19, 2007.
Approved by the Governor May 9, 2007.
Filed in Office of Secretary of State May 11, 2007.