
SUBSTITUTE HOUSE BILL 1030

State of Washington

64th Legislature

2015 Regular Session

By House Higher Education (originally sponsored by Representatives Johnson, Sells, Haler, Appleton, S. Hunt, Gregerson, Bergquist, Hudgins, Van De Wege, Moeller, Magendanz, Fey, and Pollet)

READ FIRST TIME 02/12/15.

1 AN ACT Relating to creating a higher education loan program;
2 amending RCW 28B.97.010 and 28B.97.020; adding new sections to
3 chapter 28B.97 RCW; creating a new section; and providing an
4 expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that too many
7 students at all income levels are leaving higher education programs
8 with high levels of debt. The legislature recognizes that a financial
9 aid program that offers loans with repayments based on a student's
10 income would reduce the burden of debt.

11 **Sec. 2.** RCW 28B.97.010 and 2011 1st sp.s. c 11 s 174 are each
12 amended to read as follows:

13 (1) The Washington advance higher education loan program is
14 created as a pilot program. The program is created for the following
15 purposes:

16 (a) To assist students in need of additional low-cost student
17 loans and related loan benefits; and

18 (b) To meet the state's need for individuals with higher
19 education degrees and certificates that are in demand by employers,

1 such as in the fields of science, including health science,
2 technology, engineering, and math.

3 (2) The program shall be administered by the office. In
4 administering the program, the office (~~(must)~~) has the following
5 powers and duties:

6 (a) (~~Periodically assess the needs and target the benefits to~~
7 ~~selected students;~~

8 (b) ~~Devise a program to address the following issues related to~~
9 ~~loans:~~

10 (i) ~~Issuance of low interest educational loans;~~

11 (ii) ~~Determining loan repayment obligations and options;~~

12 (iii) ~~Borrowing educational loans at low interest rates;~~

13 (iv) ~~Developing conditional loans that can be forgiven in~~
14 ~~exchange for service; and~~

15 (v) ~~Creating an emergency loan fund to help students until other~~
16 ~~state and federal long term financing can be secured;~~

17 (c) ~~Accept public and private contributions;~~

18 (d) ~~Publicize the program; and~~

19 (e) ~~Work with public and private colleges and universities, the~~
20 ~~state board for community and technical colleges, the workforce~~
21 ~~training and education coordinating board, and with students, to~~
22 ~~conduct periodic assessment of program needs. The office may also~~
23 ~~consult with other groups and individuals as needed)) Design and~~

24 implement a low interest educational loan program with the following
25 elements:

26 (i) An interest rate that is less than federal student loan
27 options for higher education students;

28 (ii) Loan repayment obligations that take total loan debt and
29 family size into consideration;

30 (iii) Loan repayments that do not commence until six months after
31 a student has completed his or her degree or certificate, or six
32 months after leaving his or her program in cases where a student
33 leaves before completing a degree or certificate;

34 (b) Define other loan terms including fees and deferments;

35 (c) Screen and select eligible students to receive the loan;

36 (d) Collect and manage repayment from students who do not meet
37 their obligations under this chapter;

38 (e) Exercise discretion to revise repayment obligations in
39 certain cases such as in cases of economic hardship; and

40 (f) Adopt necessary rules.

1 **Sec. 3.** RCW 28B.97.020 and 2012 c 229 s 561 are each amended to
2 read as follows:

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

5 (1) "Eligible student" means a student who meets the criteria in
6 section 4 of this act.

7 (2) "Institution of higher education" means a college or
8 university in the state of Washington that is accredited by an
9 accrediting association recognized as such by rule of the student
10 achievement council.

11 (~~(2)~~) (3) "Office" means the office of student financial
12 assistance.

13 (~~(3)~~) (4) "Program" means the Washington advance higher
14 education loan program.

15 (~~(4)~~) (5) "Resident student" has the definition in RCW
16 28B.15.012(2) (a) through (~~(d)~~) (e).

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.97
18 RCW to read as follows:

19 (1) An "eligible student" is a student who satisfies all of the
20 following criteria:

21 (a) Is a resident student;

22 (b) Can demonstrate financial need to access the loan in order to
23 enroll in or complete his or her higher education degree or
24 certificate program; and

25 (c) Is enrolled in one of the following programs:

26 (i) A program related to science, including health science,
27 technology, engineering, or math at Washington State University in
28 Vancouver, Clark College, or Heritage University;

29 (ii) An aerospace-related program at Everett Community College;

30 (iii) The MEDEX program at the University of Washington in
31 Spokane;

32 (iv) The doctor of osteopathic medicine program at Pacific
33 Northwest University of Health Sciences; or

34 (v) Any computer science or engineering baccalaureate degree or
35 applied baccalaureate degree offered by an institution of higher
36 education as defined in RCW 28B.10.016 or independent, nonprofit
37 baccalaureate degree-granting institution in the state.

38 (2) To remain an eligible student and receive continuing
39 disbursements under the program, a participant must be considered by

1 the institution of higher education to be making satisfactory
2 progress.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.97
4 RCW to read as follows:

5 (1) The office, with the collaboration of participating
6 institutions and programs, shall submit an annual report by December
7 1st regarding the program to the governor and to the appropriate
8 committees of the legislature.

9 (2) The annual report shall describe the design and
10 implementation of the program, and shall include the following:

11 (a) The number of applicants for loans and their income levels at
12 the time of application;

13 (b) The number of participants in the program and their income
14 levels at the time of application;

15 (c) The number of participants in the program who complete a
16 higher education program;

17 (d) The number of participants in the program who are placed in
18 employment and their earnings three quarters after completion;

19 (e) The nature of that employment, including:

20 (i) The type of job; and

21 (ii) Whether the job is full-time, part-time, or temporary;

22 (f) Demographic profiles of applicants for loans and participants
23 in the program; and

24 (g) An estimate of when the program will become self-sustaining.

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.97
26 RCW to read as follows:

27 The office may award Washington advance higher education loans to
28 eligible students from the funds available in the Washington advance
29 higher education loan account created in section 7 of this act. The
30 amount of the student loan awarded an individual may not exceed
31 tuition and fees for the program of study.

32 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.97
33 RCW to read as follows:

34 (1) The Washington advance higher education loan account is
35 created in the custody of the state treasurer. No appropriation is
36 required for expenditures of funds from the account for Washington
37 advance higher education loan program student loans. An appropriation

1 is required for expenditures of funds from the account for costs
2 associated with program administration by the office, and this
3 appropriation is subject to allotment procedures under chapter 43.88
4 RCW. Expenditures from nonappropriated funds in the account are not
5 subject to allotment procedures under chapter 43.88 RCW.

6 (2) The office shall deposit into the account all moneys received
7 for the program. The account shall become self-sustaining after a
8 sufficient number of years of program operation and consist of moneys
9 received for the program by the office, and receipts from participant
10 repayments, including principal and interest.

11 (3) Expenditures from the account may be used solely for student
12 loans to participants in the program established by this chapter and
13 costs associated with program administration by the office.

14 (4) Disbursements from the account may be made only on the
15 authorization of the office.

16 NEW SECTION. **Sec. 8.** A new section is added to chapter 28B.97
17 RCW to read as follows:

18 This chapter expires July 1, 2021.

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