AN ACT Relating to encouraging Washington college grant recipients to reside or work in Washington after graduation; amending RCW 28B.92.200; amending 2019 c 406 s 18 (uncodified); and adding new sections to chapter 28B.92 RCW.

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

Sec. 1. 2019 c 406 s 18 (uncodified) is amended to read as follows:

1. The legislature finds that individuals with a postsecondary credential have a greater chance of earning a wage that can support themselves and their families than if they do not obtain a postsecondary credential. At the same time, Washington employers are in need of many more individuals who possess postsecondary qualifications. Access to postsecondary opportunities are vital to ensure that more Washington high school graduates and working adults can enter and complete a postsecondary program and compete for the job opportunities available in the state.

2. The legislature further finds that a statewide free taxpayer-funded college program, for students who demonstrate financial need as defined in RCW 28B.92.205, and for students who commit to residing or working in Washington following graduation pursuant to RCW 28B.92.200(7), is...
necessary to significantly reduce the financial costs of obtaining a
postsecondary credential. The Washington college grant program is
intended to increase access to postsecondary opportunities for
Washington residents.

Sec. 2. RCW 28B.92.200 and 2019 c 406 s 19 are each amended to
read as follows:

(1) The Washington college grant program is created to provide a
((statewide free)) taxpayer-funded college program for eligible
participants and greater access to postsecondary education for
Washington residents. The Washington college grant program is
intended to increase the number of high school graduates and adults
that can attain a postsecondary credential and provide them with the
qualifications needed to compete for job opportunities in Washington.

(2) The office shall implement and administer the Washington
college grant program and is authorized to establish rules necessary
for implementation of the program.

(3) The legislature shall appropriate funding for the Washington
college grant program. Allocations must be made on the basis of
estimated eligible participants enrolled in eligible institutions of
higher education or apprenticeship programs. All eligible students
are entitled to a Washington college grant beginning in academic year
2020-21.

(4) The office shall award Washington college grants to all
eligible students beginning in academic year 2020-21.

(5) To be eligible for the Washington college grant, students
must meet the following requirements:

(a) Demonstrate financial need under RCW 28B.92.205;
(b)(i) 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; or
(ii) Be enrolled in a registered apprenticeship program approved
under chapter 49.04 RCW;
(c) Be a resident student as defined in RCW 28B.15.012(2) (a)
through (e);
(d) File an annual application for financial aid as approved by
the office; and
(e) Must not have earned a baccalaureate degree or higher from a
postsecondary institution.
(6) Washington college grant eligibility may not extend beyond five years or one hundred twenty-five percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(7) A Washington college grant recipient with junior or senior standing shall agree to reside or work exclusively in Washington, and shall either not be employed or be a resident in any other state for a maximum period of two years following graduation or discontinuing enrollment in an institution. The recipient shall agree to reside or work in Washington for one year for each academic year of Washington college grant received during academic years of junior and senior standing. The recipient shall sign a contract with the council agreeing to have his or her award converted to a student loan administered by the council if the recipient fails to fulfill this requirement. A recipient shall prove residency or employment in Washington by providing one of the following to the council every six months after graduation or discontinuing enrollment in an institution:

(a) Home utility bill with a Washington address dated within the past two months;

(b) Department of social and health services benefits letter indicating unexpired benefits;

(c) Tribal identification;

(d) Proof of homeownership;

(e) Business mail from a state, federal, tribal, county, or city government entity dated within the past two months;

(f) Individual tax identification number letter from the internal revenue service;

(g) Homeowners insurance policy;

(h) Auto insurance policy or bill dated within the past two months;

(i) Paycheck or paystub with the employer's name and phone number or address that is dated within the past two months;

(j) Washington professional license;

(k) W-2 form from an employer; or

(l) Letter attesting residence in alternative housing on a company letterhead with a phone number that could be used in verification of the facility.

(8) Institutional aid administrators shall determine whether a student eligible for the Washington college grant in a given academic
year may remain eligible for the ensuing year if the student's family income increases by no more than three percent.

((8)) (9) Qualifications for receipt and renewal include maintaining satisfactory academic progress toward completion of an eligible program as determined by the office and established in rule.

((9)) (10) Should a 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 of higher education according to the institution of higher education's policy for issuing refunds, except as provided in RCW 28B.92.070.

((10)) (11) An eligible student enrolled on a part-time basis shall receive a prorated portion of the Washington college grant for any academic period in which he or she is enrolled on a part-time basis.

((11)) (12) The Washington college grant is intended to be used to meet the costs of postsecondary education for students with financial need. The student shall be awarded all need-based financial aid for which the student qualifies as determined by the institution.

((12)) (13) Students and participating institutions of higher education shall comply with all the rules adopted by the council for the administration of this chapter.

NEW SECTION. Sec. 3. A new section is added to chapter 28B.92 RCW to read as follows:

For Washington college grant recipients who fail to fulfill the requirement to reside or work in Washington pursuant to RCW 28B.92.200(7), the council shall convert the grant amount received by the recipient into a student loan with a zero percent interest rate. The converted grant amount must be prorated based on the recipient's time spent residing or working in Washington. The council has the following duties in administering Washington college grants converted to student loans:

(1) Verify and track the residence and employment of Washington college grant recipients;

(2) Define the terms of repayment, with a maximum repayment term of no more than ten years;

(3) Collect repayments, including exercising due diligence in such collection and servicing of repayments and, if necessary,
collection must be pursued using the full extent of the law, including wage garnishment;

(4) Maintain all necessary records;

(5) Establish an appeals process for recipients who believe there is an unresolved error in the servicing of their loan;

(6) Establish rules for deferring repayment, such as pursuing a graduate or professional degree, and for forbearance, such as for economic or medical hardship;

(7) Establish rules for exemptions for active duty military and their dependents who are moved out of state before completing the required time to reside or work in Washington; and

(8) Establish rules for discharging a student's loan in the event of total disability or death.

NEW SECTION. Sec. 4. A new section is added to chapter 28B.92 RCW to read as follows:

(1) The Washington college grant loan repayment account is created in the custody of the state treasurer. All receipts from section 3 of this act must be deposited in the account. Expenditures from the account may be used for administration and loan collection under the Washington college grant program but may not exceed fifteen percent of the total receipts. Only the director of the student achievement council or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures related to administration and loan collection.

(2) When any remaining funds in the Washington college grant loan repayment account accrue sufficient funding to reduce or prevent an increase in the cost of tuition by at least one percent, those funds must be transferred to the institutions of higher education operating fees account. These transferred funds must be used to reduce or prevent an increase in the cost of tuition at public institutions of higher education.

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