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**SUBSTITUTE SENATE BILL 5397**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Higher Education (originally sponsored by Senators Sheldon, Prince, Winsley, Bauer, Drew and Oke)

Read first time 02/17/93.

1 AN ACT Relating to residency status for students at institutions of  
2 higher education; amending RCW 28B.10.800, 28B.12.060, 28B.15.014,  
3 28B.15.820, 28B.101.040, and 28B.102.020; and reenacting and amending  
4 RCW 28B.15.012.

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

6 **Sec. 1.** RCW 28B.10.800 and 1969 ex.s. c 222 s 7 are each amended  
7 to read as follows:

8 The sole purpose of RCW 28B.10.800 through 28B.10.824 is to  
9 establish a state of Washington student financial aid program, thus  
10 assisting financially needy or disadvantaged students domiciled in  
11 Washington to obtain the opportunity of attending an accredited  
12 institution of higher education, as defined in RCW 28B.10.802(1).  
13 Financial aid under RCW 28B.10.800 through 28B.10.824 is available only  
14 to students who are resident students as defined in RCW 28B.15.012(2)  
15 (a) through (d).

16 **Sec. 2.** RCW 28B.12.060 and 1987 c 330 s 202 are each amended to  
17 read as follows:

1 The higher education coordinating board shall adopt rules and  
2 regulations as may be necessary or appropriate for effecting the  
3 provisions of this chapter, and not in conflict with this chapter, in  
4 accordance with the provisions of chapter 34.05 RCW, the state higher  
5 education administrative procedure act. Such rules and regulations  
6 shall include provisions designed to make employment under such work-  
7 study program reasonably available, to the extent of available funds,  
8 to all eligible students in eligible post-secondary institutions in  
9 need thereof. Such rules and regulations shall include:

10 (1) Providing work under the college work-study program which will  
11 not result in the displacement of employed workers or impair existing  
12 contracts for services.

13 (2) Furnishing work only to a student who:

14 (a) Is capable, in the opinion of the eligible institution, of  
15 maintaining good standing in such course of study while employed under  
16 the program covered by the agreement; and

17 (b) Has been accepted for enrollment as at least a half-time  
18 student at the eligible institution or, in the case of a student  
19 already enrolled in and attending the eligible institution, is in good  
20 standing and in at least half-time attendance there either as an  
21 undergraduate, graduate or professional student; and

22 (c) Is not pursuing a degree in theology.

23 (3) Placing priority on the securing of work opportunities for  
24 students who are residents of the state of Washington as defined in RCW  
25 28B.15.011 through 28B.15.014 except resident students defined in RCW  
26 28B.15.012(2)(e).

27 (4) Provisions to assure that in the state institutions of higher  
28 education utilization of this student work-study program:

29 (a) Shall only supplement and not supplant classified positions  
30 under jurisdiction of chapter 28B.16 RCW;

31 (b) That all positions established which are comparable shall be  
32 identified to a job classification under the higher education personnel  
33 board's classification plan and shall receive equal compensation;

34 (c) Shall not take place in any manner that would replace  
35 classified positions reduced due to lack of funds or work; and

36 (d) That work study positions shall only be established at entry  
37 level positions of the classified service.

1       **Sec. 3.** RCW 28B.15.012 and 1987 c 137 s 1 and 1987 c 96 s 1 are  
2 each reenacted and amended to read as follows:

3       Whenever used in chapter 28B.15 RCW:

4       (1) The term "institution" shall mean a public university, college,  
5 or community college within the state of Washington.

6       (2) The term "resident student" shall mean: (a) A financially  
7 independent student who has had a domicile in the state of Washington  
8 for the period of one year immediately prior to the time of  
9 commencement of the first day of the semester or quarter for which the  
10 student has registered at any institution and has in fact established  
11 a bona fide domicile in this state primarily for purposes other than  
12 educational; (b) a dependent student, if one or both of the student's  
13 parents or legal guardians have maintained a bona fide domicile in the  
14 state of Washington for at least one year immediately prior to  
15 commencement of the semester or quarter for which the student has  
16 registered at any institution; (c) a student classified as a resident  
17 based upon domicile by an institution on or before May 31, 1982, who  
18 was enrolled at a state institution during any term of the 1982-1983  
19 academic year, so long as such student's enrollment (excepting summer  
20 sessions) at an institution in this state is continuous; ~~((or))~~ (d) any  
21 student who has spent at least seventy-five percent of both his or her  
22 junior and senior years in high schools in this state, whose parents or  
23 legal guardians have been domiciled in the state for a period of at  
24 least one year within the five-year period before the student graduates  
25 from high school, and who enrolls in a public institution of higher  
26 education within six months of leaving high school, for as long as the  
27 student remains continuously enrolled for three quarters or two  
28 semesters in any calendar year; or (e) a student who is, or is the  
29 spouse or a dependent of a person who is, on active military duty  
30 stationed in the state: PROVIDED, That a nonresident student enrolled  
31 for more than six hours per semester or quarter shall be considered as  
32 attending for primarily educational purposes, and for tuition and fee  
33 paying purposes only such period of enrollment shall not be counted  
34 toward the establishment of a bona fide domicile of one year in this  
35 state unless such student proves that the student has in fact  
36 established a bona fide domicile in this state primarily for purposes  
37 other than educational.

38       (3) The term "nonresident student" shall mean any student who does  
39 not qualify as a "resident student" under the provisions of RCW

1 28B.15.011 through 28B.15.014 and 28B.15.015, each as now or hereafter  
2 amended. A nonresident student shall include:

3 (a) A student attending an institution with the aid of financial  
4 assistance provided by another state or governmental unit or agency  
5 thereof, such nonresidency continuing for one year after the completion  
6 of such semester or quarter.

7 (b) A person who is not a citizen of the United States of America  
8 who does not have permanent or temporary resident status or does not  
9 hold "Refugee-Parolee" or "Conditional Entrant" status with the United  
10 States immigration and naturalization service or is not otherwise  
11 permanently residing in the United States under color of law and who  
12 does not also meet and comply with all the applicable requirements in  
13 RCW 28B.15.011 through 28B.15.014 and 28B.15.015, each as now or  
14 hereafter amended.

15 (4) The term "domicile" shall denote a person's true, fixed and  
16 permanent home and place of habitation. It is the place where the  
17 student intends to remain, and to which the student expects to return  
18 when the student leaves without intending to establish a new domicile  
19 elsewhere. The burden of proof that a student, parent or guardian has  
20 established a domicile in the state of Washington primarily for  
21 purposes other than educational lies with the student.

22 (5) The term "dependent" shall mean a person who is not financially  
23 independent. Factors to be considered in determining whether a person  
24 is financially independent shall be set forth in rules and regulations  
25 adopted by the higher education coordinating board and shall include,  
26 but not be limited to, the state and federal income tax returns of the  
27 person and/or the student's parents or legal guardian filed for the  
28 calendar year prior to the year in which application is made and such  
29 other evidence as the board may require.

30 **Sec. 4.** RCW 28B.15.014 and 1992 c 231 s 3 are each amended to read  
31 as follows:

32 Subject to the limitations of RCW 28B.15.910, the governing boards  
33 of the state universities, the regional universities, The Evergreen  
34 State College, and the community colleges may exempt the following  
35 nonresidents from paying all or a portion of the nonresident tuition  
36 fees differential:

37 (1) Any person who resides in the state of Washington and who holds  
38 a graduate service appointment designated as such by a public

1 institution of higher education or is employed for an academic  
2 department in support of the instructional or research programs  
3 involving not less than twenty hours per week during the term such  
4 person shall hold such appointment.

5 (2) Any faculty member, classified staff member or administratively  
6 exempt employee holding not less than a half time appointment at an  
7 institution who resides in the state of Washington, and the dependent  
8 children and spouse of such persons.

9 ~~(3) ((Active duty military personnel stationed in the state of  
10 Washington and the spouses and dependents of such military personnel.~~

11 ~~(4))~~ Any immigrant refugee and the spouse and dependent children  
12 of such refugee, if the refugee (a) is on parole status, or (b) has  
13 received an immigrant visa, or (c) has applied for United States  
14 citizenship.

15 ~~((5))~~ (4) Domestic exchange students participating in the program  
16 created under RCW 28B.15.725.

17 ~~((6))~~ (5) Any dependent of a member of the United States congress  
18 representing the state of Washington.

19 Before June 30, 1995, no individual waiver program under this  
20 section may be reduced by more than twice the percentage reduction  
21 required in operating fee foregone revenue from tuition waivers in the  
22 biennial state appropriations act.

23 **Sec. 5.** RCW 28B.15.820 and 1985 c 390 s 35 are each amended to  
24 read as follows:

25 (1) Each institution of higher education shall deposit two and one-  
26 half percent of revenues collected from tuition and services and  
27 activities fees in an institutional long-term loan fund which is hereby  
28 created and which shall be held locally. Moneys in such fund shall be  
29 used to make guaranteed loans to eligible students except as provided  
30 for in subsection (10) of this section.

31 (2) An "eligible student" for the purposes of this section is a  
32 student registered for at least six credit hours or the equivalent, who  
33 is eligible for resident tuition and fee rates as defined in RCW  
34 28B.15.012 through 28B.15.015, and who is a "needy student" as defined  
35 in RCW 28B.10.802. A resident student as defined in RCW  
36 28B.15.012(2)(e) is not an eligible student for purposes of this  
37 section.

1 (3) The amount of the loans made under subsection (1) of this  
2 section shall not exceed the demonstrated financial need of the  
3 student. Each institution shall establish loan terms and conditions  
4 which shall be consistent with the terms of the guaranteed loan program  
5 established by 20 U.S. Code Section 1071 et seq., as now or hereafter  
6 amended. All loans made shall be guaranteed by the Washington student  
7 loan guaranty association or its successor agency. Institutions are  
8 hereby granted full authority to operate as an eligible lender under  
9 the guaranteed loan program.

10 (4) Before approving a guaranteed loan, each institution shall  
11 analyze the ability of the student to repay the loan based on factors  
12 which include, but are not limited to, the student's accumulated total  
13 education loan burdens and the employment opportunities and average  
14 starting salary characteristics of the student's chosen fields of  
15 study. The institution shall counsel the student on the advisability  
16 of acquiring additional debt, and on the availability of other forms of  
17 financial aid.

18 (5) Each institution is responsible for collection of loans made  
19 under subsection (1) of this section and shall exercise due diligence  
20 in such collection, maintaining all necessary records to insure that  
21 maximum repayments are made. Institutions shall cooperate with other  
22 lenders and the Washington student loan guaranty association, or its  
23 successor agency, in the coordinated collection of guaranteed loans,  
24 and shall assure that the guarantability of the loans is not violated.  
25 Collection and servicing of loans under subsection (1) of this section  
26 shall be performed by entities approved for such servicing by the  
27 Washington student loan guaranty association or its successor agency:  
28 PROVIDED, That institutions be permitted to perform such servicing if  
29 specifically recognized to do so by the Washington student loan  
30 guaranty association or its successor agency. Collection and servicing  
31 of loans made by community colleges under subsection (1) of this  
32 section shall be coordinated by the state board for community and  
33 technical colleges ((education)) and shall be conducted under  
34 procedures adopted by such state board.

35 (6) Receipts from payment of interest or principal or any other  
36 subsidies to which institutions as lenders are entitled, which are paid  
37 by or on behalf of borrowers of funds under subsection (1) of this  
38 section, shall be deposited in each institution's general local fund  
39 and shall be used to cover the costs of making the loans under

1 subsection (1) of this section and maintaining necessary records and  
2 making collections under subsection (5) of this section: PROVIDED,  
3 That such costs shall not exceed five percent of aggregate outstanding  
4 loan principle. Institutions shall maintain accurate records of such  
5 costs, and all receipts beyond those necessary to pay such costs, shall  
6 be used for the support of the institution's operating budget.

7 (7) The boards of regents of the state universities, the boards of  
8 trustees of the regional universities and The Evergreen State College,  
9 and the state board for community and technical colleges (~~education~~),  
10 on behalf of the community colleges, shall each adopt necessary rules  
11 and regulations to implement this section.

12 (8) Lending activities under this section shall be directed toward  
13 students who would not normally have access to educational loans from  
14 private financial institutions in Washington state, and maximum use  
15 shall be made of secondary markets in the support of loan  
16 consolidation.

17 (9) Short-term interim loans, not to exceed one hundred twenty  
18 days, may be made from the institutional long-term loan fund to  
19 students eligible for guaranteed student loans and whose receipt of  
20 such loans is pending. Such short-term loans shall not be subject to  
21 the guarantee restrictions or the constraints of federal law imposed by  
22 subsection (3) of this section. No such loan shall be made to any  
23 student who is known by the institution to be in default or delinquent  
24 in the payment of any outstanding student loan.

25 (10) Any moneys deposited in the institutional long-term loan fund  
26 which are not used in making long or short term loans or transferred to  
27 institutional operating budgets may be used by the institution for  
28 locally-administered financial aid programs for needy students, such as  
29 need-based institutional employment programs or need-based tuition and  
30 fee waiver programs. These funds shall be used in addition to and not  
31 to replace institutional funds which would otherwise support these  
32 locally-administered financial aid programs. Priority in the use of  
33 these funds shall be given to needy students who have accumulated  
34 excessive educational loan burdens. An excessive educational loan  
35 burden is a burden that will be difficult to repay given employment  
36 opportunities and average starting salaries in the student's chosen  
37 fields of study.

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

3       Grants may be used by eligible participants to attend any public or  
4 private college or university in the state of Washington that has an  
5 existing unused capacity. Grants shall not be used to attend any  
6 branch campus or educational program established under chapter 28B.45  
7 RCW. The participant shall not be eligible for a grant if it will be  
8 used for any programs that include religious worship, exercise, or  
9 instruction or to pursue a degree in theology. Each participating  
10 student may receive up to two thousand five hundred dollars per  
11 academic year, not to exceed the student's demonstrated financial need  
12 for the course of study. Resident students as defined in RCW  
13 28B.15.012(2)(e) are not eligible for grants under this chapter.

14       **Sec. 7.** RCW 28B.102.020 and 1987 c 437 s 2 are each amended to  
15 read as follows:

16       Unless the context clearly requires otherwise, the definitions in  
17 this section apply throughout this chapter.

18       (1) "Conditional scholarship" means a loan that is forgiven in  
19 whole or in part if the recipient renders service as a teacher in the  
20 public schools of this state.

21       (2) "Institution of higher education" or "institution" means a  
22 college or university in the state of Washington which is accredited by  
23 an accrediting association recognized as such by rule of the higher  
24 education coordinating board.

25       (3) "Board" means the higher education coordinating board.

26       (4) "Eligible student" means a student who is registered for at  
27 least ten credit hours or the equivalent, demonstrates achievement of  
28 at least a 3.30 grade point average for students entering an  
29 institution of higher education directly from high school or maintains  
30 at least a 3.00 grade point average or the equivalent for each academic  
31 year in an institution of higher education, is a resident student as  
32 defined by RCW 28B.15.012 through 28B.15.015, and has a declared  
33 intention to complete an approved preparation program leading to  
34 initial teacher certification or required for earning an additional  
35 endorsement, or a college or university graduate who meets the same  
36 credit hour requirements and is seeking an additional teaching  
37 endorsement or initial teacher certification. Resident students

1 defined in RCW 28B.15.012(2)(e) are not eligible students under this  
2 chapter.

3 (5) "Public school" means an elementary school, a middle school,  
4 junior high school, or high school within the public school system  
5 referred to in Article IX of the state Constitution.

6 (6) "Forgiven" or "to forgive" or "forgiveness" means to render  
7 service as a teacher at a public school in the state of Washington in  
8 lieu of monetary repayment.

9 (7) "Satisfied" means paid-in-full.

10 (8) "Participant" means an eligible student who has received a  
11 conditional scholarship under this chapter.

12 (9) "Targeted ethnic minority" means a group of Americans with a  
13 common ethnic or racial heritage selected by the board for program  
14 consideration due to societal concerns such as high dropout rates or  
15 low rates of college participation by members of the group.

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