E2SHB 2021 - S COMM AMD

By Committee on Higher Education & Workforce Development

ADOPTED AND ENGROSSED 04/14/2009

1 Strike everything after the enacting clause and insert the 2 following:

"NEW SECTION. Sec. 1. The legislature finds that a myriad of financial aid programs exist for students at the federal, state, local, community, and institutional levels. These programs enable thousands of students across Washington to access all sectors of higher education, from apprenticeship programs to public and private four and two-year institutions of higher education. The legislature further finds that Washington state is a national leader in the distribution of financial aid to increase college access and affordability, ranking fourth in the nation in 2007 in terms of state student grant aid funding per capita.

It is the intent of the legislature to promote and expand access to state financial aid programs by determining which programs provide the greatest value to the largest number of students, and by fully supporting those programs. Furthermore, it is the intent of the legislature to designate all existing financial aid an opportunity pathway, with the effect of providing students with a clear understanding of available resources to pay for postsecondary education, thereby increasing access to postsecondary education and meeting the needs of local business and industry.

It is the intent of the legislature that the higher education coordinating board, the state board for community and technical colleges, the office of the superintendent of public instruction, the workforce training and education coordinating board, and institutions of higher education coordinate the development of outreach tools, such as a web-based portal for information on all opportunity pathway aid programs. The information should be communicated in a format and manner that provides an ease of understanding for students and their families and include other pertinent information on institutions of

- 1 higher education, costs, and academic programs. It is also the intent
- 2 of the legislature for institutions of higher education to incorporate
- 3 this information in promotional materials to prospective and current
- 4 students and their families.

- 5 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 28B.101 6 RCW to read as follows:
- 7 (1) The legislature intends to consolidate the educational 8 opportunity grant program over a period of two years. As of August 1,
- 9 2009, no new educational opportunity grants may be made. Persons who
- 10 have been selected by the higher education coordinating board to
- 11 receive a grant before August 1, 2009, shall receive the full amount of
- 12 their award, not to exceed two thousand five hundred dollars per
- 13 academic year for a maximum of two years. All persons awarded an
- 14 educational opportunity grant before August 1, 2009, must complete
- 15 using the award before August 1, 2011. For these recipients,
- 16 eligibility for the grant is forfeited after this period.
- 17 (2) This section expires August 1, 2011.
- NEW SECTION. Sec. 3. A new section is added to chapter 28B.92 RCW to read as follows:
- 20 (1) To the extent funds are appropriated for this purpose and 21 within overall appropriations for the state need grant, enhanced need 22 grants are provided for persons who meet all of the following criteria:
 - (a) Are needy students as defined in RCW 28B.92.030;
 - (b) Are placebound students as defined in RCW 28B.92.030; and
- 25 (c) Have completed the associate of arts or the associate of science degree, or its equivalent.
- 27 (2) The enhanced need grants established in this section are 28 provided to this specific group of students in addition to the base 29 state need grant, as defined by rule of the board.
- 30 **Sec. 4.** RCW 28B.92.060 and 2007 c 404 s 2 are each amended to read 31 as follows:
- In awarding need grants, the board shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to
- 34 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, or is a placebound student who has completed an associate of arts or associate of science degree or its equivalent.
- (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 expense 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.

- 1 (5)(a) A student who is enrolled in three to six credit-bearing 2 quarter credits, or the equivalent semester credits, may receive a 3 grant for up to one academic year before beginning a program that leads 4 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:
- 12 (i) The student has not previously received a state need grant from that institution;
- 14 (ii) The student completes the required free application for 15 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.
- 30 **Sec. 5.** RCW 28B.92.030 and 2004 c 275 s 35 are each amended to 31 read as follows:
- 32 As used in this chapter:

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- 33 (1) "Institution<u>"</u> or <u>"</u>institutions of higher education" means:
- 34 (a) Any public university, college, community college, or technical 35 college operated by the state of Washington or any political 36 subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an accrediting association recognized by rule of the board for the purposes of this section: PROVIDED, That any institution, branch, extension or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students: PROVIDED FURTHER, That no institution of higher education shall be eligible to participate in a student financial aid program unless it agrees to and complies with program rules and regulations adopted pursuant to RCW 28B.92.150.

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- (2) "Financial aid" means loans and/or grants to needy students enrolled or accepted for enrollment as a student at institutions of higher education.
- (3) "Needy student" means a post high school student of an institution of higher education who demonstrates to the board the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter.
- (4) "Disadvantaged student" means a post high school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full time student in an institution of higher education, who would otherwise qualify as a needy student, and who is attending an institution of higher education under an established program designed to qualify the student for enrollment as a full time student.
 - (5) "Board" means the higher education coordinating board.
- 35 (6) "Placebound student" means a student who (a) is unable to 36 complete a college program because of family or employment commitments, 37 health concerns, monetary inability, or other similar factors; and (b)

- 1 may be influenced by the receipt of an enhanced student financial aid 2 award to complete a baccalaureate degree at an eligible institution.
- 3 **Sec. 6.** RCW 28B.15.0681 and 2007 c 151 s 2 are each amended to 4 read as follows:
 - (1) In addition to the requirement in RCW 28B.76.300(4), institutions of higher education shall disclose to their undergraduate resident students on the tuition billing statement, in dollar figures for a full-time equivalent student:
 - $((\frac{1}{1}))$ (a) The full cost of instruction $(\frac{1}{1})$

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- 10 (b) The amount collected from student tuition and fees((τ)); and
- 11 (((3))) (c) The difference between the amounts for the full cost of instruction and the student tuition and fees((7, noting)).
- 13 (2) The tuition billing statement shall note that the difference 14 between the cost and tuition <u>under subsection</u> (1)(c) of this section 15 was paid by state tax funds and other moneys.
 - (3) Beginning in the 2010-11 academic year, the amount determined in subsection (1)(c) of this section shall be labeled an "opportunity pathway" on the tuition billing statement.
 - (4) Beginning in the 2010-11 academic year, institutions of higher education shall label financial aid awarded to resident undergraduate students as an "opportunity pathway" on the tuition billing statement or financial aid award notification. Aid granted to students outside of the financial aid package provided through the institution of higher education and loans provided by the federal government are not subject to the labeling provisions in this subsection. All other aid from all sources including federal, state, and local governments, local communities, nonprofit and for-profit organizations, and institutions of higher education must be included. The disclosure requirements specified in this section do not change the source, award amount, student eligibility, or student obligations associated with each award. Institutions of higher education retain the ability to customize their tuition billing statements to inform students of the assistance source, amount, and type so long as provisions of this section are also fulfilled.
- 35 (5) The tuition billing statement disclosures shall be in twelve-36 point type and boldface type where appropriate.

- 1 (6) All tuition billing statements or financial aid award 2 notifications at institutions of higher education must notify resident 3 undergraduate students of federal tax credits related to higher 4 education for which they may be eligible.
- 5 **Sec. 7.** RCW 28B.76.500 and 1985 c 370 s 23 are each amended to read as follows:

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- (1) The board shall administer any state program or state-administered federal program of student financial aid now or hereafter established.
- (2) Each of the student financial aid programs administered by the board shall be labeled an "opportunity pathway." Loans provided by the federal government and aid granted to students outside of the financial aid package provided through institutions of higher education are not subject to the labeling provisions in this subsection. All communication materials, including, but not limited to, printed materials, presentations, and web content, shall include the "opportunity pathway" label.
- (3) If the board develops a one-stop college information web-based portal that includes financial, academic, and career planning information, the portal shall display all available student financial aid programs, except federal student loans and aid granted to students outside of the financial aid package provided through institutions of higher education, under the "opportunity pathway" label. The portal shall also display information regarding federal tax credits related to higher education available for students or their families.
- 26 (4) The labeling requirements in this section do not change the 27 source, eligibility requirements, or student obligations associated 28 with each program. The board shall customize its communications to 29 differentiate between programs, eligibility requirements, and student 30 obligations, so long as the reporting provisions of this chapter are 31 also fulfilled.
- NEW SECTION. Sec. 8. A new section is added to chapter 28B.15 RCW to read as follows:
- As used in this chapter, "dual credit program" means a program, administered by either an institution of higher education or a high school, through which high school students in the eleventh or twelfth

- grade who have not yet received the credits required for the award of a high school diploma apply to a participating institution of higher education to enroll in courses or programs offered by the institution of higher education and simultaneously earn high school and college credit.
- **Sec. 9.** RCW 28B.15.820 and 2007 c 404 s 4 are each amended to read 7 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; ((er)) (c) to provide financial aid to needy students as provided in subsection (10) of this section; or (d) to provide financial aid to students as provided in subsection (11) 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 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.

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- (5) Each institution is responsible for collection of guaranteed 5 long-term loans made under this section and shall exercise due 6 diligence in such collection, maintaining all necessary records to 7 8 insure that maximum repayments are made. Institutions shall cooperate 9 other lenders and the Washington student loan association, or its successor agency, in the coordinated collection of 10 11 guaranteed loans, and shall assure that the guarantability of the loans 12 is not violated. Collection and servicing of guaranteed long-term 13 loans under this section shall be performed by entities approved for such servicing by the Washington student loan guaranty association or 14 its successor agency: PROVIDED, That institutions be permitted to 15 perform such servicing if specifically recognized to do so by the 16 Washington student loan guaranty association or its successor agency. 17 Collection and servicing of guaranteed long-term loans made 18 community colleges under subsection (1) of this section shall be 19 20 coordinated by the state board for community and technical colleges and 21 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.
- (11) Any moneys deposited in the institutional financial aid fund may be used by the institution for a locally administered financial aid program for high school students enrolled in dual credit programs. If institutions use funds in this manner, the governing boards of the state universities, the regional universities, The Evergreen State College, and the state board for community and technical colleges shall each adopt necessary rules to implement this subsection. Moneys from this fund may be used for all educational expenses related to a student's participation in a dual credit program including but not limited to tuition, fees, course materials, and transportation.

NEW SECTION. Sec. 10. 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 enrolled in dual credit programs as defined in section 8 of this act. Institutions of higher education are further encouraged to implement policies and procedures providing students enrolled in dual credit programs with the same access to institutional aid, including all educational expenses, as provided to resident undergraduate students.

10 **Sec. 11.** RCW 28B.12.060 and 2005 c 93 s 4 are each amended to read 11 as follows:

The higher education coordinating board shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, and not in conflict with this chapter, in accordance with the provisions of chapter 34.05 RCW, the state higher education administrative procedure act. Such rules shall include provisions designed to make employment under the work-study program reasonably available, to the extent of available funds, to all eligible needy students in eligible post-secondary institutions ((in need thereof)).

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- 21 (1) Providing work under the state work-study program that will not 22 result in the displacement of employed workers or impair existing 23 contracts for services;
 - (2) Furnishing work only to a student who:
 - (a) Is capable, in the opinion of the eligible institution, of maintaining good standing in such course of study while employed under the program covered by the agreement; and
 - (b) Has been accepted for enrollment as at least a half-time student at the eligible institution or, in the case of a student already enrolled in and attending the eligible institution, is in good standing and in at least half-time attendance there either as an undergraduate, graduate or professional student; and
 - (c) Is not pursuing a degree in theology;
 - (3) Placing priority on providing:
- 35 (a) Work opportunities for students who are residents of the state 36 of Washington as defined in RCW 28B.15.012 and 28B.15.013, particularly

- former foster youth as defined in RCW 28B.92.060((, except resident students defined in RCW 28B.15.012(2)(g)));
 - (b) Job placements in fields related to each student's academic or vocational pursuits, with an emphasis on off-campus job placements whenever appropriate; and
 - (c) Off-campus community service placements;

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- (4) To the extent practicable, limiting the proportion of state subsidy expended upon nonresident students to fifteen percent, or such less amount as specified in the biennial appropriations act;
- (5) Provisions to assure that in the state institutions of higher education, utilization of this work-study program:
- (a) Shall only supplement and not supplant classified positions under jurisdiction of chapter 41.06 RCW;
- (b) That all positions established which are comparable shall be identified to a job classification under the director of personnel's classification plan and shall receive equal compensation;
- (c) Shall not take place in any manner that would replace classified positions reduced due to lack of funds or work; and
- (d) That work study positions shall only be established at entry level positions of the classified service unless the overall scope and responsibilities of the position indicate a higher level; and
- (((5))) (6) Provisions to encourage job placements in occupations that meet Washington's economic development goals, especially those in international trade and international relations. The board shall permit appropriate job placements in other states and other countries.
- NEW SECTION. Sec. 12. A new section is added to chapter 28B.12 RCW to read as follows:
- (1) Within existing resources, the higher education coordinating 28 29 board shall establish the work-study opportunity grant for high-demand occupations, a competitive grant program to encourage job placements in 30 31 high-demand fields. The board shall award grants to eligible 32 institutions of higher education that have developed a partnership with a proximate organization willing to host work-study placements. 33 34 Partner organizations may be nonprofit organizations, for-profit firms, 35 or public agencies. Eligible institutions of higher education must 36 verify that all job placements will last for a minimum of one academic

- quarter or one academic semester, depending on the system used by the eligible institution of higher education.
 - (2) The board may adopt rules to identify high-demand fields for purposes of this section. The legislature recognizes that the high-demand fields identified by the board may differ in different regions of the state.
 - (3) The board may award grants to eligible institutions of higher education that cover both student wages and program administration.
- 9 (4) The board shall develop performance benchmarks regarding 10 program success including, but not limited to, the number of students 11 served, the amount of employer contributions, and the number of 12 participating high-demand employers.
- NEW SECTION. Sec. 13. (1) The Washington higher education loan program is created. The program is created to assist students in need of additional low-cost student loans and related loan benefits.
- 16 (2) The program shall be administered by the board. In administering the program, the board must:
- 18 (a) Periodically assess the needs and target the benefits to 19 selected students;
- 20 (b) Devise a program to address the following issues related to loans:
 - (i) Issuance of low-interest educational loans;
 - (ii) Determining loan repayment obligations and options;
- 24 (iii) Borrowing educational loans at low interest rates;
- 25 (iv) Developing conditional loans that can be forgiven in exchange 26 for service; and
- (v) Creating an emergency loan fund to help students until other state and federal long-term financing can be secured;
 - (c) Accept public and private contributions;
- 30 (d) Publicize the program; and

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31 (e) Work with public and private colleges and universities, the 32 state board for community and technical colleges, the workforce 33 training and education coordinating board, and with students, to 34 conduct periodic assessment of program needs. The board may also 35 consult with other groups and individuals as needed.

- NEW SECTION. Sec. 14. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Board" means the higher education coordinating board.
- 4 (2) "Institution of higher education" means a college or university 5 in the state of Washington that is accredited by an accrediting 6 association recognized as such by rule of the board.
- 7 (3) "Program" means the Washington higher education loan program.
- 8 (4) "Resident student" has the definition in RCW 28B.15.012(2) (a) through (d).
- NEW SECTION. Sec. 15. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective August 1, 2011:
- 13 (1) RCW 28B.101.005 (Finding--Intent) and 2003 c 233 s 1 & 1990 c 14 288 s 2;
- 15 (2) RCW 28B.101.010 (Program created) and 2003 c 233 s 2 & 1990 c 16 288 s 3;
- 17 (3) RCW 28B.101.020 (Definition--Eligibility) and 2004 c 275 s 67, 18 2003 c 233 s 3, & 1990 c 288 s 4;
- 19 (4) RCW 28B.101.030 (Administration of program--Payments to 20 participants) and 1990 c 288 s 5; and
- 21 (5) RCW 28B.101.040 (Use of grants) and 2003 c 233 s 4 & 2002 c 186 22 s 3.
- NEW SECTION. Sec. 16. Sections 13 and 14 of this act constitute a new chapter in Title 28B RCW.
- NEW SECTION. Sec. 17. This act takes effect August 1, 2009."

E2SHB 2021 - S COMM AMD

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By Committee on Higher Education & Workforce Development

ADOPTED AND ENGROSSED 04/14/2009

On page 1, line 1 of the title, after "aid;" strike the remainder of the title and insert "amending RCW 28B.92.060, 28B.92.030,

28B.15.0681, 28B.76.500, 28B.15.820, and 28B.12.060; adding a new section to chapter 28B.101 RCW; adding new sections to chapter 28B.92 RCW; adding a new section to chapter 28B.15 RCW; adding a new section to chapter 28B.12 RCW; adding a new chapter to Title 28B RCW; creating a new section; repealing RCW 28B.101.005, 28B.101.010, 28B.101.020, 28B.101.030, and 28B.101.040; providing effective dates; and providing an expiration date."

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