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**HOUSE BILL 2039**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Hargrove, Reykdal, and Tharinger

AN ACT Relating to encouraging eligible students to use their state need grant and college bound scholarship awards to complete two years of education at community or technical colleges; amending RCW 28B.92.020 and 28B.92.050; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that more than thirty-three thousand students are eligible for the state need grant but do not receive an award. The burden of student loan debt continues to have a significant impact on middle-income families. By restructuring the program as it is currently funded the program could serve more students.

**Sec.**  RCW 28B.92.020 and 2011 1st sp.s. c 11 s 158 are each amended to read as follows:

(1) The legislature finds that the higher education community((~~,~~)) has completed a review of the state need grant program. It is the intent of the legislature to endorse the proposed changes to the state need grant program, including:

(a) Reaffirmation that the primary purpose of the state need grant program is to assist low-income, needy, and disadvantaged Washington residents attending institutions of higher education;

(b) A goal that the base state need grant amount over time be increased to be equivalent to the rate of tuition charged to resident undergraduate students attending Washington state public colleges and universities;

(c) State need grant recipients be required to contribute a portion of the total cost of their education through self-help;

(d) State need grant recipients be required to document their need for dependent care assistance after taking into account other public funds provided for like purposes; and

(e) Institutional aid administrators be allowed to determine whether a student eligible for a state need grant in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than a marginal amount except for funds provided through the educational assistance grant program for students with dependents.

(2) The legislature further finds that the changes in subsection (1) of this section((~~,~~)) should do so in a timely manner.

(3) The legislature also finds that:

(a) In most circumstances, need grant eligibility should 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; ((~~and~~))

(b) State financial aid programs should continue to adhere to the principle that funding follows resident students to their choice of institution of higher education; and

(c) Students who are eligible to receive state need grants and college bound scholarships are encouraged to complete their first two years of postsecondary education at a community or technical college before using state aid to enroll in a four-year institution of higher education.

**Sec.**  RCW 28B.92.050 and 2011 1st sp.s. c 11 s 161 are each amended to read as follows:

The office shall have the following powers and duties:

(1) Conduct a full analysis of student financial aid as a means of:

(a) Fulfilling educational aspirations of students of the state of Washington, and

(b) Improving the general, social, cultural, and economic character of the state.

Such an analysis will be a continuous one and will yield current information relevant to needed improvements in the state program of student financial aid. The office will disseminate the information yielded by their analyses to all appropriate individuals and agents.

(2) Design a state program of student financial aid based on the data of the study referred to in this section. The state programs will supplement available federal and local aid programs. The state programs of student financial aid will not exceed the difference between the budgetary costs of attending an institution of higher education and the student's total resources, including family support, personal savings, employment, and federal, state, and local aid programs.

(3) Determine and establish criteria for financial need of the individual applicant based upon the consideration of that particular applicant. In making this determination the office shall consider the following:

(a) Assets and income of the student.

(b) Assets and income of the parents, or the individuals legally responsible for the care and maintenance of the student.

(c) The cost of attending the institution the student is attending or planning to attend.

(d) Any other criteria deemed relevant to the office.

(4) Set the amount of financial aid to be awarded to any individual needy or disadvantaged student in any school year.

(5) Award financial aid to needy or disadvantaged students for a school year based upon only that amount necessary to fill the financial gap between the budgetary cost of attending an institution of higher education and the family and student contribution. Except as relates to students enrolled in an institution of higher education before August 1, 2015, when determining the budgetary cost of attending an institution of higher education for a student receiving the state need grant or college bound scholarship, the office must use the tuition and fee rate set by the state board for community and technical colleges until the student completes ninety quarter credit hours or sixty semester credit hours.

(6) Review the need and eligibility of all applications on an annual basis and adjust financial aid to reflect changes in the financial need of the recipients and the cost of attending the institution of higher education.

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