H-3358.2

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**HOUSE BILL 2254**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Gildon and Van Werven

AN ACT Relating to encouraging Washington college grant recipients to pursue high demand degrees; amending RCW 28B.92.200 and 28B.92.030; 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.**  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) 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) 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) 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) 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) 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) Students and participating institutions of higher education shall comply with all the rules adopted by the council for the administration of this chapter.

**Sec.**  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 ((~~section 20 of this act~~)) RCW 28B.92.205, and for baccalaureate students enrolled in a high demand program, as defined in RCW 28B.92.030, 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.

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

(1) In addition to other eligibility requirements outlined in this chapter, students enrolled in a baccalaureate program who receive the Washington college grant during their academic terms of junior and senior standing must sign a contract acknowledging that unless the student is enrolled in a high demand program, the student incurs an obligation to repay all Washington college grant funding received during those years.

(2) The workforce education investment accountability and oversight board established in RCW 28C.18.200, in consultation with the council and the workforce training and education coordinating board, shall determine every four years which undergraduate programs qualify as high demand programs as defined in RCW 28B.92.030. The council must maintain a list on its web site of the high demand programs that qualify and make the list readily available to Washington college grant recipients.

(3) A Washington college grant recipient who is not enrolled in a high demand program incurs an obligation to repay all grant funding received during academic terms of junior and senior standing beginning six months after graduation or six months after discontinuing enrollment at an institution.

(4) The council shall convert the Washington college grants of recipients who are not enrolled in high demand programs to zero percent interest student loans and has the following duties:

(a) Collaborate with institutions of higher education to verify which Washington college grant recipients are enrolled in high demand programs;

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

(c) 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;

(d) Maintain all necessary records;

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

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

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

NEW SECTION. **Sec.**  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.

**Sec.**  RCW 28B.92.030 and 2019 c 406 s 21 are each amended to read as follows:

As used in this chapter:

(1) "Council" means the student achievement council.

(2) "Financial aid" means either loans, grants, or both, to students who demonstrate financial need enrolled or accepted for enrollment as a student at institutions of higher education.

(3) "Financial need" means a demonstrated financial inability to bear the total cost of education as directed in rule by the office.

(4) "High demand program" means a baccalaureate degree program in which the projected employment demand exceeds the number of students per year prepared for employment from in-state programs in that career field by ten percent or more.

(5) "Institution" or "institutions of higher education" means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the council for the purposes of this section and that agrees to and complies with program rules adopted pursuant to RCW 28B.92.150. However, any institution, branch, extension or facility operating within the state of Washington that is affiliated with an institution operating in another state must be:

(i) A separately accredited member institution of any such accrediting association;

(ii) A branch of a member institution of an accrediting association recognized by rule of the council 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;

(iii) A nonprofit institution recognized by the state of Washington as provided in RCW 28B.77.240; or

(iv) An approved apprenticeship program under chapter 49.04 RCW.

((~~(5)~~)) (6) "Maximum Washington college grant":

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, is tuition and estimated fees for fifteen quarter credit hours or the equivalent, as determined by the office, including operating fees, building fees, and services and activities fees.

(b) For students attending private four-year not-for-profit institutions of higher education in Washington, in the 2019-20 academic year, is nine thousand seven hundred thirty-nine dollars and may increase each year afterwards by no more than the tuition growth factor.

(c) For students attending two-year private not-for-profit institutions of higher education in Washington, in the 2019-20 academic year, is three thousand six hundred ninety-four dollars and may increase each year afterwards by no more than the tuition growth factor.

(d) For students attending four-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is eight thousand five hundred seventeen dollars and may increase each year afterwards by no more than the tuition growth factor.

(e) For students attending two-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is two thousand eight hundred twenty-three dollars and may increase each year afterwards by no more than the tuition growth factor.

(f) For students attending Western Governors University-Washington, as established in RCW 28B.77.240, in the 2019-20 academic year, is five thousand six hundred nineteen dollars and may increase each year afterwards by no more than the tuition growth factor.

(g) For students attending approved apprenticeship programs, is tuition and fees, as determined by the office, in addition to required program supplies and equipment.

((~~(6)~~)) (7) "Office" means the office of student financial assistance.

((~~(7)~~)) (8) "Tuition growth factor" means an increase of no more than the average annual percentage growth rate of the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.

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