
SENATE BILL 5054

State of Washington

56th Legislature

1999 Regular Session

By Senator Jacobsen

Read first time 01/11/1999. Referred to Committee on Higher Education.

1 AN ACT Relating to the office of student assistance; amending RCW
2 28B.04.020, 28B.04.030, 28B.04.040, 28B.04.060, 28B.04.080, 28B.04.085,
3 28B.04.110, 28B.10.215, 28B.10.220, 28B.10.792, 28B.10.802, 28B.10.804,
4 28B.10.806, 28B.10.808, 28B.10.810, 28B.10.818, 28B.10.820, 28B.10.821,
5 28B.10.822, 28B.12.030, 28B.12.040, 28B.12.050, 28B.12.060, 28B.12.070,
6 28B.15.760, 28B.15.762, 28B.15.764, 28B.80.240, 28B.80.245, 28B.80.360,
7 28B.101.030, 28B.102.020, 28B.102.030, 28B.102.040, 28B.102.045,
8 28B.102.050, 28B.102.060, 28B.102.070, 28B.103.010, 28B.108.010,
9 28B.108.020, 28B.108.030, 28B.108.040, 28B.108.050, 28B.108.060,
10 28B.108.070, 28B.109.010, 28B.109.020, 28B.109.030, 28B.109.040,
11 28B.109.050, 28B.109.060, 28B.109.070, 28B.109.080, 28B.115.020,
12 28B.115.030, 28B.115.050, 28B.115.070, 28B.115.080, 28B.115.090,
13 28B.115.100, 28B.115.120, 28B.115.130, 28B.115.140, 28A.600.120,
14 28A.600.130, 28A.600.140, and 28A.600.150; reenacting and amending RCW
15 28B.115.110; adding a new section to chapter 41.06 RCW; adding a new
16 chapter to Title 28B RCW; creating a new section; and recodifying RCW
17 28B.80.240, 28B.80.245, 28B.80.246, and 28B.80.360.

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

1 NEW SECTION. **Sec. 1.** (1) It is the purpose of this chapter to
2 establish the office of student assistance.

3 (2) The office shall administer the state's responsibilities for
4 federal student financial aid programs.

5 (3) The office, in consultation with students, the higher education
6 coordinating board, the work force training and education coordinating
7 board, the state board for community and technical colleges, the
8 council of presidents, public and private institutions of higher
9 education, and career schools and colleges has the following duties:

10 (a) To work collaboratively with organizations representing the
11 public, students, institutions of higher education, faculty, and
12 community scholarship groups and corporations;

13 (b) To provide objective and timely information to the governor,
14 legislature, public, institutions of higher education, and higher
15 education organizations;

16 (c) To be an advocate for the needs of financially needy students
17 to the public, the governor, the legislature, and congress;

18 (d) To ensure that public funds are effectively managed and that
19 the maximum amount possible of those funds are provided directly to
20 needy students;

21 (e) To the extent feasible, streamline distribution and
22 accountability processes to reduce the need for administrative staff at
23 the state and institutions of higher education;

24 (f) To the extent feasible, ensure that programs follow the
25 principle that funding follows resident students to their choice of
26 accredited in-state career schools and colleges; and

27 (g) To raise donations and matching grants from people and
28 organizations that wish to donate to state-wide financial aid programs.

29 NEW SECTION. **Sec. 2.** Unless the context clearly requires
30 otherwise, the definitions in this section apply throughout this
31 chapter.

32 (1) "Director" means the director of the office.

33 (2) "Office" means the office of student assistance.

34 NEW SECTION. **Sec. 3.** The office of student assistance is created.
35 The office is vested with all powers and duties transferred to it under
36 this chapter and such other powers and duties as may be authorized by
37 law.

1 NEW SECTION. **Sec. 4.** The executive head and appointing authority
2 of the office is the director. The director shall be appointed by the
3 governor, with the consent of the senate, and shall serve at the
4 pleasure of the governor. The director shall be paid a salary to be
5 fixed by the governor in accordance with RCW 43.03.040. If a vacancy
6 occurs in the position while the senate is not in session, the governor
7 shall make a temporary appointment until the next meeting of the
8 senate.

9 NEW SECTION. **Sec. 5.** It is the intent of the legislature wherever
10 possible to place the internal affairs of the office under the control
11 of the director in order that the director may institute therein the
12 flexible, alert, and intelligent management of its business that
13 changing contemporary circumstances require. Therefore, whenever the
14 director's authority is not specifically limited by law, the director
15 has complete charge and supervisory powers over the office. The
16 director may create such administrative structures as the director
17 considers appropriate, except as otherwise specified by law. The
18 director may employ such assistants and personnel as necessary for the
19 general administration of the office. This employment shall be in
20 accordance with the state civil service law, chapter 41.06 RCW, except
21 as otherwise provided.

22 NEW SECTION. **Sec. 6.** The director shall appoint a deputy
23 director, an office personnel director, and such assistant directors as
24 may be needed to administer the office. The deputy director shall have
25 charge and general supervision of the office in the absence or
26 disability of the director and, in case of a vacancy in the office of
27 director, shall continue in charge of the office until a successor is
28 appointed and qualified, or until the governor appoints an acting
29 director.

30 NEW SECTION. **Sec. 7.** Any power or duty vested in or transferred
31 to the director by law or executive order may be delegated by the
32 director to the deputy director or to any other assistant or
33 subordinate; but the director is responsible for the official acts of
34 the officers and employees of the office.

1 NEW SECTION. **Sec. 8.** The director may appoint such advisory
2 committees or councils as may be required by any federal legislation as
3 a condition to the receipt of federal funds by the office. The
4 director may also appoint state-wide committees or councils on such
5 subject matters as are or come within the office's responsibilities.
6 The state-wide committees and councils shall have representation from
7 both major political parties and shall have substantial consumer
8 representation.

9 Members of such state advisory committees or councils may be paid
10 their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

11 NEW SECTION. **Sec. 9.** In furtherance of the policy of the state to
12 cooperate with the federal government in all of the programs under the
13 jurisdiction of the office, such rules as may become necessary to
14 entitle the state to participate in federal funds may be adopted,
15 unless expressly prohibited by law. Any internal reorganization
16 carried out under the terms of this chapter shall meet federal
17 requirements that are a necessary condition to state receipt of federal
18 funds. Any section or provision of law dealing with the office that
19 may be susceptible to more than one construction shall be interpreted
20 in favor of the construction most likely to comply with federal laws
21 entitling this state to receive federal funds for the various programs
22 of the office. If any law dealing with the office is ruled to be in
23 conflict with federal requirements that are a prescribed condition of
24 the allocation of federal funds to the state, or to any departments or
25 agencies thereof, the conflicting part is declared to be inoperative
26 solely to the extent of the conflict.

27 NEW SECTION. **Sec. 10.** A new section is added to chapter 41.06 RCW
28 to read as follows:

29 In addition to the exemptions under RCW 41.06.070, the provisions
30 of this chapter shall not apply in the office of student assistance to
31 the director, the director's personal secretary, the deputy director,
32 all division directors and assistant directors, and one confidential
33 secretary for each of these officers.

34 NEW SECTION. **Sec. 11.** (1) All powers, duties, and functions of
35 the higher education coordinating board and the office of the adjutant
36 general of the state military department pertaining to financial

1 assistance for students at institutions of higher education are
2 transferred to the office of student assistance.

3 (2)(a) All reports, documents, surveys, books, records, files,
4 papers, or written material in the possession of the higher education
5 coordinating board and the office of the adjutant general of the state
6 military department pertaining to the powers, functions, and duties
7 transferred shall be delivered to the custody of the office of student
8 assistance. All cabinets, furniture, office equipment, motor vehicles,
9 and other tangible property employed by the higher education
10 coordinating board and the office of the adjutant general of the state
11 military department in carrying out the powers, functions, and duties
12 transferred shall be made available to the office of student
13 assistance. All funds, credits, or other assets held in connection
14 with the powers, functions, and duties transferred shall be assigned to
15 the office of student assistance.

16 (b) Any appropriations made to the higher education coordinating
17 board and the office of the adjutant general of the state military
18 department for carrying out the powers, functions, and duties
19 transferred shall, on the effective date of this section, be
20 transferred and credited to the office of student assistance.

21 (c) Whenever any question arises as to the transfer of any
22 personnel, funds, books, documents, records, papers, files, equipment,
23 or other tangible property used or held in the exercise of the powers
24 and the performance of the duties and functions transferred, the
25 director of financial management shall make a determination as to the
26 proper allocation and certify the same to the state agencies concerned.

27 (3) All employees of the higher education coordinating board and
28 the office of the adjutant general of the state military department
29 engaged January 1, 1999, in performing the powers, functions, and
30 duties transferred are transferred to the jurisdiction of the office of
31 student assistance. All employees classified under chapter 41.06 RCW,
32 the state civil service law, are assigned to the office of student
33 assistance to perform their usual duties upon the same terms as
34 formerly, without any loss of rights, subject to any action that may be
35 appropriate thereafter in accordance with the laws and rules governing
36 state civil service.

37 (4) All rules and all pending business before the higher education
38 coordinating board and the office of the adjutant general of the state
39 military department pertaining to the powers, functions, and duties

1 transferred shall be continued and acted upon by the office of student
2 assistance. All existing contracts and obligations shall remain in
3 full force and shall be performed by the office of student assistance.

4 (5) The transfer of the powers, duties, functions, and personnel of
5 the higher education coordinating board and the office of the adjutant
6 general of the state military department shall not affect the validity
7 of any act performed before the effective date of this section.

8 (6) If apportionments of budgeted funds are required because of the
9 transfers directed by this section, the director of financial
10 management shall certify the apportionments to the agencies affected,
11 the state auditor, and the state treasurer. Each of these shall make
12 the appropriate transfer and adjustments in funds and appropriation
13 accounts and equipment records in accordance with the certification.

14 (7) Nothing contained in this section may be construed to alter any
15 existing collective bargaining unit or the provisions of any existing
16 collective bargaining agreement until the agreement has expired or
17 until the bargaining unit has been modified by action of the personnel
18 board as provided by law.

19 **Sec. 12.** RCW 28B.04.020 and 1985 c 370 s 36 are each amended to
20 read as follows:

21 The legislature finds that homemakers are an unrecognized part of
22 the work force who make an invaluable contribution to the strength,
23 durability, and purpose of our state.

24 The legislature further finds that there is an increasing number of
25 persons in this state who, having fulfilled a role as homemaker, find
26 themselves "displaced" in their middle years through divorce, death of
27 spouse, disability of spouse, or other loss of family income of a
28 spouse. As a consequence, displaced homemakers are very often left
29 with little or no income; they are ineligible for categorical welfare
30 assistance; they are subject to the highest rate of unemployment of any
31 sector of the work force; they face continuing discrimination in
32 employment because of their age and lack of recent paid work
33 experience; they are ineligible for unemployment insurance because they
34 have been engaged in unpaid labor in the home; they are ineligible for
35 social security benefits because they are too young, and many never
36 qualify because they have been divorced from the family wage earner;
37 they may have lost beneficiaries' rights under employer's pension and

1 health plans through divorce or death of spouse; and they are often
2 unacceptable to private health insurance plans because of their age.

3 It is the purpose of this chapter to establish guidelines under
4 which the (~~higher education coordinating board~~) office of student
5 assistance shall contract to establish multipurpose service centers and
6 programs to provide necessary training opportunities, counseling, and
7 services for displaced homemakers so that they may enjoy the
8 independence and economic security vital to a productive life.

9 **Sec. 13.** RCW 28B.04.030 and 1985 c 370 s 37 are each amended to
10 read as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (~~1~~) (~~"Board" means the higher education coordinating board.~~

14 ~~(2)~~) "Center" means a multipurpose service center for displaced
15 homemakers as described in RCW 28B.04.040.

16 (~~(3)~~) ~~"Program" means those programs described in RCW 28B.04.050~~
17 ~~which provide direct, outreach, and information and training services~~
18 ~~which serve the needs of displaced homemakers.~~

19 ~~(4)~~) (2) "Displaced homemaker" means an individual who:

20 (a) Has worked in the home for ten or more years providing
21 unsalaried household services for family members on a full-time basis;
22 and

23 (b) Is not gainfully employed;

24 (c) Needs assistance in securing employment; and

25 (d) Has been dependent on the income of another family member but
26 is no longer supported by that income, or has been dependent on federal
27 assistance but is no longer eligible for that assistance, or is
28 supported as the parent of minor children by public assistance or
29 spousal support but whose children are within two years of reaching
30 their majority.

31 (3) "Office" means the office of student assistance.

32 (4) "Program" means those programs described in RCW 28B.04.050
33 which provide direct, outreach, and information and training services
34 which serve the needs of displaced homemakers.

35 **Sec. 14.** RCW 28B.04.040 and 1985 c 370 s 38 are each amended to
36 read as follows:

1 (1) The ((board)) office, in consultation with state and local
2 governmental agencies, community groups, and local and national
3 organizations concerned with displaced homemakers, shall receive
4 applications and may contract with public or private nonprofit
5 organizations to establish multipurpose service centers for displaced
6 homemakers. In determining sites and administering agencies or
7 organizations for the centers, the ((board)) office shall consider the
8 experience and capabilities of the public or private nonprofit
9 organizations making application to provide services to a center.

10 (2) The ((board)) office shall issue rules prescribing the
11 standards to be met by each center in accordance with the policies set
12 forth in this chapter. Continuing funds for the maintenance of each
13 center shall be contingent upon the determination by the ((board))
14 office that the center is in compliance with the contractual conditions
15 and with the rules prescribed by the ((board)) office.

16 **Sec. 15.** RCW 28B.04.060 and 1985 c 370 s 40 are each amended to
17 read as follows:

18 The ((board)) office may contract, where appropriate, with public
19 or private nonprofit groups or organizations serving the needs of
20 displaced homemakers for programs designed to:

21 (1) Provide direct services to displaced homemakers, including job
22 counseling, job training and placement, health counseling, financial
23 management, educational counseling, legal counseling, and referral
24 services as described in RCW 28B.04.050;

25 (2) Provide state-wide outreach and information services for
26 displaced homemakers; and

27 (3) Provide training opportunities for persons serving the needs of
28 displaced homemakers, including those persons in areas not directly
29 served by programs and centers established under this chapter.

30 **Sec. 16.** RCW 28B.04.080 and 1985 c 370 s 42 are each amended to
31 read as follows:

32 (1) The ((board)) office shall consult and cooperate with the
33 department of social and health services; the state board for community
34 and technical colleges ((education)); the superintendent of public
35 instruction; ((the—commission—for—vocational—education;)) the
36 employment security department; the department of labor and industries;
37 sponsoring agencies under the federal comprehensive employment and

1 training act (87 Stat. 839; 29 U.S.C. Sec. 801 et seq.), and any other
2 persons or agencies as the ((board)) office deems appropriate to
3 facilitate the coordination of centers established under this chapter
4 with existing programs of a similar nature.

5 (2) Annually on July 1st, each agency listed in subsection (1) of
6 this section shall submit a description of each service or program
7 under its jurisdiction which would support the programs and centers
8 established by this chapter and the funds available for such support.

9 (3) The ((board)) office shall serve as a clearinghouse for
10 displaced homemaker information and resources and shall compile and
11 disseminate state-wide information to the centers, related agencies,
12 and interested persons upon request.

13 **Sec. 17.** RCW 28B.04.085 and 1987 c 230 s 2 are each amended to
14 read as follows:

15 (1) The ((~~executive coordinator of the higher education~~
16 ~~coordinating board~~)) director of the office shall establish an advisory
17 committee, to be known as the displaced homemaker program advisory
18 committee.

19 (2) The advisory committee shall be advisory to the executive
20 coordinator and staff of the ((board)) office.

21 (3) Committee membership shall not exceed twenty-two persons and
22 shall be geographically and generally representative of the state. At
23 least one member of the advisory committee shall either be or recently
24 have been a displaced homemaker.

25 (4) Functions of the advisory committee shall be:

26 (a) To provide advice on all aspects of administration of the
27 displaced homemaker program, including content of program rules,
28 guidelines, and application procedures;

29 (b) To assist in coordination of activities under the displaced
30 homemaker program with related activities of other state and federal
31 agencies, with particular emphasis on facilitation of coordinated
32 funding.

33 **Sec. 18.** RCW 28B.04.110 and 1985 c 370 s 43 are each amended to
34 read as follows:

35 The ((board)) office may, in carrying out this chapter, accept,
36 use, and dispose of contributions of money, services, and property:
37 PROVIDED, That funds generated within individual centers may be

1 retained and utilized by those centers. All moneys received by the
2 ((board)) office or any employee thereof pursuant to this section shall
3 be deposited in a depository approved by the state treasurer.
4 Disbursements of such funds shall be on authorization of the ((board))
5 office or a duly authorized representative thereof. In order to
6 maintain an effective expenditure and revenue control such funds shall
7 be subject in all respects to chapter 43.88 RCW, but no appropriation
8 shall be required to permit expenditure of such funds.

9 **Sec. 19.** RCW 28B.10.215 and 1985 c 370 s 51 are each amended to
10 read as follows:

11 There is allocated to each and every blind student attending any
12 institution of higher education within the state a sum not to exceed
13 two hundred dollars per quarter, or so much thereof as may be necessary
14 in the opinion of the ((higher education coordinating board in the
15 state of Washington)) office of student assistance, to provide said
16 blind student with readers, books, recordings, recorders, or other
17 means of reproducing and imparting ideas, while attending said
18 institution of higher education: PROVIDED, That said allocation shall
19 be made out of any moneys in the general fund not otherwise
20 appropriated.

21 **Sec. 20.** RCW 28B.10.220 and 1985 c 370 s 52 are each amended to
22 read as follows:

23 All blind student assistance shall be distributed under the
24 supervision of the ((higher education coordinating board in the state
25 of Washington)) office of student assistance. The moneys or any part
26 thereof allocated in the manner referred to in RCW 28B.10.215 shall,
27 for furnishing said books or equipment or supplying said services, be
28 paid by ((said board)) the office of student assistance directly to the
29 state institution of higher education, directly to such blind student,
30 heretofore mentioned, or to the student's parents, guardian, or some
31 adult person, if the blind student is a minor, designated by said blind
32 student to act as trustee of said funds, as shall be determined by the
33 ((board)) office of student assistance.

34 The ((board)) office of student assistance shall have power to
35 prescribe and enforce all rules ((and regulations)) necessary to carry
36 out the provisions of this section and RCW 28B.10.215.

1 **Sec. 21.** RCW 28B.10.792 and 1985 c 370 s 55 are each amended to
2 read as follows:

3 The (~~higher education coordinating board~~) office of student
4 assistance shall develop guidelines for determining the conditions
5 under which an institution can be determined to be directly affected by
6 a reciprocity agreement for the purposes of RCW 28B.10.790: PROVIDED,
7 That no institution shall be determined to be directly affected unless
8 students from the county in which the institution is located are
9 provided, pursuant to a reciprocity agreement, access to Washington
10 institutions at resident tuition and fee rates to the extent authorized
11 by Washington law.

12 **Sec. 22.** RCW 28B.10.802 and 1989 c 254 s 2 are each amended to
13 read as follows:

14 As used in RCW 28B.10.800 through 28B.10.824:

15 (1) "Institutions of higher education" shall mean (1) any public
16 university, college, community college, or vocational-technical
17 institute operated by the state of Washington or any political
18 subdivision thereof or (2) any other university, college, school, or
19 institute in the state of Washington offering instruction beyond the
20 high school level which is a member institution of an accrediting
21 association recognized by rule of the board for the purposes of this
22 section: PROVIDED, That any institution, branch, extension or facility
23 operating within the state of Washington which is affiliated with an
24 institution operating in another state must be a separately accredited
25 member institution of any such accrediting association: PROVIDED
26 FURTHER, That no institution of higher education shall be eligible to
27 participate in a student financial aid program unless it agrees to and
28 complies with program rules (~~and regulations~~) adopted pursuant to RCW
29 28B.10.822.

30 (2) The term "financial aid" shall mean loans and/or grants to
31 needy students enrolled or accepted for enrollment as a student at
32 institutions of higher education.

33 (3) The term "needy student" shall mean a post high school student
34 of an institution of higher learning as defined in subsection (1) of
35 this section who demonstrates to the (~~board~~) office the financial
36 inability, either through the student's parents, family and/or
37 personally, to meet the total cost of board, room, books, and tuition
38 and incidental fees for any semester or quarter.

1 (4) The term "disadvantaged student" shall mean a post high school
2 student who by reason of adverse cultural, educational, environmental,
3 experiential, familial or other circumstances is unable to qualify for
4 enrollment as a full time student in an institution of higher learning,
5 who would otherwise qualify as a needy student, and who is attending an
6 institution of higher learning under an established program designed to
7 qualify the student for enrollment as a full time student.

8 (5) "Commission" or "board" shall mean the higher education
9 coordinating board.

10 (6) "Office" means the office of student assistance.

11 **Sec. 23.** RCW 28B.10.804 and 1995 c 269 s 801 are each amended to
12 read as follows:

13 The ((~~commission~~)) office shall be cognizant of the following
14 guidelines in the performance of its duties:

15 (1) The ((~~commission~~)) office shall be research oriented, not only
16 at its inception but continually through its existence.

17 (2) The ((~~commission~~)) office shall coordinate all existing
18 programs of financial aid except those specifically dedicated to a
19 particular institution by the donor.

20 (3) The ((~~commission~~)) office shall take the initiative and
21 responsibility for coordinating all federal student financial aid
22 programs to insure that the state recognizes the maximum potential
23 effect of these programs, and shall design the state program which
24 complements existing federal, state, and institutional programs.

25 (4) Counseling is a paramount function of student financial aid,
26 and in most cases could only be properly implemented at the
27 institutional levels; therefore, state student financial aid programs
28 shall be concerned with the attainment of those goals which, in the
29 judgment of the ((~~commission~~)) office, are the reasons for the
30 existence of a student financial aid program, and not solely with
31 administration of the program on an individual basis.

32 (5) The "package" approach of combining loans, grants and
33 employment for student financial aid shall be the conceptual element
34 of the state's involvement.

35 **Sec. 24.** RCW 28B.10.806 and 1989 c 254 s 3 are each amended to
36 read as follows:

1 The ((~~commission~~)) office shall have the following powers and
2 duties:

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

4 (a) Fulfilling educational aspirations of students of the state of
5 Washington((~~-~~))i and

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

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

13 (c) This study should include information on the following:

14 (i) All programs and sources of available student financial
15 aid((~~-~~))i

16 (ii) Distribution of Washington citizens by socio-economic
17 class((~~-~~))i

18 (iii) Data from federal and state studies useful in identifying:

19 (A) Demands of students for specific educational goals in
20 colleges((~~-~~))i and

21 (B) The discrepancy between high school students' preferences and
22 the colleges they actually selected((~~-~~))i

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

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

34 (a) Assets and income of the student((~~-~~))i

35 (b) Assets and income of the parents, or the individuals legally
36 responsible for the care and maintenance of the student((~~-~~))i

37 (c) The cost of attending the institution the student is attending
38 or planning to attend((~~-~~))i

1 (d) Any other criteria deemed relevant to the (~~commission~~)
2 office;

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

5 (5) Award financial aid to needy or disadvantaged students for a
6 school year based upon only that amount necessary to fill the financial
7 gap between the budgetary cost of attending an institution of higher
8 education and the family and student contribution(~~(-)~~); and

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

13 **Sec. 25.** RCW 28B.10.808 and 1991 c 164 s 4 are each amended to
14 read as follows:

15 In awarding grants, the (~~commission~~) office shall proceed
16 substantially as follows: PROVIDED, That nothing contained herein
17 shall be construed to prevent the (~~commission~~) office, in the
18 exercise of its sound discretion, from following another procedure when
19 the best interest of the program so dictates:

20 (1) The (~~commission~~) office shall annually select the financial
21 aid award winners from among Washington residents applying for student
22 financial aid who have been ranked according to financial need as
23 determined by the amount of the family contribution and other
24 considerations brought to the (~~commission's~~) office's attention.

25 (2) The financial need of the highest ranked students shall be met
26 by grants depending upon the evaluation of financial need until the
27 total allocation has been disbursed. Funds from grants which are
28 declined, forfeited or otherwise unused shall be reawarded until
29 dispersed.

30 (3) A grant may be renewed until the course of study is completed,
31 but not for more than an additional four academic years beyond the
32 first year of the award. These shall not be required to be consecutive
33 years. Qualifications for renewal will include maintaining
34 satisfactory academic standing toward completion of the course of
35 study, and continued eligibility as determined by the (~~commission~~)
36 office. Should the recipient terminate his or her enrollment for any
37 reason during the academic year, the unused portion of the grant shall
38 be returned to the state educational grant fund by the institution

1 according to the institution's own policy for issuing refunds, except
2 as provided in RCW 28B.10.8081.

3 (4) In computing financial need the (~~commission~~) board shall
4 determine a maximum student expense budget allowance, not to exceed an
5 amount equal to the total maximum student expense budget at the public
6 institutions plus the current average state appropriation per student
7 for operating expense in the public institutions.

8 **Sec. 26.** RCW 28B.10.810 and 1989 c 254 s 5 are each amended to
9 read as follows:

10 For a student to be eligible for financial aid the student must:

11 (1) Be a "needy student" or "disadvantaged student" as determined
12 by the (~~commission~~) office in accordance with RCW 28B.10.802 (3) and
13 (4).

14 (2) Have been domiciled within the state of Washington for at least
15 one year.

16 (3) Be enrolled or accepted for enrollment on at least a half-time
17 basis at an institution of higher education in Washington.

18 (4) Have complied with all the rules (~~and regulations~~) adopted by
19 the (~~commission~~) office for the administration of RCW 28B.10.800
20 through 28B.10.824.

21 **Sec. 27.** RCW 28B.10.818 and 1969 ex.s. c 222 s 17 are each amended
22 to read as follows:

23 Funds appropriated for student financial assistance to be granted
24 pursuant to RCW 28B.10.800 through 28B.10.824 shall be disbursed as
25 determined by the (~~commission~~) office.

26 **Sec. 28.** RCW 28B.10.820 and 1969 ex.s. c 222 s 18 are each amended
27 to read as follows:

28 The (~~commission~~) office shall be authorized to accept grants,
29 gifts, bequests, and devises of real and personal property from any
30 source for the purpose of granting financial aid in addition to that
31 funded by the state.

32 **Sec. 29.** RCW 28B.10.821 and 1997 c 269 s 1 are each amended to
33 read as follows:

34 The state educational trust fund is hereby established in the state
35 treasury. The primary purpose of the trust is to pledge state-wide

1 available college student assistance to needy or disadvantaged
2 students, especially middle and high school youth, considered at-risk
3 of dropping out of secondary education who participate in (~~board-~~
4 ~~approved~~) office-approved early awareness and outreach programs and
5 who enter any accredited Washington institution of postsecondary
6 education within two years of high school graduation.

7 The (~~board~~) office shall deposit refunds and recoveries of
8 student financial aid funds expended in prior fiscal periods in such
9 account. The (~~board~~) office may also deposit moneys that have been
10 contributed from other state, federal, or private sources.

11 Expenditures from the fund shall be for financial aid to needy or
12 disadvantaged students. The (~~board~~) office may annually expend such
13 sums from the fund as may be necessary to fulfill the purposes of this
14 section, including not more than three percent for the costs to
15 administer aid programs supported by the fund. All earnings of
16 investments of balances in the state educational trust fund shall be
17 credited to the trust fund. Expenditures from the fund shall not be
18 subject to appropriation but are subject to allotment procedures under
19 chapter 43.88 RCW.

20 **Sec. 30.** RCW 28B.10.822 and 1973 c 62 s 4 are each amended to read
21 as follows:

22 The (~~commission~~) office shall adopt rules (~~and regulations~~) as
23 may be necessary or appropriate for effecting the provisions of RCW
24 28B.10.800 through 28B.10.824, and not in conflict with RCW 28B.10.800
25 through 28B.10.824, in accordance with the provisions of chapter 34.05
26 RCW, the (~~state higher education~~) administrative procedure act.

27 **Sec. 31.** RCW 28B.12.030 and 1994 c 130 s 3 are each amended to
28 read as follows:

29 As used in this chapter, the following words and terms shall have
30 the following meanings, unless the context shall clearly indicate
31 another or different meaning or intent:

32 (1) The term "needy student" shall mean a student enrolled or
33 accepted for enrollment at a post-secondary institution who, according
34 to a system of need analysis approved by the (~~higher education~~
35 ~~coordinating board~~) office of student assistance, demonstrates a
36 financial inability, either parental, familial, or personal, to bear
37 the total cost of education for any semester or quarter.

1 (2) The term "eligible institution" shall mean any post-secondary
2 institution in this state accredited by the Northwest Association of
3 Schools and Colleges or any public technical college in the state.

4 **Sec. 32.** RCW 28B.12.040 and 1994 c 130 s 4 are each amended to
5 read as follows:

6 With the assistance of an advisory committee, the ((higher
7 education coordinating board)) office of student assistance shall
8 develop and administer the state work-study program. The ((board))
9 office of student assistance shall be authorized to enter into
10 agreements with employers and eligible institutions for the operation
11 of the program. These agreements shall include such provisions as the
12 ((higher education coordinating board)) office of student assistance
13 may deem necessary or appropriate to carry out the purposes of this
14 chapter.

15 The members of the work-study advisory committee may include, but
16 need not be limited to representatives of public and private community
17 colleges, technical colleges, and four-year institutions of higher
18 education; vocational schools; students; community service
19 organizations; public schools; business; and labor. When selecting
20 members of the advisory committee, the ((board)) office of student
21 assistance shall consult with institutions of higher education, the
22 state board for community and technical colleges, the work force
23 training and education coordinating board, and appropriate associations
24 and organizations. With the exception of off-campus community service
25 placements, the share from moneys disbursed under the state work-study
26 program of the compensation of students employed under such program in
27 accordance with such agreements shall not exceed eighty percent of the
28 total such compensation paid such students.

29 By rule, the ((board)) office of student assistance shall define
30 community service placements and may determine any salary matching
31 requirements for any community service employers.

32 **Sec. 33.** RCW 28B.12.050 and 1994 c 130 s 5 are each amended to
33 read as follows:

34 The ((higher education coordinating board)) office of student
35 assistance shall disburse state work-study funds. In performing its
36 duties under this section, the ((board)) office of student assistance
37 shall consult eligible institutions and post-secondary education

1 advisory and governing bodies. The (~~board~~) office of student
2 assistance shall establish criteria designed to achieve such
3 distribution of assistance under this chapter among students attending
4 eligible institutions as will most effectively carry out the purposes
5 of this chapter.

6 **Sec. 34.** RCW 28B.12.060 and 1994 c 130 s 6 are each amended to
7 read as follows:

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

17 (1) Providing work under the state work-study program that will not
18 result in the displacement of employed workers or impair existing
19 contracts for services;

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

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

24 (b) Has been accepted for enrollment as at least a half-time
25 student at the eligible institution or, in the case of a student
26 already enrolled in and attending the eligible institution, is in good
27 standing and in at least half-time attendance there either as an
28 undergraduate, graduate or professional student; and

29 (c) Is not pursuing a degree in theology;

30 (3) Placing priority on providing:

31 (a) Work opportunities for students who are residents of the state
32 of Washington as defined in RCW 28B.15.012 and 28B.15.013 except
33 resident students defined in RCW 28B.15.012(2)(e);

34 (b) Job placements in fields related to each student's academic or
35 vocational pursuits, with an emphasis on off-campus job placements
36 whenever appropriate; and

37 (c) Off-campus community service placements;

1 (4) Provisions to assure that in the state institutions of higher
2 education, utilization of this work-study program:

3 (a) Shall only supplement and not supplant classified positions
4 under jurisdiction of chapter 41.06 RCW;

5 (b) That all positions established which are comparable shall be
6 identified to a job classification under the Washington personnel
7 resources board's classification plan and shall receive equal
8 compensation;

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

11 (d) That work study positions shall only be established at entry
12 level positions of the classified service unless the overall scope and
13 responsibilities of the position indicate a higher level; and

14 (5) Provisions to encourage job placements in occupations that meet
15 Washington's economic development goals, especially those in
16 international trade and international relations. The ~~((board))~~ office
17 of student assistance shall permit appropriate job placements in other
18 states and other countries.

19 **Sec. 35.** RCW 28B.12.070 and 1994 c 130 s 7 are each amended to
20 read as follows:

21 Each eligible institution shall submit to the ~~((higher education~~
22 ~~coordinating board))~~ office of student assistance an annual report in
23 accordance with such requirements as are adopted by the ~~((board))~~
24 office.

25 **Sec. 36.** RCW 28B.15.760 and 1985 c 370 s 79 are each amended to
26 read as follows:

27 Unless the context clearly requires otherwise, the definitions in
28 this section apply throughout RCW 28B.15.762 and 28B.15.764.

29 (1) "Institution of higher education" or "institution" means a
30 college or university in the state of Washington which is a member
31 institution of an accrediting association recognized as such by rule of
32 the higher education coordinating board.

33 (2) "Board" means the higher education coordinating board.

34 (3) "Eligible student" means a student registered for at least ten
35 credit hours or the equivalent and demonstrates achievement of a 3.00
36 grade point average for each academic year, who is a resident student
37 as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy

1 student" as defined in RCW 28B.10.802, and who has a declared major in
2 a program leading to a degree in teacher education in a field of
3 science or mathematics, or a certificated teacher who meets the same
4 credit hour and "needy student" requirements and is seeking an
5 additional degree in science or mathematics.

6 (4) "Public school" means a middle school, junior high school, or
7 high school within the public school system referred to in Article IX
8 of the state Constitution.

9 (5) "Forgiven" or "to forgive" means to collect service as a
10 teacher in a field of science or mathematics at a public school in the
11 state of Washington in lieu of monetary payment.

12 (6) "Satisfied" means paid-in-full.

13 (7) "Borrower" means an eligible student who has received a loan
14 under RCW 28B.15.762.

15 (8) "Office" means the office of student assistance.

16 **Sec. 37.** RCW 28B.15.762 and 1996 c 107 s 2 are each amended to
17 read as follows:

18 (1) The ((board)) office may make long-term loans to eligible
19 students at institutions of higher education from the funds
20 appropriated to the ((board)) office for this purpose. The amount of
21 any such loan shall not exceed the demonstrated financial need of the
22 student or two thousand five hundred dollars for each academic year
23 whichever is less, and the total amount of such loans to an eligible
24 student shall not exceed ten thousand dollars. The interest rates and
25 terms of deferral of such loans shall be consistent with the terms of
26 the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq.
27 The period for repaying the loan principal and interest shall be ten
28 years with payments accruing quarterly commencing nine months from the
29 date the borrower graduated. The entire principal and interest of each
30 loan payment shall be forgiven for each payment period in which the
31 borrower teaches science or mathematics in a public school in this
32 state until the entire loan is satisfied or the borrower ceases to
33 teach science or mathematics at a public school in this state. Should
34 the borrower cease to teach science or mathematics at a public school
35 in this state before the time in which the principal and interest on
36 the loan are satisfied, payments on the unsatisfied portion of the
37 principal and interest on the loan shall begin the next payment period
38 and continue until the remainder of the loan is paid.

1 (2) The ((~~board~~)) office is responsible for collection of loans
2 made under subsection (1) of this section and shall exercise due
3 diligence in such collection, maintaining all necessary records to
4 insure that maximum repayments are made. Collection and servicing of
5 loans under subsection (1) of this section shall be pursued using the
6 full extent of the law, including wage garnishment if necessary, and
7 shall be performed by entities approved for such servicing by the
8 Washington student loan guaranty association or its successor agency.
9 The ((~~board~~)) office is responsible to forgive all or parts of such
10 loans under the criteria established in subsection (1) of this section
11 and shall maintain all necessary records of forgiven payments.

12 (3) Receipts from the payment of principal or interest or any other
13 subsidies to which the ((~~board~~)) office as lender is entitled, which
14 are paid by or on behalf of borrowers under subsection (1) of this
15 section, shall be deposited with the ((~~higher education coordinating~~
16 ~~board~~)) office and shall be used to cover the costs of making the loans
17 under subsection (1) of this section, maintaining necessary records,
18 and making collections under subsection (2) of this section. The
19 ((~~board~~)) office shall maintain accurate records of these costs, and
20 all receipts beyond those necessary to pay such costs shall be used to
21 make loans to eligible students.

22 (4) Any funds not used to make loans, or to cover the cost of
23 making loans or making collections, shall be placed in the state
24 educational trust fund for needy or disadvantaged students.

25 (5) The ((~~board~~)) office shall adopt necessary rules to implement
26 this section.

27 **Sec. 38.** RCW 28B.15.764 and 1985 c 370 s 81 are each amended to
28 read as follows:

29 The ((~~board~~)) office and institutions of higher education shall
30 work cooperatively to implement RCW 28B.15.762 and to publicize this
31 program to eligible students.

32 **Sec. 39.** RCW 28B.80.240 and 1985 c 370 s 23 are each amended to
33 read as follows:

34 The ((~~board~~)) office shall administer any state program or state-
35 administered federal program of student financial aid now or hereafter
36 established.

1 **Sec. 40.** RCW 28B.80.245 and 1995 1st sp.s. c 5 s 3 are each
2 amended to read as follows:

3 (1) Recipients of the Washington scholars award under RCW
4 28A.600.100 through 28A.600.150 who choose to attend an independent
5 college or university in this state, as defined in subsection (4) of
6 this section, and recipients of the award named after June 30, 1994,
7 who choose to attend a public college or university in the state may
8 receive grants under this section if moneys are available. The
9 (~~higher education coordinating board~~) office shall distribute grants
10 to eligible students under this section from moneys appropriated for
11 this purpose. The individual grants shall not exceed, on a yearly
12 basis, the yearly, full-time, resident, undergraduate tuition and
13 service and activities fees in effect at the state-funded research
14 universities. Grants to recipients attending an independent
15 institution shall be contingent upon the institution matching on at
16 least a dollar-for-dollar basis, either with actual money or by a
17 waiver of fees, the amount of the grant received by the student from
18 the state. The (~~higher education coordinating board~~) office shall
19 establish procedures, by rule, to disburse the awards as direct grants
20 to the students.

21 (2) To qualify for the grant, recipients shall enter the in-state
22 college or university within three years of high school graduation and
23 maintain a minimum grade point average at the college or university
24 equivalent to 3.30. Students shall be eligible to receive a maximum of
25 twelve quarters or eight semesters of grants for undergraduate study
26 and may transfer among in-state public and independent colleges and
27 universities during that period and continue to receive the grant as
28 provided under RCW 28B.80.246 (as recodified by this act). If the
29 student's cumulative grade point average falls below 3.30 during the
30 first three quarters or two semesters, that student may petition the
31 (~~higher education coordinating board~~) office which shall have the
32 authority to establish a probationary period until such time as the
33 student's grade point average meets required standards.

34 (3) No grant shall be awarded to any student who is pursuing a
35 degree in theology.

36 (4) As used in this section, "independent college or university"
37 means a private, nonprofit educational institution, the main campus of
38 which is permanently situated in the state, open to residents of the
39 state, providing programs of education beyond the high school level

1 leading at least to the baccalaureate degree, and accredited by the
2 northwest association of schools and colleges as of June 9, 1988, and
3 other institutions as may be developed that are approved by the higher
4 education coordinating board as meeting equivalent standards as those
5 institutions accredited under this section.

6 (5) As used in this section, "public college or university" means
7 an institution of higher education as defined in RCW 28B.10.016.

8 **Sec. 41.** RCW 28B.80.360 and 1998 c 245 s 24 are each amended to
9 read as follows:

10 The (~~board~~) office shall perform the following administrative
11 responsibilities:

12 (1) Administer the programs set forth in the following statutes:
13 RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter
14 28B.04 RCW (displaced homemakers); chapter 28B.85 RCW (degree-granting
15 institutions); RCW 28B.10.210 through 28B.10.220 (blind students
16 subsidy); RCW 28B.10.800 through 28B.10.824 (student financial aid
17 program); chapter 28B.12 RCW (work study); RCW 28B.15.067 (establishing
18 tuition and fees); RCW 28B.15.543 (tuition waivers for Washington
19 scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans);
20 RCW 28B.80.150 through 28B.80.170 (student exchange compact); RCW
21 28B.80.240 (as recodified by this act) (student aid programs); and RCW
22 28B.80.210 (federal programs).

23 (2) Study the delegation of the administration of the following:
24 RCW 28B.65.040 through 28B.65.060 (high-technology board); chapter
25 28B.85 RCW (degree-granting institutions); RCW 28B.80.150 through
26 28B.80.170 (student exchange compact programs); RCW 28B.80.200 (state
27 commission for federal law purposes); RCW 28B.80.210 (enumerated
28 federal programs); RCW 28B.80.230 (receipt of federal funds); RCW
29 28B.80.240 (as recodified by this act) (student financial aid
30 programs); RCW 28A.600.120 through 28A.600.150 (Washington scholars);
31 RCW 28B.15.543 (Washington scholars); RCW 28B.04.020 through 28B.04.110
32 (displaced homemakers); RCW 28B.10.215 and 28B.10.220 (blind students);
33 RCW 28B.10.790, 28B.10.792, and 28B.10.802 through 28B.10.844 (student
34 financial aid); RCW 28B.12.040 through 28B.12.070 (student work study);
35 RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through
36 28B.15.736 (Oregon reciprocity); RCW 28B.15.750 through 28B.15.754
37 (Idaho reciprocity); RCW 28B.15.756 and 28B.15.758 (British Columbia

1 reciprocity); and RCW 28B.15.760 through 28B.15.764 (math/science
2 loans).

3 **Sec. 42.** RCW 28B.101.030 and 1990 c 288 s 5 are each amended to
4 read as follows:

5 The (~~higher education coordinating board~~) office of student
6 assistance shall develop and administer the educational opportunity
7 grant program. The (~~board~~) office shall adopt necessary rules and
8 guidelines and develop criteria and procedures to select eligible
9 participants in the program. Payment shall be made directly to the
10 eligible participant periodically upon verification of enrollment and
11 satisfactory progress towards degree completion.

12 **Sec. 43.** RCW 28B.102.020 and 1996 c 53 s 1 are each amended to
13 read as follows:

14 Unless the context clearly requires otherwise, the definitions in
15 this section apply throughout this chapter.

16 (1) "Conditional scholarship" means a loan that is forgiven in
17 whole or in part if the recipient renders service as a teacher in an
18 approved education program in this state.

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

23 (3) (~~"Board" means the higher education coordinating board~~)
24 "Office" means the office of financial assistance.

25 (4) "Eligible student" means a student who is registered for at
26 least ten credit hours or the equivalent, demonstrates achievement of
27 at least a 3.30 grade point average for students entering an
28 institution of higher education directly from high school or maintains
29 at least a 3.00 grade point average or the equivalent for each academic
30 year in an institution of higher education, is a resident student as
31 defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention
32 to complete an approved preparation program leading to initial teacher
33 certification or required for earning an additional endorsement, or a
34 college or university graduate who meets the same credit hour
35 requirements and is seeking an additional teaching endorsement or
36 initial teacher certification. Resident students defined in RCW
37 28B.15.012(2)(e) are not eligible students under this chapter.

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

4 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
5 service as a teacher in an approved education program in the state of
6 Washington in lieu of monetary repayment.

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

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

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

14 (10) "Approved education program" means an education program in the
15 state of Washington for knowledge and skills generally learned in
16 preschool through twelfth grade. Approved education programs may
17 include but are not limited to:

18 (a) K-12 schools under Title 28A RCW;

19 (b) Early childhood education and assistance programs under RCW
20 28A.215.100 through 28A.215.200 or the federal head start program;

21 (c) An approved school under chapter 28A.195 RCW;

22 (d) Education centers under chapter 28A.205 RCW;

23 (e) English as a second language programs and programs leading to
24 high school graduation or the equivalency operated by community or
25 technical colleges; and

26 (f) Tribal schools in Washington approved by the federal bureau of
27 Indian affairs.

28 **Sec. 44.** RCW 28B.102.030 and 1987 c 437 s 3 are each amended to
29 read as follows:

30 The future teachers conditional scholarship program is established.
31 The program shall be administered by the (~~higher—education~~
32 ~~coordinating—board~~) office. In administering the program, the
33 (~~board~~) office shall have the following powers and duties:

34 (1) Select students to receive conditional scholarships, with the
35 assistance of a screening committee composed of teachers and leaders in
36 government, business, and education;

37 (2) Adopt necessary rules and guidelines;

38 (3) Publicize the program;

1 (4) Collect and manage repayments from students who do not meet
2 their teaching obligations under this chapter; and

3 (5) Solicit and accept grants and donations from public and private
4 sources for the program.

5 **Sec. 45.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
6 read as follows:

7 The ((higher education coordinating board)) office shall establish
8 a planning committee to develop criteria for the screening and
9 selection of recipients of the conditional scholarships. These
10 criteria shall emphasize factors demonstrating excellence including but
11 not limited to superior scholastic achievement, leadership ability,
12 community contributions, and an ability to act as a role model for
13 targeted ethnic minority students. These criteria also may include,
14 for approximately half of the recipients, requirements that those
15 recipients meet the definition of "needy student" under RCW 28B.10.802.

16 **Sec. 46.** RCW 28B.102.045 and 1988 c 125 s 7 are each amended to
17 read as follows:

18 The ((board)) office may waive grade point requirements for an
19 otherwise eligible individual student under special circumstances.

20 **Sec. 47.** RCW 28B.102.050 and 1987 c 437 s 5 are each amended to
21 read as follows:

22 The ((board)) office may award conditional scholarships to eligible
23 students from the funds appropriated to the ((board)) office for this
24 purpose, or from any private donations, or any other funds given to the
25 ((board)) office for this program. The amount of the conditional
26 scholarship awarded an individual shall not exceed three thousand
27 dollars per academic year. Students are eligible to receive
28 conditional scholarships for a maximum of five years.

29 **Sec. 48.** RCW 28B.102.060 and 1996 c 53 s 2 are each amended to
30 read as follows:

31 (1) Participants in the conditional scholarship program incur an
32 obligation to repay the conditional scholarship, with interest, unless
33 they teach for two years in an approved education program for each year
34 of scholarship received, under rules adopted by the ((board)) office.

1 (2) The interest rate shall be eight percent for the first four
2 years of repayment and ten percent beginning with the fifth year of
3 repayment.

4 (3) The period for repayment shall be ten years, with payments of
5 principal and interest accruing quarterly commencing nine months from
6 the date the participant completes or discontinues the course of study.
7 Provisions for deferral of payment shall be determined by the ((board))
8 office.

9 (4) The entire principal and interest of each payment shall be
10 forgiven for each payment period in which the participant teaches in an
11 approved education program until the entire repayment obligation is
12 satisfied. Should the participant cease to teach in an approved
13 education program in this state before the participant's repayment
14 obligation is completed, payments on the unsatisfied portion of the
15 principal and interest shall begin the next payment period and continue
16 until the remainder of the participant's repayment obligation is
17 satisfied.

18 (5) The ((board)) office is responsible for collection of
19 repayments made under this section and shall exercise due diligence in
20 such collection, maintaining all necessary records to insure that
21 maximum repayments are made. Collection and servicing of repayments
22 under this section shall be pursued using the full extent of the law,
23 including wage garnishment if necessary. The ((board)) office is
24 responsible to forgive all or parts of such repayments under the
25 criteria established in this section and shall maintain all necessary
26 records of forgiven payments.

27 (6) Receipts from the payment of principal or interest or any other
28 subsidies to which the ((board)) office as administrator is entitled,
29 which are paid by or on behalf of participants under this section,
30 shall be deposited with the ((higher education coordinating board))
31 office and shall be used to cover the costs of granting the conditional
32 scholarships, maintaining necessary records, and making collections
33 under subsection (5) of this section. The ((board)) office shall
34 maintain accurate records of these costs, and all receipts beyond those
35 necessary to pay such costs shall be used to grant conditional
36 scholarships to eligible students.

37 (7) The ((board)) office shall temporarily or, in special
38 circumstances, permanently defer the requirements of this section for
39 eligible students as defined in RCW 28B.10.017.

1 (8) The (~~board~~) office may cancel a recipient's repayment
2 obligation due to the recipient's total and permanent disability or
3 death, subject to documentation as required by the (~~board~~) office.

4 (9) This section applies to recipients of conditional scholarships
5 awarded before or after July 1, 1996.

6 **Sec. 49.** RCW 28B.102.070 and 1987 c 437 s 7 are each amended to
7 read as follows:

8 After consulting with the (~~higher education coordinating board~~)
9 office, the governor may transfer the administration of this program to
10 another agency with an appropriate educational mission.

11 **Sec. 50.** RCW 28B.103.010 and 1994 c 234 s 5 are each amended to
12 read as follows:

13 Unless the context clearly requires otherwise, the definitions in
14 this section apply throughout this section and RCW 28B.103.020 and
15 28B.103.030.

16 (1) "Eligible student" means an enlisted member or an officer of
17 the rank of captain or below in the Washington national guard who is a
18 resident student as defined in RCW 28B.15.012 and 28B.15.013, who
19 attends an institution of higher education that is located in this
20 state and accredited by the Northwest Association of Schools and
21 Colleges, and who meets any additional selection criteria adopted by
22 the office.

23 (2) "Conditional scholarship" means a loan that is forgiven in
24 whole or in part if the recipient renders service as a member of the
25 Washington national guard under rules adopted by the office.

26 (3) "Forgiven" or "to forgive" or "forgiveness" means either to
27 render service in the Washington national guard in lieu of monetary
28 repayment, or to be relieved of the service obligation under rules
29 adopted by the office.

30 (4) "Office" means the office of (~~the adjutant general of the~~
31 ~~state military department~~) student assistance.

32 (5) "Participant" means an eligible student who has received a
33 conditional scholarship under this chapter.

34 (6) "Service obligation" means serving in the Washington national
35 guard for one additional year for each year of conditional scholarship
36 received under this program.

1 **Sec. 51.** RCW 28B.108.010 and 1991 c 228 s 10 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Institution of higher education" or "institution" means a
6 college or university in the state of Washington which is accredited by
7 an accrediting association recognized as such by rule of the higher
8 education coordinating board.

9 (2) (~~("Board" means the higher education coordinating board)~~)
10 "Office" means the office of student assistance.

11 (3) "Eligible student" or "student" means an American Indian who is
12 a financially needy student, as defined in RCW 28B.10.802, who is a
13 resident student, as defined by RCW 28B.15.012(2), who is a full-time
14 student at an institution of higher education, and who promises to use
15 his or her education to benefit other American Indians.

16 **Sec. 52.** RCW 28B.108.020 and 1990 c 287 s 3 are each amended to
17 read as follows:

18 The American Indian endowed scholarship program is created. The
19 program shall be administered by the (~~(higher education coordinating~~
20 ~~board)~~) office. In administering the program, the (~~(board's)~~) office's
21 powers and duties shall include but not be limited to:

22 (1) Selecting students to receive scholarships, with the assistance
23 of a screening committee composed of persons involved in helping
24 American Indian students to obtain a higher education. The membership
25 of the committee may include, but is not limited to representatives of:
26 Indian tribes, urban Indians, the governor's office of Indian affairs,
27 the Washington state Indian education association, and institutions of
28 higher education;

29 (2) Adopting necessary rules and guidelines;

30 (3) Publicizing the program;

31 (4) Accepting and depositing donations into the endowment fund
32 created in RCW 28B.108.060;

33 (5) Requesting and accepting from the state treasurer moneys earned
34 from the trust fund and the endowment fund created in RCW 28B.108.050
35 and 28B.108.060;

36 (6) Soliciting and accepting grants and donations from public and
37 private sources for the program; and

1 (7) Naming scholarships in honor of those American Indians from
2 Washington who have acted as role models.

3 **Sec. 53.** RCW 28B.108.030 and 1991 c 228 s 11 are each amended to
4 read as follows:

5 The (~~higher education coordinating board~~) office shall establish
6 an advisory committee to assist in program design and to develop
7 criteria for the screening and selection of scholarship recipients.
8 The committee shall be composed of representatives of the same groups
9 as the screening committee described in RCW 28B.108.020. The criteria
10 shall assess the student's social and cultural ties to an American
11 Indian community within the state. The criteria shall include a
12 priority for upper-division or graduate students. The criteria may
13 include a priority for students who are majoring in program areas in
14 which expertise is needed by the state's American Indians.

15 **Sec. 54.** RCW 28B.108.040 and 1990 c 287 s 5 are each amended to
16 read as follows:

17 The (~~board~~) office may award scholarships to eligible students
18 from moneys earned from the endowment fund created in RCW 28B.108.060,
19 or from funds appropriated to the (~~board~~) office for this purpose, or
20 from any private donations, or from any other funds given to the
21 (~~board~~) office for this program. For an undergraduate student, the
22 amount of the scholarship shall not exceed the student's demonstrated
23 financial need. For a graduate student, the amount of the scholarship
24 shall not exceed the student's demonstrated need; or the stipend of a
25 teaching assistant, including tuition, at the University of Washington;
26 whichever is higher. In calculating a student's need, the (~~board~~)
27 office shall consider the student's costs for tuition, fees, books,
28 supplies, transportation, room, board, personal expenses, and child
29 care. The student's scholarship awarded under this chapter shall not
30 exceed the amount received by a student attending a state research
31 university. A student is eligible to receive a scholarship for a
32 maximum of five years. However, the length of the scholarship shall be
33 determined at the discretion of the (~~board~~) office.

34 **Sec. 55.** RCW 28B.108.050 and 1991 sp.s. c 13 s 107 are each
35 amended to read as follows:

1 The American Indian endowed scholarship trust fund is established.
2 The trust fund shall be administered by the state treasurer. Funds
3 appropriated by the legislature for the trust fund shall be deposited
4 into the fund. At the request of the (~~higher education coordinating~~
5 ~~board~~) office, and when conditions set forth in RCW 28B.108.070 are
6 met, the treasurer shall deposit state matching moneys in the trust
7 fund into the American Indian endowment fund. No appropriation is
8 required for expenditures from the trust fund.

9 **Sec. 56.** RCW 28B.108.060 and 1993 c 372 s 1 are each amended to
10 read as follows:

11 The American Indian scholarship endowment fund is established. The
12 endowment fund shall be administered by the state treasurer.

13 (1) Moneys received from the (~~higher education coordinating~~
14 ~~board~~) office, private donations, state matching moneys, and funds
15 received from any other source may be deposited into the endowment
16 fund. Private moneys received as a gift subject to conditions may be
17 deposited into the fund.

18 (2) At the request of the (~~higher education coordinating board~~)
19 office, the treasurer shall release earnings from the endowment fund to
20 the (~~board~~) office for scholarships. No appropriation is required
21 for expenditures from the endowment fund.

22 (3) When notified by the (~~higher education coordinating board~~)
23 office or by court order that a condition attached to a gift of private
24 moneys in the fund has failed, the treasurer shall release those moneys
25 to the donors according to the terms of the conditional gift.

26 (4) The principal of the endowment fund shall not be invaded. The
27 release of moneys under subsection (3) of this section shall not
28 constitute an invasion of corpus.

29 (5) The earnings on the fund shall be used solely for the purposes
30 set forth in RCW 28B.108.040, except when the terms of a conditional
31 gift of private moneys in the fund require that a portion of earnings
32 on such moneys be reinvested in the fund.

33 **Sec. 57.** RCW 28B.108.070 and 1993 c 372 s 2 are each amended to
34 read as follows:

35 The (~~higher education coordinating board~~) office may request that
36 the treasurer deposit fifty thousand dollars of state matching funds
37 into the American Indian scholarship endowment fund when the (~~board~~)

1 office can match the state funds with an equal amount of private cash
2 donations, including conditional gifts. Private cash donations means
3 moneys from nonstate sources that include, but are not limited to,
4 federal moneys, tribal moneys, and assessments by commodity commissions
5 authorized to conduct research activities, including but not limited to
6 research studies authorized under RCW 15.66.030 and 15.65.040.

7 **Sec. 58.** RCW 28B.109.010 and 1996 c 253 s 401 are each amended to
8 read as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout this chapter.

11 (1) (~~("Board" means the higher education coordinating board.~~

12 ~~(2))~~) "Eligible participant" means an international student whose
13 country of residence has a trade relationship with the state of
14 Washington.

15 (~~(3))~~) (2) "Institution of higher education" or "institution"
16 means a college or university in the state of Washington that is
17 accredited by an accrediting association recognized as such by rule of
18 the higher education coordinating board.

19 (3) "Office" means the office of student assistance.

20 (4) "Service obligation" means volunteering for a minimum number of
21 hours as established by the (~~board~~) office based on the amount of
22 scholarship award, to speak to or teach groups of Washington citizens,
23 including but not limited to elementary, middle, and high schools,
24 service clubs, and universities.

25 (5) "Washington international exchange scholarship program" means
26 a scholarship award for a period not to exceed one academic year to
27 attend a Washington institution of higher education made to an
28 international student whose country has an established trade
29 relationship with Washington.

30 **Sec. 59.** RCW 28B.109.020 and 1996 c 253 s 402 are each amended to
31 read as follows:

32 The Washington international exchange scholarship program is
33 created subject to funding under RCW 28B.109.060. The program shall be
34 administered by the (~~board~~) office. In administering the program,
35 the (~~board~~) office may:

36 (1) Convene an advisory committee that may include but need not be
37 limited to representatives of the office of the superintendent of

1 public instruction, the department of community, trade, and economic
2 development, the secretary of state, private business, and institutions
3 of higher education;

4 (2) Select students to receive the scholarship with the assistance
5 of a screening committee composed of leaders in business, international
6 trade, and education;

7 (3) Adopt necessary rules and guidelines including rules for
8 disbursing scholarship funds to participants;

9 (4) Publicize the program;

10 (5) Solicit and accept grants and donations from public and private
11 sources for the program;

12 (6) Establish and notify participants of service obligations; and

13 (7) Establish a formula for selecting the countries from which
14 participants may be selected in consultation with the department of
15 community, trade, and economic development.

16 **Sec. 60.** RCW 28B.109.030 and 1996 c 253 s 403 are each amended to
17 read as follows:

18 The ((board)) office may negotiate and enter into a reciprocal
19 agreement with foreign countries that have international students
20 attending institutions in Washington. The goal of the reciprocal
21 agreements shall be to allow Washington students enrolled in an
22 institution of higher education to attend an international institution
23 under similar terms and conditions.

24 **Sec. 61.** RCW 28B.109.040 and 1996 c 253 s 404 are each amended to
25 read as follows:

26 If funds are available, the ((board)) office shall select students
27 yearly to receive a Washington international exchange student
28 scholarship from moneys earned from the Washington international
29 exchange scholarship endowment fund created in RCW 28B.109.060, from
30 funds appropriated to the ((board)) office for this purpose, or from
31 any private donations, or from any other funds given to the ((board))
32 office for this program.

33 **Sec. 62.** RCW 28B.109.050 and 1996 c 253 s 405 are each amended to
34 read as follows:

35 The Washington international exchange trust fund is established in
36 the custody of the state treasurer. Any funds appropriated by the

1 legislature for the trust fund shall be deposited into the fund. At
2 the request of the ((board)) office, and when conditions set forth in
3 RCW 28B.109.070 are met, the treasurer shall deposit state matching
4 moneys from the Washington international exchange trust fund into the
5 Washington international exchange scholarship endowment fund. No
6 appropriation is required for expenditures from the trust fund.

7 **Sec. 63.** RCW 28B.109.060 and 1996 c 253 s 406 are each amended to
8 read as follows:

9 The Washington international exchange scholarship endowment fund is
10 established in the custody of the state treasurer. Moneys received
11 from the private donations and funds received from any other source may
12 be deposited into the endowment fund. At the request of the ((board))
13 office, the treasurer shall release earnings from the endowment fund to
14 the ((board)) office for scholarships. No appropriation is required
15 for expenditures from the endowment fund. The principal of the
16 endowment fund shall not be invaded. The earnings on the fund shall be
17 used solely for the purposes in this chapter.

18 **Sec. 64.** RCW 28B.109.070 and 1996 c 253 s 407 are each amended to
19 read as follows:

20 The ((board)) office may request that the treasurer deposit state
21 matching funds into the Washington international exchange scholarship
22 endowment fund when the ((board)) office can match the state funds with
23 an equal amount of private cash donations, including conditional gifts.

24 **Sec. 65.** RCW 28B.109.080 and 1996 c 253 s 408 are each amended to
25 read as follows:

26 Each Washington international exchange scholarship recipient shall
27 agree to complete the service obligation as defined by the ((board))
28 office.

29 **Sec. 66.** RCW 28B.115.020 and 1991 c 332 s 15 are each amended to
30 read as follows:

31 Unless the context clearly requires otherwise, the definitions in
32 this section apply throughout this chapter.

33 (1) (~~"Board" means the higher education coordinating board.~~

34 ~~(2))~~ "Department" means the state department of health.

1 (~~(3)~~) (2) "Eligible education and training programs" means
2 education and training programs approved by the department that lead to
3 eligibility for a credential as a credentialed health care
4 professional.

5 (~~(4)~~) (3) "Eligible expenses" means reasonable expenses
6 associated with the costs of acquiring an education such as tuition,
7 books, equipment, fees, room and board, and other expenses determined
8 by the (~~board~~) office.

9 (~~(5)~~) (4) "Eligible student" means a student who has been
10 accepted into an eligible education or training program and has a
11 declared intention to serve in a health professional shortage area upon
12 completion of the education or training program.

13 (~~(6)~~) (5) "Forgiven" or "to forgive" or "forgiveness" means to
14 render health care services in a health professional shortage area in
15 the state of Washington in lieu of monetary repayment.

16 (~~(7)~~) (6) "Health professional shortage areas" means those areas
17 where credentialed health care professionals are in short supply as a
18 result of geographic maldistribution or as the result of a short supply
19 of credentialed health care professionals in specialty health care
20 areas and where vacancies exist in serious numbers that jeopardize
21 patient care and pose a threat to the public health and safety. The
22 department shall determine health professional shortage areas as
23 provided for in RCW 28B.115.070, or until June 1, 1992, as provided for
24 in RCW 28B.115.060. In making health professional shortage area
25 designations in the state the department may be guided by applicable
26 federal standards for "health manpower shortage areas," and "medically
27 underserved areas," and "medically underserved populations."

28 (~~(8)~~) (7) "Credentialed health care profession" means a health
29 care profession regulated by a disciplining authority in the state of
30 Washington under RCW 18.130.040 or by the state board of pharmacy under
31 chapter 18.64 RCW and designated by the department in RCW 28B.115.070,
32 or until June 1, 1992, as established in RCW 28B.115.060 as a
33 profession having shortages of credentialed health care professionals
34 in the state.

35 (~~(9)~~) (8) "Credentialed health care professional" means a person
36 regulated by a disciplining authority in the state of Washington to
37 practice a health care profession under RCW 18.130.040 or by the state
38 board of pharmacy under chapter 18.64 RCW.

1 (~~(10)~~) (9) "Loan repayment" means a loan that is paid in full or
2 in part if the participant renders health care services in a health
3 professional shortage area as defined by the department.

4 (~~(11)~~) (10) "Nonshortage rural area" means a nonurban area of the
5 state of Washington that has not been designated as a rural physician
6 shortage area. The department shall identify the nonshortage rural
7 areas of the state.

8 (11) "Office" means the office of student assistance.

9 (12) "Participant" means a credentialed health care professional
10 who has received a loan repayment award and has commenced practice as
11 a credentialed health care provider in a designated health professional
12 shortage area or an eligible student who has received a scholarship
13 under this program.

14 (13) "Program" means the health professional loan repayment and
15 scholarship program.

16 (14) "Required service obligation" means an obligation by the
17 participant to provide health care services in a health professional
18 shortage area for a period to be established as provided for in this
19 chapter.

20 (15) "Rural physician shortage area" means rural geographic areas
21 where primary care physicians are in short supply as a result of
22 geographic maldistributions and where their limited numbers jeopardize
23 patient care and pose a threat to public health and safety. The
24 department shall designate rural physician shortage areas.

25 (16) "Satisfied" means paid-in-full.

26 (17) "Scholarship" means a loan that is forgiven in whole or in
27 part if the recipient renders health care services in a health
28 professional shortage area.

29 (18) "Sponsoring community" means a rural hospital or hospitals as
30 authorized in chapter 70.41 RCW, a rural health care facility or
31 facilities as authorized in chapter 70.175 RCW, or a city or county
32 government or governments.

33 **Sec. 67.** RCW 28B.115.030 and 1991 c 332 s 16 are each amended to
34 read as follows:

35 The health professional loan repayment and scholarship program is
36 established for credentialed health professionals serving in health
37 professional shortage areas. The program shall be administered by the

1 ((higher education coordinating board)) office. In administering this
2 program, the ((board)) office shall:

3 (1) Select credentialed health care professionals to participate in
4 the loan repayment portion of the loan repayment and scholarship
5 program and select eligible students to participate in the scholarship
6 portion of the loan repayment and scholarship program;

7 (2) Adopt rules and develop guidelines to administer the program;

8 (3) Collect and manage repayments from participants who do not meet
9 their service obligations under this chapter;

10 (4) Publicize the program, particularly to maximize participation
11 among individuals in shortage areas and among populations expected to
12 experience the greatest growth in the work force;

13 (5) Solicit and accept grants and donations from public and private
14 sources for the program; and

15 (6) Develop criteria for a contract for service in lieu of the
16 service obligation where appropriate, that may be a combination of
17 service and payment.

18 **Sec. 68.** RCW 28B.115.050 and 1991 c 332 s 18 are each amended to
19 read as follows:

20 The ((board)) office shall establish a planning committee to assist
21 it in developing criteria for the selection of participants. The
22 ((board)) office shall include on the planning committee
23 representatives of the department, the department of social and health
24 services, appropriate representatives from health care facilities,
25 provider groups, consumers, the state board ((of)) for community and
26 technical colleges ((education)), the superintendent of public
27 instruction, and other appropriate public and private agencies and
28 organizations. The criteria may require that some of the participants
29 meet the definition of "needy student" under RCW 28B.10.802.

30 **Sec. 69.** RCW 28B.115.070 and 1991 c 332 s 20 are each amended to
31 read as follows:

32 After June 1, 1992, the department, in consultation with the
33 ((board)) office and the department of social and health services,
34 shall:

35 (1) Determine eligible credentialed health care professions for the
36 purposes of the loan repayment and scholarship program authorized by
37 this chapter. Eligibility shall be based upon an assessment that

1 determines that there is a shortage or insufficient availability of a
2 credentialed profession so as to jeopardize patient care and pose a
3 threat to the public health and safety. The department shall consider
4 the relative degree of shortages among professions when determining
5 eligibility. This determination shall be based upon health
6 professional shortage needs identified in the health personnel resource
7 plan authorized by RCW 28B.125.010. The department may add or remove
8 professions from eligibility based upon the determination that a
9 profession is no longer in shortage as determined by the health
10 personnel resource plan. Should a profession no longer be eligible,
11 participants or eligible students who have received scholarships shall
12 be eligible to continue to receive scholarships or loan repayments
13 until they are no longer eligible or until their service obligation has
14 been completed;

15 (2) Determine health professional shortage areas for each of the
16 eligible credentialed health care professions.

17 **Sec. 70.** RCW 28B.115.080 and 1993 c 492 s 271 are each amended to
18 read as follows:

19 After June 1, 1992, the ((board)) office, in consultation with the
20 department and the department of social and health services, shall:

21 (1) Establish the annual award amount for each credentialed health
22 care profession which shall be based upon an assessment of reasonable
23 annual eligible expenses involved in training and education for each
24 credentialed health care profession. The annual award amount may be
25 established at a level less than annual eligible expenses. The annual
26 award amount shall be established by the ((board)) office for each
27 eligible health profession. The awards shall not be paid for more than
28 a maximum of five years per individual;

29 (2) Determine any scholarship awards for prospective physicians in
30 such a manner to require the recipients declare an interest in serving
31 in rural areas of the state of Washington. Preference for scholarships
32 shall be given to students who reside in a rural physician shortage
33 area or a nonshortage rural area of the state prior to admission to the
34 eligible education and training program in medicine. Highest
35 preference shall be given to students seeking admission who are
36 recommended by sponsoring communities and who declare the intent of
37 serving as a physician in a rural area. The ((board)) office may
38 require the sponsoring community located in a nonshortage rural area to

1 financially contribute to the eligible expenses of a medical student if
2 the student will serve in the nonshortage rural area;

3 (3) Establish the required service obligation for each credentialed
4 health care profession, which shall be no less than three years or no
5 more than five years. The required service obligation may be based
6 upon the amount of the scholarship or loan repayment award such that
7 higher awards involve longer service obligations on behalf of the
8 participant;

9 (4) Determine eligible education and training programs for purposes
10 of the scholarship portion of the program;

11 (5) Honor loan repayment and scholarship contract terms negotiated
12 between the higher education coordinating board and participants prior
13 to May 21, 1991, concerning loan repayment and scholarship award
14 amounts and service obligations authorized under chapter 28B.115,
15 28B.104, or 70.180 RCW.

16 **Sec. 71.** RCW 28B.115.090 and 1991 c 332 s 22 are each amended to
17 read as follows:

18 (1) The ((board)) office may grant loan repayment and scholarship
19 awards to eligible participants from the funds appropriated for this
20 purpose, or from any private or public funds given to the ((board))
21 office for this purpose. Participants are ineligible to receive loan
22 repayment if they have received a scholarship from programs authorized
23 under this chapter or chapter 28B.104 or 70.180 RCW or are ineligible
24 to receive a scholarship if they have received loan repayment
25 authorized under this chapter or chapter 18.150 or 28B.115 RCW.

26 (2) Funds appropriated for the program, including reasonable
27 administrative costs, may be used by the ((board)) office for the
28 purposes of loan repayments or scholarships. The ((board)) office
29 shall annually establish the total amount of funding to be awarded for
30 loan repayments and scholarships and such allocations shall be
31 established based upon the best utilization of funding for that year
32 and based upon the health personnel resource plan authorized in RCW
33 28B.125.010.

34 (3) One portion of the funding appropriated for the program shall
35 be used by the ((board)) office as a recruitment incentive for
36 communities participating in the community-based recruitment and
37 retention program as authorized by chapter 70.185 RCW; one portion of
38 the funding shall be used by the ((board)) office as a recruitment

1 incentive for recruitment activities in state-operated institutions,
2 county public health departments and districts, county human service
3 agencies, federal and state contracted community health clinics, and
4 other health care facilities, such as rural hospitals that have been
5 identified by the department, as providing substantial amounts of
6 charity care or publicly subsidized health care; one portion of the
7 funding shall be used by the ((board)) office for all other awards.
8 The ((board)) office shall determine the amount of total funding to be
9 distributed between the three portions.

10 **Sec. 72.** RCW 28B.115.100 and 1991 c 332 s 23 are each amended to
11 read as follows:

12 In providing health care services the participant shall not
13 discriminate against a person on the basis of the person's ability to
14 pay for such services or because payment for the health care services
15 provided to such persons will be made under the insurance program
16 established under part A or B of Title XVIII of the federal social
17 security act or under a state plan for medical assistance including
18 Title XIX of the federal social security act or under the state medical
19 assistance program authorized by chapter 74.09 RCW and agrees to accept
20 assignment under section 18.42(b)(3)(B)(ii) of the federal social
21 security act for all services for which payment may be made under part
22 B of Title XVIII of the federal social security act and enters into an
23 appropriate agreement with the department of social and health services
24 for medical assistance under Title XIX of the federal social security
25 act to provide services to individuals entitled to medical assistance
26 under the plan and enters into appropriate agreements with the
27 department of social and health services for medical care services
28 under chapter 74.09 RCW. Participants found by the ((board)) office or
29 the department in violation of this section shall be declared
30 ineligible for receiving assistance under the program authorized by
31 this chapter.

32 **Sec. 73.** RCW 28B.115.110 and 1991 c 332 s 24 and 1991 c 164 s 8
33 are each reenacted and amended to read as follows:

34 Participants in the health professional loan repayment and
35 scholarship program who are awarded loan repayments shall receive
36 payment from the program for the purpose of repaying educational loans
37 secured while attending a program of health professional training which

1 led to a credential as a credentialed health professional in the state
2 of Washington.

3 (1) Participants shall agree to meet the required service
4 obligation in a designated health professional shortage area.

5 (2) Repayment shall be limited to eligible educational and living
6 expenses as determined by the ((board)) office and shall include
7 principal and interest.

8 (3) Loans from both government and private sources may be repaid by
9 the program. Participants shall agree to allow the ((board)) office
10 access to loan records and to acquire information from lenders
11 necessary to verify eligibility and to determine payments. Loans may
12 not be renegotiated with lenders to accelerate repayment.

13 (4) Repayment of loans established pursuant to this program shall
14 begin no later than ninety days after the individual has become a
15 participant. Payments shall be made quarterly, or more frequently if
16 deemed appropriate by the ((board)) office, to the participant until
17 the loan is repaid or the participant becomes ineligible due to
18 discontinued service in a health professional shortage area or after
19 the required service obligation when eligibility discontinues,
20 whichever comes first.

21 (5) Should the participant discontinue service in a health
22 professional shortage area payments against the loans of the
23 participants shall cease to be effective on the date that the
24 participant discontinues service.

25 (6) Except for circumstances beyond their control, participants who
26 serve less than the required service obligation shall be obligated to
27 repay to the program an amount equal to twice the total amount paid by
28 the program on their behalf in addition to any payments on the
29 unsatisfied portion of the principal and interest. The ((board))
30 office shall determine the applicability of this subsection.

31 (7) The ((board)) office is responsible for the collection of
32 payments made on behalf of participants from the participants who
33 discontinue service before completion of the required service
34 obligation. The ((board)) office shall exercise due diligence in such
35 collection, maintaining all necessary records to ensure that the
36 maximum amount of payment made on behalf of the participant is
37 recovered. Collection under this section shall be pursued using the
38 full extent of the law, including wage garnishment if necessary.

1 (8) The ((~~board~~)) office shall not be held responsible for any
2 outstanding payments on principal and interest to any lenders once a
3 participant's eligibility expires.

4 (9) The ((~~board~~)) office shall temporarily or, in special
5 circumstances, permanently defer the requirements of this section for
6 eligible students as defined in RCW 28B.10.017.

7 **Sec. 74.** RCW 28B.115.120 and 1993 c 423 s 2 are each amended to
8 read as follows:

9 (1) Participants in the health professional loan repayment and
10 scholarship program who are awarded scholarships incur an obligation to
11 repay the scholarship, with interest, unless they serve the required
12 service obligation in a health professional shortage area in the state
13 of Washington.

14 (2) The interest rate shall be eight percent for the first four
15 years of repayment and ten percent beginning with the fifth year of
16 repayment.

17 (3) The period for repayment shall coincide with the required
18 service obligation, with payments of principal and interest accruing
19 quarterly commencing no later than nine months from the date the
20 participant completes or discontinues the course of study or completes
21 or discontinues the required residency. Provisions for deferral of
22 payment shall be determined by the ((~~board~~)) office.

23 (4) The entire principal and interest of each payment shall be
24 forgiven for each payment period in which the participant serves in a
25 health professional shortage area until the entire repayment obligation
26 is satisfied or the borrower ceases to so serve. Should the
27 participant cease to serve in a health professional shortage area of
28 this state before the participant's repayment obligation is completed,
29 payments on the unsatisfied portion of the principal and interest shall
30 begin the next payment period and continue until the remainder of the
31 participant's repayment obligation is satisfied. Except for
32 circumstances beyond their control, participants who serve less than
33 the required service obligation shall be obliged to repay to the
34 program an amount equal to twice the total amount paid by the program
35 on their behalf.

36 (5) The ((~~board~~)) office is responsible for collection of
37 repayments made under this section and shall exercise due diligence in
38 such collection, maintaining all necessary records to ensure that

1 maximum repayments are made. Collection and servicing of repayments
2 under this section shall be pursued using the full extent of the law,
3 including wage garnishment if necessary, and shall be performed by
4 entities approved for such servicing by the Washington student loan
5 guaranty association or its successor agency. The ((~~board~~)) office is
6 responsible to forgive all or parts of such repayments under the
7 criteria established in this section and shall maintain all necessary
8 records of forgiven payments.

9 (6) Receipts from the payment of principal or interest or any other
10 subsidies to which the ((~~board~~)) office as administrator is entitled,
11 which are paid by or on behalf of participants under this section,
12 shall be deposited with the ((~~board~~)) office and shall be used to cover
13 the costs of granting the scholarships, maintaining necessary records,
14 and making collections under subsection (5) of this section. The
15 ((~~board~~)) office shall maintain accurate records of these costs, and
16 all receipts beyond those necessary to pay such costs shall be used to
17 grant scholarships to eligible students.

18 (7) Sponsoring communities who financially contribute to the
19 eligible financial expenses of eligible medical students may enter into
20 agreements with the student to require repayment should the student not
21 serve the required service obligation in the community as a primary
22 care physician. The ((~~board~~)) office may develop criteria for the
23 content of such agreements with respect to reasonable provisions and
24 obligations between communities and eligible students.

25 (8) The ((~~board~~)) office may make exceptions to the conditions for
26 participation and repayment obligations should circumstances beyond the
27 control of individual participants warrant such exceptions.

28 **Sec. 75.** RCW 28B.115.130 and 1991 c 332 s 28 are each amended to
29 read as follows:

30 (1) Any funds appropriated by the legislature for the health
31 professional loan repayment and scholarship program or any other public
32 or private funds intended for loan repayments or scholarships under
33 this program shall be placed in the account created by this section.

34 (2) The health professional loan repayment and scholarship program
35 fund is created in custody of the state treasurer. All receipts from
36 the program shall be deposited into the fund. Only the ((~~higher
37 education coordinating board~~)) office, or its designee, may authorize
38 expenditures from the fund. The fund is subject to allotment

1 procedures under chapter 43.88 RCW, but no appropriation is required
2 for expenditures.

3 **Sec. 76.** RCW 28B.115.140 and 1989 1st ex.s. c 9 s 722 are each
4 amended to read as follows:

5 After consulting with the (~~higher education coordinating board~~)
6 office, the governor may transfer the administration of this program to
7 another agency with an appropriate mission.

8 **Sec. 77.** RCW 28A.600.120 and 1985 c 370 s 32 are each amended to
9 read as follows:

10 The (~~higher education coordinating board~~) office of student
11 assistance shall have the responsibility for administration of the
12 Washington scholars program. The program will be developed
13 cooperatively with the Washington association of secondary school
14 principals, a voluntary professional association of secondary school
15 principals. The cooperation of other state agencies and private
16 organizations having interest and responsibility in public and private
17 education shall be sought for planning assistance.

18 **Sec. 78.** RCW 28A.600.130 and 1995 1st sp.s. c 5 s 1 are each
19 amended to read as follows:

20 The (~~higher education coordinating board~~) office of student
21 assistance shall establish a planning committee to develop criteria for
22 screening and selection of the Washington scholars each year in
23 accordance with RCW 28A.600.110(1). It is the intent that these
24 criteria shall emphasize scholastic achievement but not exclude such
25 criteria as leadership ability and community contribution in final
26 selection procedures. The Washington scholars planning committee shall
27 have members from selected state agencies and private organizations
28 having an interest and responsibility in education, including but not
29 limited to, the state board of education, the office of superintendent
30 of public instruction, the council of presidents, the state board for
31 community and technical colleges, and the Washington friends of higher
32 education.

33 **Sec. 79.** RCW 28A.600.140 and 1990 c 33 s 501 are each amended to
34 read as follows:

1 Each year on or before March 1st, the Washington association of
2 secondary school principals shall submit to the (~~higher education~~
3 ~~coordinating board~~) office of student assistance the names of
4 graduating senior high school students who have been identified and
5 recommended to be outstanding in academic achievement by their school
6 principals based on criteria to be established under RCW 28A.600.130.

7 **Sec. 80.** RCW 28A.600.150 and 1985 c 370 s 35 are each amended to
8 read as follows:

9 Washington scholars annually shall be selected from among the
10 students so identified. The (~~higher education coordinating board~~)
11 office of student assistance shall notify the students so designated,
12 their high school principals, the legislators of their respective
13 districts, and the governor when final selections have been made.

14 The (~~board~~) office of student assistance, in conjunction with the
15 governor's office, shall prepare appropriate certificates to be
16 presented to the Washington scholars recipients. An awards ceremony at
17 an appropriate time and place shall be planned by the (~~board~~) office
18 of student assistance in cooperation with the Washington association of
19 secondary school principals, and with the approval of the governor.

20 NEW SECTION. **Sec. 81.** RCW 28B.80.240, 28B.80.245, 28B.80.246, and
21 28B.80.360 are each recodified as new sections in chapter 28B.--- RCW
22 (sections 1 through 9 of this act).

23 NEW SECTION. **Sec. 82.** Sections 1 through 9 of this act constitute
24 a new chapter in Title 28B RCW.

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