
SENATE BILL 5057

State of Washington

56th Legislature

1999 Regular Session

By Senators Jacobsen and Rasmussen

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

1 AN ACT Relating to financial aid; adding a new section to chapter
2 28B.10 RCW; and adding a new chapter to Title 28B RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
5 restructure and fully fund the state's system of financial aid,
6 however, funding levels for the state's system of financial aid are
7 subject to available funds. The restructured financial aid system
8 shall be known as college promise.

9 NEW SECTION. **Sec. 2.** (1) The higher education coordinating board
10 shall restructure the state's financial aid programs into a
11 comprehensive and coordinated system of assistance known as college
12 promise. College promise shall expand and modify three existing
13 programs for needy students: The state need grant program under RCW
14 28B.10.790 through 28B.10.824; the state work-study program under
15 chapter 28B.12 RCW; and the educational opportunity grant program under
16 chapter 28B.101 RCW. In addition, college promise may include a
17 demonstration project to assist needy students whose parents did not
18 complete a degree or certificate from an institution of higher

1 education. College promise shall be implemented beginning in the 2000-
2 01 academic year.

3 (2) By January 1, 2000, the higher education coordinating board, in
4 consultation with the house of representatives and senate higher
5 education and fiscal committees, and the institutions of higher
6 education, shall develop a detailed implementation plan for college
7 promise. In preparing the plan, the board shall follow the goals and
8 priorities set forth in sections 3 and 4 of this act. The plan shall
9 include, but not be limited to:

10 (a) Specific program eligibility measures and application
11 procedures for the new populations of state financial aid recipients
12 identified in section 3 of this act;

13 (b) Specific need analysis criteria and asset protection
14 allowances;

15 (c) Estimates of how many state residents, both those who are
16 currently enrolled in a college or university, and those not currently
17 enrolled, would be eligible and would apply for aid under the expanded
18 eligibility criteria identified in section 3 of this act. The
19 estimates, developed in consultation with the office of financial
20 management, the office of the superintendent of public instruction, and
21 other agencies as appropriate, shall take into account state economic
22 and demographic factors and other appropriate information;

23 (d) Estimates of where the new aid applicants identified under (c)
24 of this subsection would choose to enroll by type of institution and
25 level of program; and

26 (e) Estimates of the costs for each state financial aid program,
27 including the state need grant program under RCW 28B.10.790 through
28 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
29 the educational opportunity grant program under chapter 28B.101 RCW to
30 accommodate any new aid applicants estimated under (c) of this
31 subsection, as offset by nonstate sources of aid. Separate cost
32 estimates shall be made for each of the new aid populations identified
33 under section 3 of this act.

34 (3) It is the intent of the legislature that the cost estimates
35 completed under subsection (2) of this section shall be the basis for
36 recommending funding levels for state financial aid programs for the
37 2000-01 academic year and each biennium thereafter.

1 (4) The methodologies used to estimate costs under subsection (2)
2 of this section shall be used for the annual cost estimates required
3 under section 5 of this act.

4 (5) The plan completed under subsection (2) of this section shall
5 be deemed approved on June 30, 2000, unless legislation is enacted to
6 alter the policies set forth in the plan. The board shall also propose
7 to the legislature any changes to the laws governing state financial
8 aid programs that it deems necessary to accomplish the purposes of
9 college promise.

10 NEW SECTION. **Sec. 3.** In restructuring the state's financial aid
11 programs, the higher education coordinating board shall follow these
12 goals:

13 (1) For all need-based financial aid programs under RCW 28B.10.790
14 through 28B.10.824 and chapters 28B.12 and 28B.101 RCW:

15 (a) Through a mix of federal, state, and other resources:

16 (i) Limit the debt of an undergraduate student to no more than one-
17 half of a student's cost of attendance; and

18 (ii) Provide more self-help opportunities than grant aid to middle-
19 income students, and approximately equal amounts of self-help
20 opportunities and grant aid to low-income and lower middle-income
21 students. Self-help opportunities include work-study and loans;

22 (b) In determining eligibility for state financial aid programs,
23 shelter home equity on a family's principal place of residence, and
24 shelter a reasonable portion of savings and farm or business net worth,
25 each insofar as is permissible under state and federal law;

26 (c) Consistent with federal law, simplify the financial aid
27 application process;

28 (d) Strive to preserve a range of educational options for needy
29 students, including choice of institutions and programs;

30 (e) Recognize otherwise unfunded equipment and assistance needed to
31 reasonably accommodate students with disabilities; and

32 (f) Deliver clear and timely information to current and future
33 postsecondary students about the costs of attending college and
34 available financial aid.

35 (2) For the state need grant program under RCW 28B.10.790 through
36 28B.10.824: As funds are available, expand the program to include new
37 populations of resident students in the following priority order,
38 ensuring that undergraduate students with the most demonstrated

1 financial need receive full grants before less needy students receive
2 any grant:

3 (a) Low-income undergraduates;

4 (b) Lower middle-income undergraduates;

5 (c) Middle-income undergraduates; and

6 (d) Resident graduate and professional students, following the
7 income priorities established for undergraduate students.

8 (3) For the state work-study program under chapter 28B.12 RCW:
9 Increase employment opportunities including off-campus job
10 opportunities with off-campus community service employers.

11 (4) For students whose parents did not complete a higher education
12 degree or certificate: Determine the feasibility of providing grants
13 to needy first generation scholars.

14 NEW SECTION. **Sec. 4.** In implementing the goals for expanding
15 financial aid to needy undergraduate students, the board shall be
16 guided by the following matrix. The matrix defines income levels, and
17 for each level, the funding priority, and the assistance mix goal.
18 Income levels shall be adjusted annually for family size and changes in
19 the state's median income. It is the intent of the legislature these
20 goals not impair the ability of financial aid officers to adjust aid
21 packages to meet the needs of students. However, it is the further
22 intent of the legislature that financial aid officers, insofar as
23 possible attempt to implement these goals.

24 Goals for Funding Needy Undergraduate Students

25 Classification:	Low-income	Lower middle-income	Middle-income
26 Family 27 Income: 28 (1991 dollars, 29 family of four)	0-\$20,864	\$20,865-\$31,296	\$31,297-\$52,160
30 Percentage 31 of State 32 Median 33 Income:	Fifty percent	Fifty-one to seventy-five percent	Seventy-six to one hundred twenty-five percent
34 Priority for 35 Receiving 36 Grants:	First	Second	Third
37 Assistance 38 Mix goal:	One-half grants	One-half grants	Up to one-third grants
39 40 41	One-half work study and loans	One-half work study and loans	Two-thirds or more work study and loans

1 NEW SECTION. **Sec. 5.** By September 30th of each even-numbered
2 year, the higher education coordinating board shall adopt an estimate
3 of the amount of funding, annualized for each fiscal year, that will be
4 needed during the ensuing biennium to fully fund each of the state's
5 student financial aid programs including but not limited to: RCW
6 28B.10.210 through 28B.10.220, 28B.10.790 through 28B.10.824, chapters
7 28B.12, 28B.101, and 28B.102 RCW, and, if funded, the first generation
8 scholars demonstration project. The board shall report its findings to
9 the governor, and the house of representatives and senate fiscal and
10 higher education committees.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.10 RCW
12 to read as follows:

13 In administering the state student financial aid program, also
14 known as the state need grant program, under RCW 28B.10.790 through
15 28B.10.824, the higher education coordinating board shall proceed
16 substantially as follows unless it determines that a modification is
17 required in order to conform with federal law or to improve the
18 administration of the program, consistent with the purposes of this
19 chapter. The higher education coordinating board shall:

20 (1) Define and assist additional populations of needy students as
21 funding becomes available, in the priorities described in section 3 of
22 this act, and using income level classification definitions as
23 described in section 4 of this act;

24 (2) In calculating eligibility for aid, where not otherwise
25 inconsistent with federal or state law, shelter home equity on a
26 family's principal place of residence and shelter a reasonable amount
27 of savings and a reasonable portion of farm or business net worth, in
28 order to equitably evaluate family ability to pay; and

29 (3) To the extent feasible, adjust the student budget of a needy
30 student with disabilities to reflect otherwise unfunded equipment or
31 assistance needed to reasonably accommodate the student in a
32 postsecondary education or training program.

33 NEW SECTION. **Sec. 7.** (1) With the exception of institutions of
34 higher education as defined in RCW 28B.10.016, any institution of
35 postsecondary education that enrolls students receiving state-funded
36 financial aid shall:

1 (a) For Washington residents, match the total amount of the state
2 financial aid grant funds received by all enrolled students at that
3 institution from the state need grant and equal opportunity grant
4 programs, with an equal amount of institutionally raised grant funds
5 from nongovernmental sources; and

6 (b) Enter into new or honor existing transfer agreements with
7 institutions of higher education as defined in RCW 28B.10.016.

8 (2) The higher education coordinating board shall adopt rules to
9 implement these requirements. The rules shall ensure that all
10 institutional matching grant funds go to students who are needy as
11 defined in RCW 28B.10.802(3) and who are residents of the state of
12 Washington. As used in this subsection, "residents of the state of
13 Washington" means that the students would be eligible to pay resident
14 tuition rates under RCW 28B.15.011 through 28B.15.013 if they were
15 enrolled at a state institution of higher education as defined in RCW
16 28B.10.016.

17 NEW SECTION. **Sec. 8.** The higher education coordinating board may
18 design a demonstration project to assist needy first generation college
19 students to obtain either a community or technical college degree or
20 certificate, or a baccalaureate degree. Through the project, a needy
21 student, as defined in RCW 28B.10.802(3), who attends a Washington
22 institution of higher education that is accredited by an accrediting
23 association recognized by the board by rule, and whose parents did not
24 complete a degree or certificate from an institution of higher
25 education, may receive a grant of up to fifteen hundred dollars per
26 year, not to exceed the student's documented need. The grant may be
27 renewable each year, if the student makes satisfactory academic
28 progress. Grants awarded to any one student shall not exceed a
29 cumulative total of nine thousand dollars for an individual pursuing a
30 baccalaureate degree or five thousand dollars for a student pursuing a
31 community or technical college degree or certificate. Before seeking
32 funding for the program, the board shall submit to the governor and the
33 legislature a plan for implementing the project. The plan shall
34 include a provision for verification of student eligibility to
35 participate in the demonstration project.

1 NEW SECTION. **Sec. 9.** Sections 1 through 5, 7, and 8 of this act
2 constitute a new chapter in Title 28B RCW.

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