
SENATE BILL 6019

State of Washington

58th Legislature

2003 Regular Session

By Senators Jacobsen, Rasmussen and Thibaudeau

Read first time 03/05/2003. Referred to Committee on Higher Education.

1 AN ACT Relating to higher education; amending RCW 28B.04.030,
2 28B.04.040, 28B.04.050, 28B.04.060, 28B.04.080, 28B.04.110, 28B.10.215,
3 28B.10.220, 28B.10.802, 28B.12.030, 28B.12.040, 28B.12.050, 28B.12.060,
4 28B.12.060, 28B.12.070, 28B.15.760, 28B.15.762, 28B.15.764, 28B.80.360,
5 28B.85.010, 28B.85.020, 28B.85.030, 28B.85.040, 28B.85.050, 28B.85.060,
6 28B.85.070, 28B.85.080, 28B.85.090, 28B.85.100, 28B.85.130, and
7 28B.85.170; adding a new section to chapter 28B.80 RCW; adding a new
8 chapter to Title 28B RCW; repealing RCW 28B.80.240; providing effective
9 dates; providing an expiration date; and declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** The legislature finds that there is a need
12 to remove certain administrative programs from the jurisdiction of the
13 higher education coordinating board in order to enable the board to
14 concentrate on its policy and planning responsibilities. The
15 legislature also finds that centralizing postsecondary education
16 administrative functions within one agency will facilitate
17 communication, cooperation, and the efficient use of public resources.
18 The legislature intends to create a student financial aid and

1 scholarship commission to administer postsecondary education programs
2 assigned to the commission by the governor or the legislature.

3 NEW SECTION. **Sec. 2.** The student financial aid and scholarship
4 commission is established. The commission shall administer assigned
5 educational responsibilities in cooperation and consultation with
6 students, faculty, administrators, displaced homemakers, public and
7 private educational institutions, the higher education coordinating
8 board, the superintendent of public instruction, the council of
9 presidents, the state board for community and technical colleges, and
10 the Washington friends of higher education.

11 NEW SECTION. **Sec. 3.** The student financial aid and scholarship
12 commission has the following powers and duties:

13 (1) To administer the functions relating to the displaced homemaker
14 program under RCW 28B.04.010 through 28B.04.120;

15 (2) To administer the program for approval of degree-granting
16 institutions under chapter 28B.85 RCW;

17 (3) To administer the blind student assistance program under RCW
18 28B.10.215 and 28B.10.220;

19 (4) To administer the Washington scholars' program under RCW
20 28A.600.100 through 28A.600.150;

21 (5) To administer any state program or state-administered federal
22 program of student financial aid, including:

23 (a) Programs under RCW 28B.10.790 through 28B.10.824;

24 (b) The work-study program under chapter 28B.12 RCW; and

25 (c) The mathematics and science teacher loan program under RCW
26 28B.15.760 through 28B.15.766;

27 (6) To receive and expend public and private funds;

28 (7) To adopt necessary rules and bylaws;

29 (8) To appoint necessary advisory committees;

30 (9) To administer other programs or functions assigned by law or
31 the appropriate authority;

32 (10) To facilitate and promote cooperation among all segments of
33 education involved in the commission's programs;

34 (11) To administer their programs in a manner consistent with the
35 policies adopted by the higher education coordinating board in a
36 comprehensive master plan;

1 (12) To encourage and stimulate the establishment of financial aid
2 and scholarship programs by corporations, community organizations,
3 foundations, and other private agencies; and

4 (13) To collect and disseminate information pertaining to all types
5 of available financial assistance.

6 NEW SECTION. **Sec. 4.** (1) The director of the student financial
7 aid and scholarship commission shall be appointed by the governor with
8 the confirmation of the senate and shall serve at the pleasure of the
9 governor.

10 (2) The director shall be paid a salary fixed by the governor under
11 RCW 43.03.040.

12 (3) The director may appoint such clerical and other assistants as
13 may be necessary to carry on the work of the commission and may
14 deputize one or more such assistants to perform duties in the name of
15 the director.

16 NEW SECTION. **Sec. 5.** The director shall appoint a financial aid
17 advisory committee to advise the commission on rules proposed for
18 financial aid programs, program implementation, research projects, and
19 student needs. The committee shall include a financial aid
20 professional or representatives from: The community and technical
21 colleges, four-year institutions of higher education, private
22 institutions of higher education, a student currently enrolled full
23 time at any institution of higher education and who is a recipient of
24 financial aid, and other financial aid constituencies at the option of
25 the commission. Committee members shall be reimbursed for travel
26 expenses as provided in RCW 43.03.050 and 43.03.060.

27 **Sec. 6.** RCW 28B.04.030 and 1985 c 370 s 37 are each amended to
28 read as follows:

29 Unless the context clearly requires otherwise, the definitions in
30 this section apply throughout this chapter.

31 (1) (~~("Board" means the higher education coordinating board)~~)
32 "Commission" means the student financial aid and scholarship
33 commission.

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

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

4 (4) "Displaced homemaker" means an individual who:

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

8 (b) Is not gainfully employed;

9 (c) Needs assistance in securing employment; and

10 (d) Has been dependent on the income of another family member but
11 is no longer supported by that income, or has been dependent on federal
12 assistance but is no longer eligible for that assistance, or is
13 supported as the parent of minor children by public assistance or
14 spousal support but whose children are within two years of reaching
15 their majority.

16 **Sec. 7.** RCW 28B.04.040 and 1985 c 370 s 38 are each amended to
17 read as follows:

18 (1) The ((~~board~~)) commission, in consultation with state and local
19 governmental agencies, community groups, and local and national
20 organizations concerned with displaced homemakers, shall receive
21 applications and may contract with public or private nonprofit
22 organizations to establish multipurpose service centers for displaced
23 homemakers. In determining sites and administering agencies or
24 organizations for the centers, the ((~~board~~)) commission shall consider
25 the experience and capabilities of the public or private nonprofit
26 organizations making application to provide services to a center.

27 (2) The ((~~board~~)) commission shall issue rules prescribing the
28 standards to be met by each center in accordance with the policies set
29 forth in this chapter. Continuing funds for the maintenance of each
30 center shall be contingent upon the determination by the ((~~board~~))
31 commission that the center is in compliance with the contractual
32 conditions and with the rules prescribed by the ((~~board~~)) commission.

33 **Sec. 8.** RCW 28B.04.050 and 1985 c 370 s 39 are each amended to
34 read as follows:

35 (1) Each center contracted for under this chapter shall include or
36 provide information and referral to the following services:

- 1 (a) Job counseling services which shall:
- 2 (i) Be specifically designed for displaced homemakers;
- 3 (ii) Counsel displaced homemakers with respect to appropriate job
- 4 opportunities; and
- 5 (iii) Take into account and build upon the skills and experience of
- 6 a homemaker and emphasize job readiness as well as skill development;
- 7 (b) Job training and job placement services which shall:
- 8 (i) Emphasize short-term training programs and programs which
- 9 expand upon homemaking skills and volunteer experience and which lead
- 10 to gainful employment;
- 11 (ii) Develop, through cooperation with state and local government
- 12 agencies and private employers, model training and placement programs
- 13 for jobs in the public and private sectors;
- 14 (iii) Assist displaced homemakers in gaining admission to existing
- 15 public and private job training programs and opportunities, including
- 16 vocational education and apprenticeship training programs; and
- 17 (iv) Assist in identifying community needs and creating new jobs in
- 18 the public and private sectors;
- 19 (c) Health counseling services, including referral to existing
- 20 health programs, with respect to:
- 21 (i) General principles of preventative health care;
- 22 (ii) Health care consumer education, particularly in the selection
- 23 of physicians and health care services, including, but not limited to,
- 24 health maintenance organizations and health insurance;
- 25 (iii) Family health care and nutrition;
- 26 (iv) Alcohol and drug abuse; and
- 27 (v) Other related health care matters;
- 28 (d) Financial management services which provide information and
- 29 assistance with respect to insurance, taxes, estate and probate
- 30 problems, mortgages, loans, and other related financial matters;
- 31 (e) Educational services, including:
- 32 (i) Outreach and information about courses offering credit through
- 33 secondary or postsecondary education programs, and other re-entry
- 34 programs, including bilingual programming where appropriate; and
- 35 (ii) Information about such other programs as are determined to be
- 36 of interest and benefit to displaced homemakers by the (~~board~~)
- 37 commission;
- 38 (f) Legal counseling and referral services; and

1 (g) Outreach and information services with respect to federal and
2 state employment, education, health, public assistance, and
3 unemployment assistance programs which the ((board)) commission
4 determines would be of interest and benefit to displaced homemakers.

5 (2) The staff positions of each multipurpose center contracted for
6 in accordance with RCW 28B.04.040, including supervisory, technical,
7 and administrative positions, shall, to the maximum extent possible, be
8 filled by displaced homemakers.

9 **Sec. 9.** RCW 28B.04.060 and 1985 c 370 s 40 are each amended to
10 read as follows:

11 The ((board)) commission may contract, where appropriate, with
12 public or private nonprofit groups or organizations serving the needs
13 of displaced homemakers for programs designed to:

14 (1) Provide direct services to displaced homemakers, including job
15 counseling, job training and placement, health counseling, financial
16 management, educational counseling, legal counseling, and referral
17 services as described in RCW 28B.04.050;

18 (2) Provide statewide outreach and information services for
19 displaced homemakers; and

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

23 **Sec. 10.** RCW 28B.04.080 and 1985 c 370 s 42 are each amended to
24 read as follows:

25 (1) The ((board)) commission shall consult and cooperate with the
26 department of social and health services; the state board for community
27 and technical colleges ((education)); the superintendent of public
28 instruction; ((the commission for vocational education;)) the
29 employment security department; the department of labor and industries;
30 sponsoring agencies under the federal comprehensive employment and
31 training act (87 Stat. 839; 29 U.S.C. Sec. 801 et seq.), and any other
32 persons or agencies as the ((board)) commission deems appropriate to
33 facilitate the coordination of centers established under this chapter
34 with existing programs of a similar nature.

35 (2) Annually on July 1st, each agency listed in subsection (1) of

1 this section shall submit a description of each service or program
2 under its jurisdiction which would support the programs and centers
3 established by this chapter and the funds available for such support.

4 (3) The (~~board~~) commission shall serve as a clearinghouse for
5 displaced homemaker information and resources and shall compile and
6 disseminate statewide information to the centers, related agencies, and
7 interested persons upon request.

8 **Sec. 11.** RCW 28B.04.110 and 1985 c 370 s 43 are each amended to
9 read as follows:

10 The (~~board~~) commission may, in carrying out this chapter, accept,
11 use, and dispose of contributions of money, services, and property:
12 PROVIDED, That funds generated within individual centers may be
13 retained and utilized by those centers. All moneys received by the
14 (~~board~~) commission or any employee thereof pursuant to this section
15 shall be deposited in a depository approved by the state treasurer.
16 Disbursements of such funds shall be on authorization of the (~~board~~)
17 commission or a duly authorized representative thereof. In order to
18 maintain an effective expenditure and revenue control such funds shall
19 be subject in all respects to chapter 43.88 RCW, but no appropriation
20 shall be required to permit expenditure of such funds.

21 **Sec. 12.** RCW 28B.10.215 and 1985 c 370 s 51 are each amended to
22 read as follows:

23 There is allocated to each and every blind student attending any
24 institution of higher education within the state a sum not to exceed
25 two hundred dollars per quarter, or so much thereof as may be necessary
26 in the opinion of the (~~higher education coordinating board~~) student
27 financial aid and scholarship commission in the state of Washington, to
28 provide said blind student with readers, books, recordings, recorders,
29 or other means of reproducing and imparting ideas, while attending said
30 institution of higher education: PROVIDED, That said allocation shall
31 be made out of any moneys in the general fund not otherwise
32 appropriated.

33 **Sec. 13.** RCW 28B.10.220 and 1985 c 370 s 52 are each amended to
34 read as follows:

35 All blind student assistance shall be distributed under the

1 supervision of the (~~higher education coordinating board~~) student
2 financial aid and scholarship commission in the state of Washington.
3 The moneys or any part thereof allocated in the manner referred to in
4 RCW 28B.10.215 shall, for furnishing said books or equipment or
5 supplying said services, be paid by (~~said board~~) the commission
6 directly to the state institution of higher education, directly to such
7 blind student, heretofore mentioned, or to the student's parents,
8 guardian, or some adult person, if the blind student is a minor,
9 designated by said blind student to act as trustee of said funds, as
10 shall be determined by the (~~board~~) commission.

11 The (~~board~~) commission shall have power to prescribe and enforce
12 all rules (~~and regulations~~) necessary to carry out the provisions of
13 this section and RCW 28B.10.215.

14 **Sec. 14.** RCW 28B.10.802 and 2002 c 187 s 1 are each amended to
15 read as follows:

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

17 (1) "Institutions of higher education" shall mean (~~(1) [(a)]~~) (a)
18 any public university, college, community college, or vocational-
19 technical institute operated by the state of Washington or any
20 political subdivision thereof or (~~(2) [(b)]~~) (b) any other
21 university, college, school, or institute in the state of Washington
22 offering instruction beyond the high school level which is a member
23 institution of an accrediting association recognized by rule of the
24 board for the purposes of this section: PROVIDED, That any
25 institution, branch, extension or facility operating within the state
26 of Washington which is affiliated with an institution operating in
27 another state must be a separately accredited member institution of any
28 such accrediting association, or a branch of a member institution of an
29 accrediting association recognized by rule of the board for purposes of
30 this section, that is eligible for federal student financial aid
31 assistance and has operated as a nonprofit college or university
32 delivering on-site classroom instruction for a minimum of twenty
33 consecutive years within the state of Washington, and has an annual
34 enrollment of at least seven hundred full-time equivalent students:
35 PROVIDED FURTHER, That no institution of higher education shall be
36 eligible to participate in a student financial aid program unless it

1 agrees to and complies with program rules (~~and regulations~~) adopted
2 pursuant to RCW 28B.10.822.

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

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

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

19 (5) "Commission" or "board" shall mean the (~~higher education~~
20 ~~coordinating board~~) student financial aid and scholarship commission.

21 **Sec. 15.** RCW 28B.12.030 and 2002 c 187 s 2 are each amended to
22 read as follows:

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

26 (1) The term "needy student" shall mean a student enrolled or
27 accepted for enrollment at a postsecondary institution who, according
28 to a system of need analysis approved by the (~~higher education~~
29 ~~coordinating board~~) student financial aid and scholarship commission,
30 demonstrates a financial inability, either parental, familial, or
31 personal, to bear the total cost of education for any semester or
32 quarter.

33 (2) The term "eligible institution" shall mean any postsecondary
34 institution in this state accredited by the Northwest Association of
35 Schools and Colleges, or a branch of a member institution of an
36 accrediting association recognized by rule of the board for purposes of
37 this section, that is eligible for federal student financial aid

1 assistance and has operated as a nonprofit college or university
2 delivering on-site classroom instruction for a minimum of twenty
3 consecutive years within the state of Washington, or any public
4 technical college in the state.

5 **Sec. 16.** RCW 28B.12.040 and 1994 c 130 s 4 are each amended to
6 read as follows:

7 With the assistance of an advisory committee, the ((higher
8 education coordinating board)) student financial aid and scholarship
9 commission shall develop and administer the state work-study program.
10 The ((board)) commission shall be authorized to enter into agreements
11 with employers and eligible institutions for the operation of the
12 program. These agreements shall include such provisions as the
13 ((higher education coordinating board)) commission may deem necessary
14 or appropriate to carry out the purposes of this 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)) student financial aid
21 and scholarship commission shall consult with institutions of higher
22 education, the state board for community and technical colleges, the
23 work force training and education coordinating board, and appropriate
24 associations and organizations. With the exception of off-campus
25 community service placements, the share from moneys disbursed under the
26 state work-study program of the compensation of students employed under
27 such program in accordance with such agreements shall not exceed eighty
28 percent of the total such compensation paid such students.

29 By rule, the ((board)) student financial aid and scholarship
30 commission shall define community service placements and may determine
31 any salary matching requirements for any community service employers.

32 **Sec. 17.** RCW 28B.12.050 and 1994 c 130 s 5 are each amended to
33 read as follows:

34 The ((higher education coordinating board)) student financial aid
35 and scholarship commission shall disburse state work-study funds. In
36 performing its duties under this section, the ((board)) student

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

7 **Sec. 18.** RCW 28B.12.060 and 1994 c 130 s 6 are each amended to
8 read as follows:

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

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

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

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

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

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

31 (3) Placing priority on providing:

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

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

1 (c) Off-campus community service placements;

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

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

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

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

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

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

20 **Sec. 19.** RCW 28B.12.060 and 2002 c 354 s 224 are each amended to
21 read as follows:

22 The ((~~higher education coordinating board~~)) student financial aid
23 and scholarship commission shall adopt rules as may be necessary or
24 appropriate for effecting the provisions of this chapter, and not in
25 conflict with this chapter, in accordance with the provisions of
26 chapter 34.05 RCW, the state higher education administrative procedure
27 act. Such rules shall include provisions designed to make employment
28 under the work-study program reasonably available, to the extent of
29 available funds, to all eligible students in eligible postsecondary
30 institutions in need thereof. The rules shall include:

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

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

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

1 (b) Has been accepted for enrollment as at least a half-time
2 student at the eligible institution or, in the case of a student
3 already enrolled in and attending the eligible institution, is in good
4 standing and in at least half-time attendance there either as an
5 undergraduate, graduate or professional student; and

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

7 (3) Placing priority on providing:

8 (a) Work opportunities for students who are residents of the state
9 of Washington as defined in RCW 28B.15.012 and 28B.15.013 except
10 resident students defined in RCW 28B.15.012(2)(f);

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

14 (c) Off-campus community service placements;

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

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

19 (b) That all positions established which are comparable shall be
20 identified to a job classification under the director of personnel's
21 classification plan and shall receive equal compensation;

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

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

27 (5) Provisions to encourage job placements in occupations that meet
28 Washington's economic development goals, especially those in
29 international trade and international relations. The ((~~board~~)) student
30 financial aid and scholarship commission shall permit appropriate job
31 placements in other states and other countries.

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

34 Each eligible institution shall submit to the ((~~higher education~~
35 ~~coordinating board~~)) student financial aid and scholarship commission
36 an annual report in accordance with such requirements as are adopted by
37 the ((~~board~~)) commission.

1 **Sec. 21.** RCW 28B.15.760 and 1985 c 370 s 79 are each amended to
2 read as follows:

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

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

9 (2) (~~"Board" means the higher education coordinating board~~)
10 "Commission" means the student financial aid and scholarship
11 commission.

12 (3) "Eligible student" means a student registered for at least ten
13 credit hours or the equivalent and demonstrates achievement of a 3.00
14 grade point average for each academic year, who is a resident student
15 as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy
16 student" as defined in RCW 28B.10.802, and who has a declared major in
17 a program leading to a degree in teacher education in a field of
18 science or mathematics, or a certificated teacher who meets the same
19 credit hour and "needy student" requirements and is seeking an
20 additional degree in science or mathematics.

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

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

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

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

30 **Sec. 22.** RCW 28B.15.762 and 1996 c 107 s 2 are each amended to
31 read as follows:

32 (1) The (~~board~~) commission may make long-term loans to eligible
33 students at institutions of higher education from the funds
34 appropriated to the (~~board~~) commission for this purpose. The amount
35 of any such loan shall not exceed the demonstrated financial need of
36 the student or two thousand five hundred dollars for each academic year
37 whichever is less, and the total amount of such loans to an eligible

1 student shall not exceed ten thousand dollars. The interest rates and
2 terms of deferral of such loans shall be consistent with the terms of
3 the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq.
4 The period for repaying the loan principal and interest shall be ten
5 years with payments accruing quarterly commencing nine months from the
6 date the borrower graduated. The entire principal and interest of each
7 loan payment shall be forgiven for each payment period in which the
8 borrower teaches science or mathematics in a public school in this
9 state until the entire loan is satisfied or the borrower ceases to
10 teach science or mathematics at a public school in this state. Should
11 the borrower cease to teach science or mathematics at a public school
12 in this state before the time in which the principal and interest on
13 the loan are satisfied, payments on the unsatisfied portion of the
14 principal and interest on the loan shall begin the next payment period
15 and continue until the remainder of the loan is paid.

16 (2) The (~~board~~) commission is responsible for collection of loans
17 made under subsection (1) of this section and shall exercise due
18 diligence in such collection, maintaining all necessary records to
19 insure that maximum repayments are made. Collection and servicing of
20 loans under subsection (1) of this section shall be pursued using the
21 full extent of the law, including wage garnishment if necessary, and
22 shall be performed by entities approved for such servicing by the
23 Washington student loan guaranty association or its successor agency.
24 The (~~board~~) commission is responsible to forgive all or parts of such
25 loans under the criteria established in subsection (1) of this section
26 and shall maintain all necessary records of forgiven payments.

27 (3) Receipts from the payment of principal or interest or any other
28 subsidies to which the (~~board~~) commission as lender is entitled,
29 which are paid by or on behalf of borrowers under subsection (1) of
30 this section, shall be deposited with the (~~higher education~~
31 ~~coordinating board~~) commission and shall be used to cover the costs of
32 making the loans under subsection (1) of this section, maintaining
33 necessary records, and making collections under subsection (2) of this
34 section. The (~~board~~) commission shall maintain accurate records of
35 these costs, and all receipts beyond those necessary to pay such costs
36 shall be used to make loans to eligible students.

37 (4) Any funds not used to make loans, or to cover the cost of

1 making loans or making collections, shall be placed in the state
2 educational trust fund for needy or disadvantaged students.

3 (5) The (~~board~~) commission shall adopt necessary rules to
4 implement this section.

5 **Sec. 23.** RCW 28B.15.764 and 1985 c 370 s 81 are each amended to
6 read as follows:

7 The (~~board~~) commission and institutions of higher education shall
8 work cooperatively to implement RCW 28B.15.762 and to publicize this
9 program to eligible students.

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

12 The board shall perform the following administrative
13 responsibilities:

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

25 (2) Study the delegation of the administration of the following:
26 RCW 28B.65.040 through 28B.65.060 (high-technology board); (~~chapter~~
27 ~~28B.85 RCW (degree-granting institutions);~~) RCW 28B.80.150 through
28 28B.80.170 (student exchange compact programs); RCW 28B.80.200 (state
29 commission for federal law purposes); RCW 28B.80.210 (enumerated
30 federal programs); RCW 28B.80.230 (receipt of federal funds); (~~RCW~~
31 ~~28B.80.240 (student financial aid programs);~~) RCW 28A.600.120 through
32 28A.600.150 (Washington scholars); RCW 28B.15.543 (Washington
33 scholars); (~~RCW 28B.04.020 through 28B.04.110 (displaced~~
34 ~~homemakers);~~) RCW 28B.10.215 and 28B.10.220 (blind students); RCW
35 28B.10.790(~~(,)~~) and 28B.10.792(~~(, and 28B.10.802 through 28B.10.844)~~)
36 (student financial aid); (~~RCW 28B.12.040 through 28B.12.070 (student~~

1 ~~work study~~); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730
2 through 28B.15.736 (Oregon reciprocity); RCW 28B.15.750 through
3 28B.15.754 (Idaho reciprocity); and RCW 28B.15.756 and 28B.15.758
4 (British Columbia reciprocity)(~~and RCW 28B.15.760 through 28B.15.764~~
5 ~~(math/science loans)~~)).

6 **Sec. 25.** RCW 28B.85.010 and 1986 c 136 s 1 are each amended to
7 read as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section apply throughout this chapter:

10 (1) (~~"Board" means the higher education coordinating board~~)
11 "Commission" means the student financial aid and scholarship
12 commission.

13 (2) "Degree" means any designation, appellation, letters, or words
14 including but not limited to "associate," "bachelor," "master,"
15 "doctor," or "fellow" which signify or purport to signify satisfactory
16 completion of the requirements of an academic program of study beyond
17 the secondary school level.

18 (3) "Degree-granting institution" means an entity that offers
19 educational credentials, instruction, or services prerequisite to or
20 indicative of an academic or professional degree beyond the secondary
21 level.

22 **Sec. 26.** RCW 28B.85.020 and 1996 c 305 s 1 are each amended to
23 read as follows:

24 (1) The (~~board~~) commission:

25 (a) Shall adopt by rule minimum standards for degree-granting
26 institutions concerning granting of degrees, quality of education,
27 unfair business practices, financial stability, and other necessary
28 measures to protect citizens of this state against substandard,
29 fraudulent, or deceptive practices. The (~~board~~) commission shall
30 adopt the rules in accordance with chapter 34.05 RCW;

31 (b) May investigate any entity the (~~board~~) commission reasonably
32 believes to be subject to the jurisdiction of this chapter. In
33 connection with the investigation, the (~~board~~) commission may
34 administer oaths and affirmations, issue subpoenas and compel
35 attendance, take evidence, and require the production of any books,
36 papers, correspondence, memorandums, or other records which the

1 ((beard)) commission deems relevant or material to the investigation.
2 The ((beard)) commission, including its staff and any other authorized
3 persons, may conduct site inspections and examine records of all
4 institutions subject to this chapter((÷

5 ~~(c) Shall develop an interagency agreement with the work force~~
6 ~~training and education coordinating board to regulate degree-granting~~
7 ~~private vocational schools with respect to degree and nondegree~~
8 ~~programs)).~~

9 (2) Financial disclosures provided to the ((beard)) commission by
10 degree-granting private vocational schools are not subject to public
11 disclosure under chapter 42.17 RCW.

12 **Sec. 27.** RCW 28B.85.030 and 1986 c 136 s 3 are each amended to
13 read as follows:

14 A degree-granting institution shall not operate and shall not grant
15 or offer to grant any degree unless the institution has obtained
16 current authorization from the ((beard)) commission.

17 **Sec. 28.** RCW 28B.85.040 and 1996 c 97 s 1 are each amended to read
18 as follows:

19 (1) An institution or person shall not advertise, offer, sell, or
20 award a degree or any other type of educational credential unless the
21 student has enrolled in and successfully completed a prescribed program
22 of study, as outlined in the institution's publications. This
23 prohibition shall not apply to honorary credentials clearly designated
24 as such on the front side of the diploma or certificate and awarded by
25 institutions offering other educational credentials in compliance with
26 state law.

27 (2) Except as provided in subsection (1) of this section, this
28 chapter shall not apply to:

29 (a) Any public college, university, community college, technical
30 college, or institute operating as part of the public higher
31 educational system of this state;

32 (b) Institutions that have been accredited by an accrediting
33 association recognized by the agency for the purposes of this chapter:
34 PROVIDED, That those institutions meet minimum exemption standards
35 adopted by the ((agency)) commission; and PROVIDED FURTHER, That an
36 institution, branch, extension, or facility operating within the state

1 of Washington which is affiliated with an institution operating in
2 another state must be a separately accredited member institution of any
3 such accrediting association to qualify for this exemption;

4 (c) Institutions of a religious character, but only as to those
5 education programs devoted exclusively to religious or theological
6 objectives if the programs are represented in an accurate manner in
7 institutional catalogs and other official publications; or

8 (d) Institutions not otherwise exempt which offer only workshops or
9 seminars lasting no longer than three calendar days and for which
10 academic credit is not awarded.

11 **Sec. 29.** RCW 28B.85.050 and 1986 c 136 s 5 are each amended to
12 read as follows:

13 All degree-granting institutions subject to this chapter shall file
14 information with the ((~~board~~)) commission as the ((~~board~~)) commission
15 may require.

16 **Sec. 30.** RCW 28B.85.060 and 1986 c 136 s 6 are each amended to
17 read as follows:

18 The ((~~board~~)) commission shall impose fees on any degree-granting
19 institution authorized to operate under this chapter. Fees shall be
20 set and revised by the ((~~board~~)) commission by rule at the level
21 necessary to approximately recover the staffing costs incurred in
22 administering this chapter. Fees shall be deposited in the general
23 fund.

24 **Sec. 31.** RCW 28B.85.070 and 1986 c 136 s 7 are each amended to
25 read as follows:

26 (1) The ((~~board~~)) commission may require any degree-granting
27 institution to have on file with the ((~~board~~)) commission an approved
28 surety bond or other security in lieu of a bond in an amount determined
29 by the ((~~board~~)) commission.

30 (2) In lieu of a surety bond, an institution may deposit with the
31 ((~~board~~)) commission a cash deposit or other negotiable security
32 acceptable to the ((~~board~~)) commission. The security deposited with
33 the ((~~board~~)) commission in lieu of the surety bond shall be returned
34 to the institution one year after the institution's authorization has
35 expired or been revoked if legal action has not been instituted against

1 the institution or the security deposit at the expiration of the year.
2 The obligations and remedies relating to surety bonds authorized by
3 this section, including but not limited to the settlement of claims
4 procedure in subsection (5) of this section, shall apply to deposits
5 filed with the ((~~board~~)) commission, as applicable.

6 (3) Each bond shall:

7 (a) Be executed by the institution as principal and by a corporate
8 surety licensed to do business in the state;

9 (b) Be payable to the state for the benefit and protection of any
10 student or enrollee of an institution, or, in the case of a minor, his
11 or her parents or guardian;

12 (c) Be conditioned on compliance with all provisions of this
13 chapter and the ((~~board's~~)) commission's rules adopted under this
14 chapter;

15 (d) Require the surety to give written notice to the ((~~board~~))
16 commission at least thirty-five days before cancellation of the bond;
17 and

18 (e) Remain in effect for one year following the effective date of
19 its cancellation or termination as to any obligation occurring on or
20 before the effective date of cancellation or termination.

21 (4) Upon receiving notice of a bond cancellation, the ((~~board~~))
22 commission shall notify the institution that the authorization will be
23 suspended on the effective date of the bond cancellation unless the
24 institution files with the ((~~board~~)) commission another approved surety
25 bond or other security. The ((~~board~~)) commission may suspend or revoke
26 the authorization at an earlier date if it has reason to believe that
27 such action will prevent students from losing their tuition or fees.

28 (5) If a complaint is filed under RCW 28B.85.090(1) against an
29 institution, the ((~~board~~)) commission may file a claim against the
30 surety and settle claims against the surety by following the procedure
31 in this subsection.

32 (a) The ((~~board~~)) commission shall attempt to notify all potential
33 claimants. If the absence of records or other circumstances makes it
34 impossible or unreasonable for the ((~~board~~)) commission to ascertain
35 the names and addresses of all the claimants, the ((~~board~~)) commission
36 after exerting due diligence and making reasonable inquiry to secure
37 that information from all reasonable and available sources, may make a
38 demand on a bond on the basis of information in the ((~~board's~~))

1 commission's possession. The ((~~board~~)) commission is not liable or
2 responsible for claims or the handling of claims that may subsequently
3 appear or be discovered.

4 (b) Thirty days after notification, if a claimant fails, refuses,
5 or neglects to file with the ((~~board~~)) commission a verified claim, the
6 ((~~board~~)) commission shall be relieved of further duty or action under
7 this chapter on behalf of the claimant.

8 (c) After reviewing the claims, the ((~~board~~)) commission may make
9 demands upon the bond on behalf of those claimants whose claims have
10 been filed. The ((~~board~~)) commission may settle or compromise the
11 claims with the surety and may execute and deliver a release and
12 discharge of the bond.

13 (d) If the surety refuses to pay the demand, the ((~~board~~))
14 commission may bring an action on the bond in behalf of the claimants.
15 If an action is commenced on the bond, the ((~~board~~)) commission may
16 require a new bond to be filed.

17 (e) Within ten days after a recovery on a bond or other posted
18 security has occurred, the institution shall file a new bond or
19 otherwise restore its security on file to the required amount.

20 (6) The liability of the surety shall not exceed the amount of the
21 bond.

22 **Sec. 32.** RCW 28B.85.080 and 1986 c 136 s 8 are each amended to
23 read as follows:

24 The ((~~board~~)) commission may suspend or modify any of the
25 requirements under this chapter in a particular case if the ((~~board~~))
26 commission finds that:

- 27 (1) The suspension or modification is consistent with the purposes
28 of this chapter; and
- 29 (2) The education to be offered addresses a substantial,
30 demonstrated need among residents of the state or that literal
31 application of this chapter would cause a manifestly unreasonable
32 hardship.

33 **Sec. 33.** RCW 28B.85.090 and 1989 c 175 s 82 are each amended to
34 read as follows:

35 (1) A person claiming loss of tuition or fees as a result of an
36 unfair business practice may file a complaint with the ((~~board~~))

1 commission. The complaint shall set forth the alleged violation and
2 shall contain information required by the ((~~board~~)) commission. A
3 complaint may also be filed with the ((~~board~~)) commission by an
4 authorized staff member of the ((~~board~~)) commission or by the attorney
5 general.

6 (2) The ((~~board~~)) commission shall investigate any complaint under
7 this section and may attempt to bring about a settlement. The
8 ((~~board~~)) commission may hold a hearing pursuant to the administrative
9 procedure act, chapter 34.05 RCW, in order to determine whether a
10 violation has occurred. If the ((~~board~~)) commission prevails, the
11 degree-granting institution shall pay the costs of the administrative
12 hearing.

13 (3) If, after the hearing, the ((~~board~~)) commission finds that the
14 institution or its agent engaged in or is engaging in any unfair
15 business practice, the ((~~board~~)) commission shall issue and cause to be
16 served upon the violator an order requiring the violator to cease and
17 desist from the act or practice and may impose the penalties under RCW
18 28B.85.100. If the ((~~board~~)) commission finds that the complainant has
19 suffered loss as a result of the act or practice, the ((~~board~~))
20 commission may order full or partial restitution for the loss. The
21 complainant is not bound by the ((~~board's~~)) commission's determination
22 of restitution and may pursue any other legal remedy.

23 **Sec. 34.** RCW 28B.85.100 and 1986 c 136 s 10 are each amended to
24 read as follows:

25 Any person, group, or entity or any owner, officer, agent, or
26 employee of such entity who willfully violates any provision of this
27 chapter or the rules adopted under this chapter shall be subject to a
28 civil penalty of not more than one hundred dollars for each violation.
29 Each day on which a violation occurs constitutes a separate violation.
30 The fine may be imposed by the ((~~higher education coordinating board~~))
31 commission or by any court of competent jurisdiction.

32 **Sec. 35.** RCW 28B.85.130 and 1986 c 136 s 13 are each amended to
33 read as follows:

34 If any degree-granting institution discontinues its operation, the
35 chief administrative officer of the institution shall file with the
36 ((~~board~~)) commission the original or legible true copies of all

1 educational records required by the ((~~board~~)) commission. If the
2 ((~~board~~)) commission determines that any educational records are in
3 danger of being made unavailable to the ((~~board~~)) commission, the
4 ((~~board~~)) commission may seek a court order to protect and if necessary
5 take possession of the records. The ((~~board~~)) commission shall cause
6 to be maintained a permanent file of educational records coming into
7 its possession.

8 **Sec. 36.** RCW 28B.85.170 and 1986 c 136 s 17 are each amended to
9 read as follows:

10 The ((~~board~~)) commission may seek injunctive relief, after giving
11 notice to the affected party, in a court of competent jurisdiction for
12 a violation of this chapter or the rules adopted under this chapter.
13 The ((~~board~~)) commission need not allege or prove that the ((~~board~~))
14 commission has no adequate remedy at law. The right of injunction
15 provided in this section is in addition to any other legal remedy which
16 the ((~~board~~)) commission has and is in addition to any right of
17 criminal prosecution provided by law. The existence of ((~~board~~))
18 commission action with respect to alleged violations of this chapter
19 and rules adopted under this chapter does not operate as a bar to an
20 action for injunctive relief under this section.

21 NEW SECTION. **Sec. 37.** A new section is added to chapter 28B.80
22 RCW to read as follows:

23 (1) All powers, duties, and functions of the higher education
24 coordinating board pertaining to the powers and duties in section 2 of
25 this act are transferred to the student financial aid and scholarship
26 commission. All references to the executive director or the higher
27 education coordinating board in the Revised Code of Washington shall be
28 construed to mean the director or the student financial aid and
29 scholarship commission when referring to the functions transferred in
30 this section.

31 (2)(a) All reports, documents, surveys, books, records, files,
32 papers, or written material in the possession of the higher education
33 coordinating board pertaining to the powers, functions, and duties
34 transferred shall be delivered to the custody of the student financial
35 aid and scholarship commission. All cabinets, furniture, office
36 equipment, motor vehicles, and other tangible property employed by the

1 higher education coordinating board in carrying out the powers,
2 functions, and duties transferred shall be made available to the
3 student financial aid and scholarship commission. All funds, credits,
4 or other assets held in connection with the powers, functions, and
5 duties transferred shall be assigned to the student financial aid and
6 scholarship commission.

7 (b) Any appropriations made to the higher education coordinating
8 board for carrying out the powers, functions, and duties transferred
9 shall, on the effective date of this section, be transferred and
10 credited to the student financial aid and scholarship commission.

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

17 (3) All employees of the higher education coordinating board
18 engaged in performing the powers, functions, and duties transferred are
19 transferred to the jurisdiction of the student financial aid and
20 scholarship commission. All employees classified under chapter 41.06
21 RCW, the state civil service law, are assigned to the student financial
22 aid and scholarship commission to perform their usual duties upon the
23 same terms as formerly, without any loss of rights, subject to any
24 action that may be appropriate thereafter in accordance with the laws
25 and rules governing state civil service.

26 (4) All rules and all pending business before the higher education
27 coordinating board pertaining to the powers, functions, and duties
28 transferred shall be continued and acted upon by the student financial
29 aid and scholarship commission. All existing contracts and obligations
30 shall remain in full force and shall be performed by the student
31 financial aid and scholarship commission.

32 (5) The transfer of the powers, duties, functions, and personnel of
33 the higher education coordinating board shall not affect the validity
34 of any act performed before the effective date of this section.

35 (6) If apportionments of budgeted funds are required because of the
36 transfers directed by this section, the director of financial
37 management shall certify the apportionments to the agencies affected,

1 the state auditor, and the state treasurer. Each of these shall make
2 the appropriate transfer and adjustments in funds and appropriation
3 accounts and equipment records in accordance with the certification.

4 (7) Nothing contained in this section may be construed to alter any
5 existing collective bargaining unit or the provisions of any existing
6 collective bargaining agreement until the agreement has expired or
7 until the bargaining unit has been modified by action of the personnel
8 resources board as provided by law.

9 NEW SECTION. **Sec. 38.** RCW 28B.80.240 (Student financial aid
10 programs, board to administer) and 1985 c 370 s 23 & 1975 1st ex.s. c
11 132 s 15 are each repealed.

12 NEW SECTION. **Sec. 39.** Sections 1 through 5 of this act constitute
13 a new chapter in Title 28B RCW.

14 NEW SECTION. **Sec. 40.** Section 19 of this act takes effect March
15 15, 2005.

16 NEW SECTION. **Sec. 41.** Section 18 of this act expires March 15,
17 2005.

18 NEW SECTION. **Sec. 42.** Sections 1 through 18 and 20 through 38 of
19 this act are necessary for the immediate preservation of the public
20 peace, health, or safety, or support of the state government and its
21 existing public institutions, and take effect July 1, 2003.

22 NEW SECTION. **Sec. 43.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.

--- END ---