
HOUSE BILL 1179

State of Washington

60th Legislature

2007 Regular Session

By Representatives Hasegawa, Jarrett, Sells, Roberts, Anderson, Green, Sommers, Kenney, Wallace, Buri, Appleton, Hudgins, Kagi, Ormsby, McDonald, Conway, Wood, Santos, Schual-Berke, Simpson, Lantz and Haigh

Read first time 01/12/2007. Referred to Committee on Higher Education.

1 AN ACT Relating to allowing students attending a postsecondary
2 institution on a less than half-time basis to qualify for a state need
3 grant; amending RCW 28B.92.080, 28B.92.060, and 28B.15.820; and adding
4 a new section to chapter 28B.92 RCW.

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

6 **Sec. 1.** RCW 28B.92.080 and 2004 c 275 s 39 are each amended to
7 read as follows:

8 For a student to be eligible for a state need grant a student must:

9 (1) Be a "needy student" or "disadvantaged student" as determined
10 by the board in accordance with RCW 28B.92.030 (3) and (4).

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

13 (3) Be enrolled or accepted for enrollment (~~on at least a half-~~
14 ~~time basis~~) for at least three quarter credits or the equivalent
15 semester credits at an institution of higher education in Washington as
16 defined in RCW 28B.92.030(1).

17 (4) Have complied with all the rules and regulations adopted by the
18 board for the administration of this chapter.

1 **Sec. 2.** RCW 28B.92.060 and 2005 c 93 s 3 are each amended to read
2 as follows:

3 In awarding need grants, the board shall proceed substantially as
4 follows: PROVIDED, That nothing contained herein shall be construed to
5 prevent the board, in the exercise of its sound discretion, from
6 following another procedure when the best interest of the program so
7 dictates:

8 (1) The board shall annually select the financial aid award
9 recipients from among Washington residents applying for student
10 financial aid who have been ranked according to:

11 (a) Financial need as determined by the amount of the family
12 contribution; and

13 (b) Other considerations, such as whether the student is a former
14 foster youth.

15 (2) The financial need of the highest ranked students shall be met
16 by grants depending upon the evaluation of financial need until the
17 total allocation has been disbursed. Funds from grants which are
18 declined, forfeited or otherwise unused shall be reawarded until
19 disbursed, except that eligible former foster youth shall be assured
20 receipt of a grant.

21 (3) A student shall be eligible to receive a state need grant for
22 up to five years, or the credit or clock hour equivalent of five years,
23 or up to one hundred twenty-five percent of the published length of
24 time of the student's program. A student may not start a new associate
25 degree program as a state need grant recipient until at least five
26 years have elapsed since earning an associate degree as a need grant
27 recipient, except that a student may earn two associate degrees
28 concurrently. Qualifications for renewal will include maintaining
29 satisfactory academic progress toward completion of an eligible program
30 as determined by the board. Should the recipient terminate his or her
31 enrollment for any reason during the academic year, the unused portion
32 of the grant shall be returned to the state educational grant fund by
33 the institution according to the institution's own policy for issuing
34 refunds, except as provided in RCW 28B.92.070.

35 (4) In computing financial need, the board shall determine a
36 maximum student expense budget allowance, not to exceed an amount equal
37 to the total maximum student expense budget at the public institutions

1 plus the current average state appropriation per student for operating
2 expense in the public institutions.

3 (5)(a) A student who is enrolled in three to six credit-bearing
4 quarter credits, or the equivalent semester credits, may receive a
5 grant for up to one academic year before beginning a program that leads
6 to a degree or certificate.

7 (b) An eligible student enrolled on a less-than-full-time basis
8 shall receive a prorated portion of his or her state need grant for any
9 academic period in which he or she is enrolled on a less-than-full-time
10 basis, as long as funds are available.

11 (c) An institution of higher education may award a state need grant
12 to an eligible student on a provisional basis before the student
13 completes the required free application for federal student aid if:

14 (i) The student has not previously received a state need grant from
15 that institution;

16 (ii) The institution has conducted a review of the student's
17 financial condition, and the financial condition of the student's
18 family if the student is a dependent student, and has determined that
19 the student is likely eligible for a state need grant; and

20 (iii) The student has signed a document attesting to the fact that
21 the financial information the student provided to the institution is
22 accurate and complete and that the student agrees to repay the
23 institution for the grant amount if the student is subsequently deemed
24 to be ineligible for a state need grant.

25 (d) An institution of higher education that awards a student a
26 state need grant on a provisional basis shall require the student to
27 submit his or her free application for federal student aid by no later
28 than the forty-fifth day of the quarter or sixtieth day of the semester
29 in which the student received the provisional grant.

30 (e) A student who fails to submit the free application for federal
31 student aid by the forty-fifth day of the quarter or the sixtieth day
32 of the semester in which the student receives a provisional grant shall
33 be deemed to have been ineligible to receive a state need grant for
34 that quarter or semester, and shall repay the amount of the grant. In
35 the case of exceptional circumstances, a school may extend the time
36 period in which a particular student must submit the free application
37 for federal student aid. However, that time period may not be extended

1 beyond the last day of the quarter or semester in which the student
2 received a provisional grant.

3 (f) No student who is required to repay a provisional state need
4 grant is eligible to receive a subsequent state need grant until the
5 student has repaid the provisional grant in full.

6 (6) As used in this section, "former foster youth" means a person
7 who is at least eighteen years of age, but not more than twenty-four
8 years of age, who was a dependent of the department of social and
9 health services at the time he or she attained the age of eighteen.

10 NEW SECTION. Sec. 3. A new section is added to chapter 28B.92 RCW
11 to read as follows:

12 Institutions of higher education are encouraged to review their
13 policies and procedures regarding financial aid for students taking a
14 less-than-half-time course load, and to implement policies and
15 procedures providing students taking a less-than-half-time course load
16 with the same access to institutional aid, including tuition waivers,
17 as provided to students enrolled half time or more.

18 **Sec. 4.** RCW 28B.15.820 and 2004 c 275 s 66 are each amended to
19 read as follows:

20 (1) Each institution of higher education, including technical
21 colleges, shall deposit a minimum of three and one-half percent of
22 revenues collected from tuition and services and activities fees in an
23 institutional financial aid fund that is hereby created and which shall
24 be held locally. Moneys in the fund shall be used only for the
25 following purposes: (a) To make guaranteed long-term loans to eligible
26 students as provided in subsections (3) through (8) of this section;
27 (b) to make short-term loans as provided in subsection (9) of this
28 section; or (c) to provide financial aid to needy students as provided
29 in subsection (10) of this section.

30 (2) An "eligible student" for the purposes of subsections (3)
31 through (8) and (10) of this section is a student registered for at
32 least (~~six~~) three credit hours or the equivalent, who is eligible for
33 resident tuition and fee rates as defined in RCW 28B.15.012 and
34 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.

35 (3) The amount of the guaranteed long-term loans made under this
36 section shall not exceed the demonstrated financial need of the

1 student. Each institution shall establish loan terms and conditions
2 which shall be consistent with the terms of the guaranteed loan program
3 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
4 amended. All loans made shall be guaranteed by the Washington student
5 loan guaranty association or its successor agency. Institutions are
6 hereby granted full authority to operate as an eligible lender under
7 the guaranteed loan program.

8 (4) Before approving a guaranteed long-term loan, each institution
9 shall analyze the ability of the student to repay the loan based on
10 factors which include, but are not limited to, the student's
11 accumulated total education loan burdens and the employment
12 opportunities and average starting salary characteristics of the
13 student's chosen fields of study. The institution shall counsel the
14 student on the advisability of acquiring additional debt, and on the
15 availability of other forms of financial aid.

16 (5) Each institution is responsible for collection of guaranteed
17 long-term loans made under this section and shall exercise due
18 diligence in such collection, maintaining all necessary records to
19 insure that maximum repayments are made. Institutions shall cooperate
20 with other lenders and the Washington student loan guaranty
21 association, or its successor agency, in the coordinated collection of
22 guaranteed loans, and shall assure that the guarantability of the loans
23 is not violated. Collection and servicing of guaranteed long-term
24 loans under this section shall be performed by entities approved for
25 such servicing by the Washington student loan guaranty association or
26 its successor agency: PROVIDED, That institutions be permitted to
27 perform such servicing if specifically recognized to do so by the
28 Washington student loan guaranty association or its successor agency.
29 Collection and servicing of guaranteed long-term loans made by
30 community colleges under subsection (1) of this section shall be
31 coordinated by the state board for community and technical colleges and
32 shall be conducted under procedures adopted by the state board.

33 (6) Receipts from payment of interest or principal or any other
34 subsidies to which institutions as lenders are entitled, that are paid
35 by or on behalf of borrowers of funds under subsections (3) through (8)
36 of this section, shall be deposited in each institution's financial aid
37 fund and shall be used to cover the costs of making the guaranteed
38 long-term loans under this section and maintaining necessary records

1 and making collections under subsection (5) of this section: PROVIDED,
2 That such costs shall not exceed five percent of aggregate outstanding
3 loan principal. Institutions shall maintain accurate records of such
4 costs, and all receipts beyond those necessary to pay such costs, shall
5 be deposited in the institution's financial aid fund.

6 (7) The governing boards of the state universities, the regional
7 universities, and The Evergreen State College, and the state board for
8 community and technical colleges, on behalf of the community colleges
9 and technical colleges, shall each adopt necessary rules and
10 regulations to implement this section.

11 (8) First priority for any guaranteed long-term loans made under
12 this section shall be directed toward students who would not normally
13 have access to educational loans from private financial institutions in
14 Washington state, and maximum use shall be made of secondary markets in
15 the support of loan consolidation.

16 (9) Short-term loans, not to exceed one year, may be made from the
17 institutional financial aid fund to students enrolled in the
18 institution. No such loan shall be made to any student who is known by
19 the institution to be in default or delinquent in the payment of any
20 outstanding student loan. A short-term loan may be made only if the
21 institution has ample evidence that the student has the capability of
22 repaying the loan within the time frame specified by the institution
23 for repayment.

24 (10) Any moneys deposited in the institutional financial aid fund
25 that are not used in making long-term or short-term loans may be used
26 by the institution for locally-administered financial aid programs for
27 needy students, such as need-based institutional employment programs or
28 need-based tuition and fee scholarship or grant programs. These funds
29 shall be used in addition to and not to replace institutional funds
30 that would otherwise support these locally-administered financial aid
31 programs. First priority in the use of these funds shall be given to
32 needy students who have accumulated excessive educational loan burdens.
33 An excessive educational loan burden is a burden that will be difficult
34 to repay given employment opportunities and average starting salaries
35 in the student's chosen fields of study. Second priority in the use of
36 these funds shall be given to needy single parents, to assist these

1 students with their educational expenses, including expenses associated
2 with child care and transportation.

--- END ---