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HOUSE BILL 1882

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives Wallace, Moeller, Haigh, McDermott, Kagi, Roberts, O'Brien, Kenney, Hurst and Ormsby

Read first time 01/31/2007. Referred to Committee on Higher Education.

1            AN ACT Relating to higher education costs; amending RCW 28B.15.820  
2 and 28B.92.080; reenacting and amending RCW 43.79A.040; adding new  
3 sections to chapter 28B.15 RCW; adding new sections to chapter 28B.50  
4 RCW; adding new chapters to Title 28B RCW; and creating new sections.

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

6                                      **PART 1**

7                                      **STATEWIDE TUITION POLICY**

8            NEW SECTION.    **Sec. 101.**    A new section is added to chapter 28B.15  
9 RCW to read as follows:

10            TUITION--FUNDING LEVELS--LIMITATIONS.    (1) Beginning with the  
11 2007-08 academic year and ending with the 2016-17 academic year,  
12 tuition fees charged to full-time resident undergraduate students may  
13 increase no greater than seven percent over the previous academic year  
14 in any institution of higher education. Annual reductions or increases  
15 in full-time tuition fees for resident undergraduate students shall be  
16 as provided in the omnibus appropriations act, within the seven percent  
17 increase limit established in this section. To the extent that state  
18 appropriations combined with tuition and fee revenues are insufficient

1 to achieve the total per-student funding goals established in  
2 subsection (2) of this section, the legislature may revisit state  
3 appropriations, authorized enrollment levels, and changes in tuition  
4 fees for any given fiscal year.

5 (2) The state shall adopt as its goal total per-student funding  
6 levels, from state appropriations plus tuition and fees, of at least  
7 the sixtieth percentile of total per-student funding at similar public  
8 institutions of higher education in the global challenge states. The  
9 office of financial management shall develop a funding trajectory for  
10 each four-year institution of higher education and for the community  
11 and technical college system as a whole that when combined with tuition  
12 and fees revenue allows the state to achieve its funding goal for each  
13 four-year institution and the community and technical college system as  
14 a whole no later than fiscal year 2017. The state shall not reduce  
15 enrollment levels below fiscal year 2007 budgeted levels in order to  
16 improve or alter the per-student funding amount at any four-year  
17 institution of higher education or the community and technical college  
18 system as a whole. The state recognizes that each four-year  
19 institution of higher education and the community and technical college  
20 system as a whole have different funding requirements to achieve  
21 desired performance levels, and that increases to the total per-student  
22 funding amount may need to exceed the minimum funding goal.

23 (3) By September 1st of each year beginning 2008, the office of  
24 financial management shall report to the governor, the higher education  
25 coordinating board, and appropriate committees of the legislature with  
26 updated estimates of the total per-student funding level that  
27 represents the sixtieth percentile of funding for comparable  
28 institutions of higher education in the global challenge states, and  
29 the progress toward that goal that was made for each of the public  
30 institutions of higher education.

31 (4) As used in this section, "global challenge states" are the top  
32 performing states on the new economy index published by the progressive  
33 policy institute as of the effective date of this section. The new  
34 economy index ranks states on indicators of their potential to compete  
35 in the new economy. At least once every five years, the office of  
36 financial management shall determine if changes to the list of global  
37 challenge states are appropriate. The office of financial management  
38 shall report its findings to the governor and the legislature.

1 NEW SECTION. **Sec. 102.** A new section is added to chapter 28B.15

2 RCW to read as follows:

3 BILLING DISCLOSURES TO STUDENTS. In addition to the requirement in  
4 RCW 28B.76.300(4), institutions of higher education shall disclose to  
5 their undergraduate resident students on the tuition billing statement,  
6 in dollar figures for a full-time equivalent student: (1) The full  
7 cost of instruction, (2) the amount collected from student tuition and  
8 fees, and (3) the difference between the amounts for the full cost of  
9 instruction and the student tuition and fees, noting that the  
10 difference between the cost and tuition was paid by state tax funds and  
11 other moneys.

12 **PART 2**

13 **WASHINGTON LEARNS SCHOLARSHIP PROGRAM**

14 NEW SECTION. **Sec. 201.** WASHINGTON LEARNS SCHOLARSHIP. (1) The  
15 Washington learns scholarship program is established to encourage high  
16 school graduation and college completion among low-income students and  
17 students from families in which neither parent attained a baccalaureate  
18 degree.

19 (2) Maximum scholarship award amounts shall be as provided in this  
20 section.

21 (a) For students attending two or four-year institutions of higher  
22 education as defined in RCW 28B.10.016, the value of the award may not  
23 exceed the difference between the student's tuition, fees, books, and  
24 materials, less the value of any state or institutional financial aid  
25 the student receives for tuition, fees, books, and materials.

26 (b) For students attending private four-year institutions of higher  
27 education in Washington, the award amount may not exceed the  
28 representative average of awards granted to students in public research  
29 universities in Washington.

30 (c) For students attending private vocational schools in  
31 Washington, the award amount may not exceed the representative average  
32 of awards granted to students in public community and technical  
33 colleges in Washington.

34 (d) Recipients may receive no more than four full-time years' worth  
35 of scholarship awards. All eligibility for the scholarship expires

1 upon receipt of a baccalaureate degree or five calendar years after  
2 college enrollment.

3 NEW SECTION. **Sec. 202.** ELIGIBILITY. (1) To be eligible to apply  
4 for a Washington learns scholarship established in section 201 of this  
5 act, a student must be enrolled in the Washington learns scholarship  
6 program.

7 (a) To be enrolled, a student must sign a pledge during seventh or  
8 eighth grade that includes a commitment to graduate from high school  
9 with at least a "C" average and no felony convictions. The pledge must  
10 be witnessed by a parent or guardian and forwarded to the higher  
11 education coordinating board by mail or electronically, as indicated on  
12 the pledge form.

13 (b) At the time the pledge is signed, the student must be eligible  
14 for free or reduced-price lunches, or will be a first generation  
15 college student, meaning that neither parent has attained a  
16 baccalaureate degree.

17 (c) The student must be a member of the high school graduating  
18 class of 2012 or later.

19 (d) The student must complete the application for the scholarship  
20 while in high school.

21 (2) To receive and maintain scholarship eligibility, a student  
22 must:

23 (a) Be eligible for resident tuition and fee rates as defined in  
24 RCW 28B.15.012 and 28B.15.013;

25 (b) Have fulfilled the terms and conditions of the pledge described  
26 in this section;

27 (c) Have a family income that is at or below the state median  
28 family income in the calendar year preceding college attendance;

29 (d) Enter a public or private institution of higher education in  
30 Washington that is accredited by an accrediting agency recognized by  
31 rule of the higher education coordinating board. The student must  
32 enroll in an institution of higher education within one calendar year  
33 of high school graduation, with exceptions made for illness, military  
34 service, or other extenuating circumstances;

35 (e) Maintain satisfactory academic progress as defined by the  
36 institution of higher education in which the student is enrolled; and

1 (f) File for state and federal financial aid by completing and  
2 submitting the free application for federal student aid (FAFSA) in a  
3 timely manner. The higher education coordinating board shall set and  
4 publicize annual deadlines.

5 NEW SECTION. **Sec. 203.** ADMINISTRATION. (1) The office of the  
6 superintendent of public instruction shall:

7 (a) Notify elementary, middle, and junior high school students,  
8 parents, teachers, counselors, and principals about the Washington  
9 learns scholarship program; and

10 (b) Work with the higher education coordinating board to develop  
11 application collection and student tracking procedures.

12 (2) The higher education coordinating board shall:

13 (a) Establish administrative rules and policies to carry out the  
14 Washington learns scholarship program;

15 (b) Develop and distribute, to all schools with students enrolled  
16 in grade seven or eight, a pledge form that can be completed and  
17 returned electronically or by mail by the student or the school to the  
18 higher education coordinating board;

19 (c) Provide information to all middle and junior high schools to  
20 inform them about the program and the eligibility and application  
21 requirements;

22 (d) Develop and implement a student application, selection, and  
23 notification process for scholarships;

24 (e) Track scholarship recipients to ensure continued eligibility  
25 and determine student compliance for awarding of scholarships;

26 (f) Subject to appropriation, deposit funds into the state  
27 educational trust fund;

28 (g) Purchase tuition units under the advanced college tuition  
29 payment program in chapter 28B.95 RCW to be owned and held in trust by  
30 the board, for the purpose of scholarship awards as provided for in  
31 this subsection (2); and

32 (h) Distribute scholarship funds, in the form of tuition units  
33 purchased under the advanced college tuition payment program in chapter  
34 28B.95 RCW or through direct payments from the state educational trust  
35 fund, to institutions of higher education on behalf of scholarship  
36 recipients identified by the board, as long as recipients maintain  
37 satisfactory academic progress.

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PART 3

GET READY FOR MATH AND SCIENCE SCHOLARSHIP PROGRAM

NEW SECTION. **Sec. 301.** GET READY FOR MATH AND SCIENCE SCHOLARSHIP--PUBLIC-PRIVATE PARTNERSHIP. (1) The GET ready for math and science scholarship program is established. Scholarship recipients may enroll in any public or private institution of higher education in Washington that is accredited by an accrediting agency recognized by rule of the board. The scholarship may be awarded to eligible students who achieve level four on the mathematics or science Washington assessment of student learning in the tenth grade and who enter qualified programs at a qualified institution of higher education as defined in section 302 of this act. The scholarship award amount may not exceed the cost of tuition and mandatory fees for up to one hundred eighty quarter credits, or the semester equivalent, in a public research university in Washington.

(2) A public-private partnership shall be developed to administer the scholarship, with the private partner being a private nonprofit foundation.

NEW SECTION. **Sec. 302.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

(2) "GET units" means tuition units under the advanced college tuition payment program in chapter 28B.95 RCW.

(3) "Program administrator" means the private nonprofit foundation that is the private partner in the public-private partnership under this chapter.

(4) "Qualified program" means the qualified mathematics or science-related degree program determined by the board and the program administrator under section 307 of this act.

NEW SECTION. **Sec. 303.** ELIGIBILITY. (1) To be eligible to apply for a GET ready for math and science scholarship under this chapter, a student must:

(a) Be eligible for resident tuition and fee rates as defined in RCW 28B.15.012 and 28B.15.013;

1 (b) Have achieved level four on the mathematics or science  
2 Washington assessment of student learning in the tenth grade;

3 (c) Declare the intent to enter a qualified program at an  
4 institution of higher education in Washington;

5 (d) Declare the intent to work in Washington state for at least  
6 three years after graduation from college in an occupation related to  
7 the college program from which the student will graduate; and

8 (e) Have a family income that is at or below one hundred twenty-  
9 five percent of the state median family income at the time the  
10 application is submitted and for up to the previous two years.

11 (2) In order to receive and maintain scholarship eligibility, a  
12 student must:

13 (a) Enter a qualified institution of higher education in Washington  
14 state within one calendar year of high school graduation;

15 (b) Maintain satisfactory academic progress as defined by the  
16 institution of higher education in which the student is enrolled;

17 (c) Take at least one college-level mathematics or science course  
18 each term before being accepted into a qualified program; and

19 (d) Enter a qualified program as soon as practicable after program  
20 admission prerequisites are fulfilled but not later than the first  
21 semester of the junior year in college.

22 NEW SECTION. **Sec. 304.** OFFICE OF THE SUPERINTENDENT OF PUBLIC  
23 INSTRUCTION--DUTIES. The office of the superintendent of public  
24 instruction shall:

25 (1) Notify elementary, middle, junior high, and high school  
26 students, parents, teachers, counselors, and principals about the GET  
27 ready for math and science scholarship program;

28 (2) Notify students who achieve level four of the mathematics or  
29 science Washington assessment of student learning in tenth grade that  
30 they may be eligible to apply for a GET ready for math and science  
31 scholarship and provide them with contact information for the program  
32 administrator; and

33 (3) Notify the program administrator and the board, as early as  
34 possible during the fall of the students' junior year in high school,  
35 of the names and contact information of all students who achieved level  
36 four on the mathematics or science Washington assessment of student

1 learning during tenth grade so that the program administrator may  
2 provide them with scholarship information.

3 NEW SECTION. **Sec. 305.** HIGHER EDUCATION COORDINATING BOARD--  
4 DUTIES. The board shall:

5 (1) Purchase GET units to be owned and held in trust by the board,  
6 for the purpose of scholarship awards as provided for in this section;

7 (2) Distribute scholarship funds, in the form of GET units or  
8 through direct payments from the GET ready for math and science  
9 scholarship account, to institutions of higher education on behalf of  
10 scholarship recipients identified by the program administrator, as long  
11 as recipients continue to meet the requirements of section 303(2) of  
12 this act;

13 (3) Provide the program administrator with annual reports of  
14 enrollment, contact, and graduation information of scholars, provided  
15 they have given permission for the board to do so;

16 (4) Track program graduates to ensure that they work in Washington  
17 state in a mathematics or science-related occupation for at least three  
18 years after college graduation, or pay back the scholarship, prorated  
19 based on the length of time worked in a mathematics or science-related  
20 occupation in Washington. Students may postpone their in-state work  
21 requirement in order to attend graduate school in a qualified program  
22 for up to three years after completion of an undergraduate qualified  
23 program.

24 NEW SECTION. **Sec. 306.** PROGRAM ADMINISTRATOR--DUTIES. The  
25 program administrator shall:

26 (1) Raise funds from the private and nonprofit sectors to match  
27 state funds appropriated for the GET ready for math and science  
28 scholarship program;

29 (2) Develop and implement a student application, selection, and  
30 notification process for scholarships;

31 (3) Notify institutions of higher education of scholarship  
32 recipients who will attend their institutions and inform them of the  
33 terms of the students' eligibility; and

34 (4) Report to private donors on the program outcomes and facilitate  
35 contact between students and donors, if students have given the



1 foundation permission to do so, in order for donors to offer summer  
2 employment opportunities, internships, career information and job  
3 opportunities after graduation.

4 NEW SECTION. **Sec. 307.** QUALIFIED PROGRAMS. The board and the  
5 program administrator shall determine qualified mathematics and  
6 science-related college degree programs for this scholarship program.  
7 The list of eligible programs shall be updated biennially. However,  
8 once a student has been accepted into an eligible mathematics or  
9 science degree program, the student may continue in that program, even  
10 if it is subsequently removed from the list of qualified programs.

11 NEW SECTION. **Sec. 308.** GET READY FOR MATH AND SCIENCE SCHOLARSHIP  
12 ACCOUNT. (1) The GET ready for math and science scholarship account is  
13 created in the custody of the state treasurer.

14 (2) The board shall deposit into the account all money received for  
15 the GET ready for math and science scholarship program from  
16 appropriations and private sources. The account shall be  
17 self-sustaining.

18 (3) Expenditures from the account shall be used for scholarships to  
19 eligible students and for purchases of GET units. Purchased GET units  
20 shall be owned and held in trust by the board. Expenditures from the  
21 account shall be an equal match of state appropriations and private  
22 funds raised by the program administrator.

23 (4) With the exception of the operating costs associated with the  
24 management of the account by the treasurer's office as authorized in  
25 chapter 43.79A RCW, the account shall be credited with all investment  
26 income earned by the account.

27 (5) Disbursements from the account are exempt from appropriations  
28 and the allotment provisions of chapter 43.88 RCW.

29 (6) Disbursements from the account shall be made only on the  
30 authorization of the board.

31 **Sec. 309.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2  
32 are each reenacted and amended to read as follows:

33 (1) Money in the treasurer's trust fund may be deposited, invested,  
34 and reinvested by the state treasurer in accordance with RCW 43.84.080

1 in the same manner and to the same extent as if the money were in the  
2 state treasury.

3 (2) All income received from investment of the treasurer's trust  
4 fund shall be set aside in an account in the treasury trust fund to be  
5 known as the investment income account.

6 (3) The investment income account may be utilized for the payment  
7 of purchased banking services on behalf of treasurer's trust funds  
8 including, but not limited to, depository, safekeeping, and  
9 disbursement functions for the state treasurer or affected state  
10 agencies. The investment income account is subject in all respects to  
11 chapter 43.88 RCW, but no appropriation is required for payments to  
12 financial institutions. Payments shall occur prior to distribution of  
13 earnings set forth in subsection (4) of this section.

14 (4)(a) Monthly, the state treasurer shall distribute the earnings  
15 credited to the investment income account to the state general fund  
16 except under (b) and (c) of this subsection.

17 (b) The following accounts and funds shall receive their  
18 proportionate share of earnings based upon each account's or fund's  
19 average daily balance for the period: The Washington promise  
20 scholarship account, the college savings program account, the  
21 Washington advanced college tuition payment program account, the  
22 agricultural local fund, the American Indian scholarship endowment  
23 fund, the foster care scholarship endowment fund, the foster care  
24 endowed scholarship trust fund, the students with dependents grant  
25 account, the basic health plan self-insurance reserve account, the  
26 contract harvesting revolving account, the Washington state combined  
27 fund drive account, the commemorative works account, the Washington  
28 international exchange scholarship endowment fund, the developmental  
29 disabilities endowment trust fund, the energy account, the fair fund,  
30 the fruit and vegetable inspection account, the future teachers  
31 conditional scholarship account, the game farm alternative account, the  
32 GET ready for math and science scholarship account, the grain  
33 inspection revolving fund, the juvenile accountability incentive  
34 account, the law enforcement officers' and fire fighters' plan 2  
35 expense fund, the local tourism promotion account, the produce railcar  
36 pool account, the regional transportation investment district account,  
37 the rural rehabilitation account, the stadium and exhibition center  
38 account, the youth athletic facility account, the self-insurance

1 revolving fund, the sulfur dioxide abatement account, the children's  
2 trust fund, the Washington horse racing commission Washington bred  
3 owners' bonus fund account, the Washington horse racing commission  
4 class C purse fund account, the individual development account program  
5 account, the Washington horse racing commission operating account  
6 (earnings from the Washington horse racing commission operating account  
7 must be credited to the Washington horse racing commission class C  
8 purse fund account), the life sciences discovery fund, and the reading  
9 achievement account. However, the earnings to be distributed shall  
10 first be reduced by the allocation to the state treasurer's service  
11 fund pursuant to RCW 43.08.190.

12 (c) The following accounts and funds shall receive eighty percent  
13 of their proportionate share of earnings based upon each account's or  
14 fund's average daily balance for the period: The advanced right of way  
15 revolving fund, the advanced environmental mitigation revolving  
16 account, the city and county advance right-of-way revolving fund, the  
17 federal narcotics asset forfeitures account, the high occupancy vehicle  
18 account, the local rail service assistance account, and the  
19 miscellaneous transportation programs account.

20 (5) In conformance with Article II, section 37 of the state  
21 Constitution, no trust accounts or funds shall be allocated earnings  
22 without the specific affirmative directive of this section.

#### 23 PART 4

#### 24 REGIONAL OPPORTUNITY GRANT PROGRAM

25 NEW SECTION. **Sec. 401.** REGIONAL OPPORTUNITY GRANT PROGRAM--  
26 INTENT. The legislature finds that:

27 (1) The economic trends of globalization and technological change  
28 are increasing the demand for higher and differently skilled workers  
29 than in the past;

30 (2) Increasing Washington's economic competitiveness requires  
31 increasing the supply of skilled workers in the state;

32 (3) Improving the labor market competitiveness of all Washington  
33 residents requires that all residents have access to postsecondary  
34 education; and

35 (4) Community and technical college workforce training programs and  
36 Washington state apprenticeship and training council-approved

1 apprenticeship programs provide effective and efficient pathways for  
2 people to enter high-wage, high-skilled careers while also meeting the  
3 needs of the economy.

4 NEW SECTION. **Sec. 402.** A new section is added to chapter 28B.50  
5 RCW to read as follows:

6 REGIONAL OPPORTUNITY GRANT PROGRAM. (1) The college board shall  
7 develop and implement a workforce education program known as the  
8 regional opportunity grant program to provide funding for students  
9 enrolled at public community and technical colleges in regional  
10 opportunity grant-eligible programs of study determined through the  
11 process described in section 403 of this act. Students enrolled in the  
12 regional opportunity grant program are eligible for:

13 (a) Funding for tuition and mandatory fees at the public community  
14 and technical college rate, prorated if the credit load is less than  
15 full time, paid directly to the educational institution; and

16 (b) An additional allowance for books, tools, and supplies.

17 (2) Funding under this section is limited to a maximum forty-five  
18 credits in a regional opportunity grant-eligible program of study,  
19 including required related courses. No student may receive regional  
20 opportunity grant funding for more than forty-five credits or for more  
21 than three years from initial receipt of grant funds in one or a  
22 combination of programs.

23 NEW SECTION. **Sec. 403.** A new section is added to chapter 28B.50  
24 RCW to read as follows:

25 REGIONAL OPPORTUNITY GRANT PROGRAM--ELIGIBILITY--GOALS--  
26 COLLABORATION WITH THE HIGHER EDUCATION COORDINATING BOARD. (1) To be  
27 eligible for participation in the regional opportunity grant program  
28 established in section 402 of this act, a student must be eligible for  
29 resident tuition and fee rates as defined in RCW 28B.15.012 and  
30 28B.15.013, be enrolled in a vocational program of study, and have a  
31 family income that is at or below the state median family income using  
32 the state need grant schedule for the same academic year.

33 (2) The college board shall develop goals for student retention and  
34 completion. It shall set annual performance measures and targets and  
35 monitor the performance at all public community and technical colleges.

1 (3) The college board and the higher education coordinating board  
2 shall work together to ensure that students participating in the  
3 regional opportunity grant program receive all other state and federal  
4 financial aid to which they are entitled while receiving a regional  
5 opportunity grant.

6 (4) The college board and the higher education coordinating board  
7 shall document the amount of regional opportunity grant assistance and  
8 the types and amounts of other sources of financial aid received by  
9 participating students. Annually, they shall produce a summary of the  
10 data.

11 (5) The college board shall:

12 (a) Develop the program and begin enrolling students no later than  
13 January 2008; and

14 (b) Submit a progress report to appropriate committees of the  
15 legislature by December 1, 2008.

16 NEW SECTION. **Sec. 404.** A new section is added to chapter 28B.50  
17 RCW to read as follows:

18 REGIONAL OPPORTUNITY GRANT PROGRAM--COLLEGE BOARD DUTIES. The  
19 college board, in partnership with business, labor, and the workforce  
20 training and education coordinating board, shall:

21 (1) Identify job specific training programs offered by qualified  
22 postsecondary institutions that lead to a credential, certificate, or  
23 degree in high-demand occupations, which are occupations where employer  
24 demand for workers exceeds the supply of qualified job applicants  
25 throughout the state or in a specific region;

26 (2) Designate recognized credentials, certificates, and degrees as  
27 "regional opportunity grant-eligible programs of study"; and

28 (3) Market the credentials, certificates, and degrees to potential  
29 students, businesses, and apprenticeship programs as a way for  
30 individuals to advance in their careers and to better meet the needs of  
31 industry.

32 **PART 5**

33 **EXPANDING ELIGIBILITY FOR THE STATE NEED GRANT PROGRAM**

34 NEW SECTION. **Sec. 501.** The legislature finds that many adults who  
35 wish to improve their skills or complete a college degree also have to

1 work full time to support a family or are single parents, and are able  
2 to attend only one class per term. This should not disqualify them  
3 from the state's primary financial aid program if they would otherwise  
4 be eligible based on their income.

5 **Sec. 502.** RCW 28B.15.820 and 2004 c 275 s 66 are each amended to  
6 read as follows:

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

17 (2) An "eligible student" for the purposes of subsections (3)  
18 through (8) and (10) of this section is a student registered for at  
19 least (~~six~~) three credit hours or the equivalent, who is eligible for  
20 resident tuition and fee rates as defined in RCW 28B.15.012 and  
21 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.

22 (3) The amount of the guaranteed long-term loans made under this  
23 section shall not exceed the demonstrated financial need of the  
24 student. Each institution shall establish loan terms and conditions  
25 which shall be consistent with the terms of the guaranteed loan program  
26 established by 20 U.S. Code Section 1071 et seq., as now or hereafter  
27 amended. All loans made shall be guaranteed by the Washington student  
28 loan guaranty association or its successor agency. Institutions are  
29 hereby granted full authority to operate as an eligible lender under  
30 the guaranteed loan program.

31 (4) Before approving a guaranteed long-term loan, each institution  
32 shall analyze the ability of the student to repay the loan based on  
33 factors which include, but are not limited to, the student's  
34 accumulated total education loan burdens and the employment  
35 opportunities and average starting salary characteristics of the  
36 student's chosen fields of study. The institution shall counsel the

1 student on the advisability of acquiring additional debt, and on the  
2 availability of other forms of financial aid.

3 (5) Each institution is responsible for collection of guaranteed  
4 long-term loans made under this section and shall exercise due  
5 diligence in such collection, maintaining all necessary records to  
6 insure that maximum repayments are made. Institutions shall cooperate  
7 with other lenders and the Washington student loan guaranty  
8 association, or its successor agency, in the coordinated collection of  
9 guaranteed loans, and shall assure that the guarantability of the loans  
10 is not violated. Collection and servicing of guaranteed long-term  
11 loans under this section shall be performed by entities approved for  
12 such servicing by the Washington student loan guaranty association or  
13 its successor agency: PROVIDED, That institutions be permitted to  
14 perform such servicing if specifically recognized to do so by the  
15 Washington student loan guaranty association or its successor agency.  
16 Collection and servicing of guaranteed long-term loans made by  
17 community colleges under subsection (1) of this section shall be  
18 coordinated by the state board for community and technical colleges and  
19 shall be conducted under procedures adopted by the state board.

20 (6) Receipts from payment of interest or principal or any other  
21 subsidies to which institutions as lenders are entitled, that are paid  
22 by or on behalf of borrowers of funds under subsections (3) through (8)  
23 of this section, shall be deposited in each institution's financial aid  
24 fund and shall be used to cover the costs of making the guaranteed  
25 long-term loans under this section and maintaining necessary records  
26 and making collections under subsection (5) of this section: PROVIDED,  
27 That such costs shall not exceed five percent of aggregate outstanding  
28 loan principal. Institutions shall maintain accurate records of such  
29 costs, and all receipts beyond those necessary to pay such costs, shall  
30 be deposited in the institution's financial aid fund.

31 (7) The governing boards of the state universities, the regional  
32 universities, and The Evergreen State College, and the state board for  
33 community and technical colleges, on behalf of the community colleges  
34 and technical colleges, shall each adopt necessary rules and  
35 regulations to implement this section.

36 (8) First priority for any guaranteed long-term loans made under  
37 this section shall be directed toward students who would not normally

1 have access to educational loans from private financial institutions in  
2 Washington state, and maximum use shall be made of secondary markets in  
3 the support of loan consolidation.

4 (9) Short-term loans, not to exceed one year, may be made from the  
5 institutional financial aid fund to students enrolled in the  
6 institution. No such loan shall be made to any student who is known by  
7 the institution to be in default or delinquent in the payment of any  
8 outstanding student loan. A short-term loan may be made only if the  
9 institution has ample evidence that the student has the capability of  
10 repaying the loan within the time frame specified by the institution  
11 for repayment.

12 (10) Any moneys deposited in the institutional financial aid fund  
13 that are not used in making long-term or short-term loans may be used  
14 by the institution for locally-administered financial aid programs for  
15 needy students, such as need-based institutional employment programs or  
16 need-based tuition and fee scholarship or grant programs. These funds  
17 shall be used in addition to and not to replace institutional funds  
18 that would otherwise support these locally-administered financial aid  
19 programs. First priority in the use of these funds shall be given to  
20 needy students who have accumulated excessive educational loan burdens.  
21 An excessive educational loan burden is a burden that will be difficult  
22 to repay given employment opportunities and average starting salaries  
23 in the student's chosen fields of study. Second priority in the use of  
24 these funds shall be given to needy single parents, to assist these  
25 students with their educational expenses, including expenses associated  
26 with child care and transportation.

27 **Sec. 503.** RCW 28B.92.080 and 2004 c 275 s 39 are each amended to  
28 read as follows:

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

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

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

34 (3) Be enrolled or accepted for enrollment (~~on at least a half-~~  
35 ~~time basis~~) in at least three credits at an institution of higher  
36 education in Washington as defined in RCW 28B.92.030(1).



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

3 **PART 6**

4 **MISCELLANEOUS PROVISIONS**

5 NEW SECTION. **Sec. 601.** PART HEADINGS AND CAPTIONS NOT LAW. Part  
6 headings and captions used in this act are not any part of the law.

7 NEW SECTION. **Sec. 602.** Sections 201 through 203 of this act  
8 constitute a new chapter in Title 28B RCW.

9 NEW SECTION. **Sec. 603.** Sections 301 through 308 of this act  
10 constitute a new chapter in Title 28B RCW.

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