

# SENATE BILL REPORT

## 2SSB 6561

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As Amended by House, March 5, 2020

**Title:** An act relating to higher education funding options for dreamers.

**Brief Description:** Creating the undocumented student support loan program.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Liias, Saldaña, Das, Nguyen, Hasegawa, Stanford, Dhingra, Hunt, Kuderer, Wellman and Wilson, C.).

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/30/20, 2/04/20 [DPS-WM, DNP].

Ways & Means: 2/10/20, 2/11/20 [DP2S, w/oRec, DNP].

**Floor Activity:**

Passed Senate: 2/18/20, 34-14.

Passed House: 3/05/20, 82-15.

**Brief Summary of Second Substitute Bill**

- Creates a loan program for resident students who are not eligible for federal student loans because of citizenship status.

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**SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT**

**Majority Report:** That Substitute Senate Bill No. 6561 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Randall, Chair; Stanford, Vice Chair; Liias.

**Minority Report:** Do not pass.

Signed by Senators Holy, Ranking Member; Brown.

**Staff:** Kellee Gunn (786-7429)

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**SENATE COMMITTEE ON WAYS & MEANS**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** That Second Substitute Senate Bill No. 6561 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Lias, Pedersen and Van De Wege.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Brown, Assistant Ranking Member, Operating; Becker, Muzzall, Schoesler, Warnick and Wilson, L..

**Minority Report:** Do not pass.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; Wagoner.

**Staff:** Michele Alishahi (786-7433)

**Background:** Financial Aid Options for Undocumented Students. Both U.S. citizens and non-citizens who meet certain residency criteria in Washington may qualify for state financial aid programs like the Washington College Grant, the College Bound Scholarship, and Washington State Opportunity Scholarship. Students may use these financial aid programs at eligible public and private colleges and universities in Washington. Undocumented and Deferred Action for Childhood Arrivals (DACA) students may be eligible for some institutional scholarships, depending on donor criteria.

Undocumented, DACA, and non-resident students are not eligible for federal financial aid programs such as the Pell Grant and federal student loans.

**Summary of Second Substitute Bill:** Undocumented Student Support Loan Program. The Undocumented Student Support Loan Program, administered by the Office of Student Financial Assistance (Office) under the Washington Student Achievement Council (WSAC), is created to offer low-interest loans to resident students who would not otherwise be eligible for federal student loans because of their citizenship status. The program must be designed in consultation with financial aid professionals, relevant student associations, certain non-profit programs, and other stakeholders.

The loan award amount at either a public or private institution cannot be more than the cost of attendance minus any other financial aid, up to the amount of the average award at a public research institution. The loans must be low-interest and be competitive with federal student loans. In developing the loan program, WSAC must consider repayment options such as public service loan forgiveness and income-based repayment. WSAC, with higher education institution representatives, must screen and select eligible student recipients of the loan using the student's financial need as a factor.

Data collected by the program must only be used for statistical analysis, research, and evaluation purposes. Data sharing may be extended to certain state governmental entities with oversight for the program.

WSAC's Office of Student Financial Assistance may impose a loan origination fee on the Undocumented Student Support Loan up to the current rate imposed by the federal government on subsidized student loans.

Any deposit of state funds into the Undocumented Student Support Loan Account must have an equal amount of cash donations. State matching funds are limited to no more than \$2 million per biennium.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill (Higher Education & Workforce Development):** *The committee recommended a different version of the bill than what was heard.* PRO: We know from the data that this is a small group of students. They have dreams far bigger than the system can provide. There are critical barriers for these students to access student loans. This is a way for undocumented students to pay for their education, the same way other students can through federal student loans.

When I decided to go to college, it was late in my senior year and it was too late for me to apply for scholarships. The ability to go to school now requires me to work at the same time as attend full time. It is stressful. WSU was my first choice because of their nursing program. There is a limited amount of scholarships I can apply for, and I do not qualify for federal student loans. Housing was a major barrier as the scholarships did not pay for housing. I want to become an immigration lawyer and this bill would allow me to go to law school and afford it. This would take the burden off my parents and allow me to take on the responsibility of paying for my higher education. Because I am undocumented without DACA, I do not qualify for work-study. My parents are agricultural workers, and I have another sibling who would like to attend college. My parents cannot support our higher education and this bill will allow me and my siblings to afford higher education. If I had the opportunity to take out federal student loans, I would be able to focus more on school than on food or housing. This loan could be the difference between dropping out and graduating. This bill will bring hope to undocumented students. I am a high school senior and a running start student. My graduating high school class is the first without DACA protections. My generation relies on legislation like this.

There are costs such as transportation and room and board that are not necessarily covered by grants and scholarships. Being a low-income undocumented student does not leave me with many choices. After securing scholarships there is still a gap in funding that needs to be covered somehow. Having low interest student loans to cover these costs is better than having students try to find options themselves. California has a great program.

**Persons Testifying (Higher Education & Workforce Development):** PRO: Senator Marko Liias, Prime Sponsor; Yuleidy Rodriguez, Undocumented Initiatives; Alondra Munoz,

Undocumented Initiatives; Venus Lomeli Perez, Crimson Group; Raul Jiminez, Crimson Group–Washington State University; Sugeysi Layata, Crimson Group–Washington State University; Orlando Cano, One America; Guillermo Rogel, Washington Student Association; Ana Karen Betancourt Macias, Ana Karen Betancourt Macias Family Foundation; Davina Cepeda, Associated Students of Washington State University Vancouver; Alex Paulino Rodrigues, citizen; Diana Luis Contreras, citizen; Kaitie Dong, youth organizer, OneAmerica; Betsy Camacho, citizen; Nancy Canales-Montiel, Association Students of CWU; Litzy Canales, citizen; Jorge Chavarin, citizen.

**Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development):** No one.

**Staff Summary of Public Testimony on First Substitute (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* PRO: I have lived in my car and I have DACA, and I am about to graduate with a bachelor's degree. With DACA, I cannot apply for certain loans or federal programs. Even though I am eligible for the Washington College Grant, it is still not enough to pay for all college costs. I am the oldest of three of a single mother. Without DACA or state funding, I would not be here today. I am a full-time employee, but will be a pediatrician one day. The Washington College Grant covers tuition, but there are more costs. I do not qualify for federal programs. I am a first generation college student. This bill will level the playing field for 5000 students.

**Persons Testifying (Ways & Means):** PRO: Albany Lagunes, citizen; Andrea Alejandre, Director of Legislative Affairs, WSU Vancouver and Washington Student Association.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.

#### **EFFECT OF HOUSE AMENDMENT(S):**

- Clarifies that expenditures from the undocumented student loan account may only be made upon receipt of proof from the Office of private contributions to the program.
- Requires a student to file a Washington Application for State Financial Aid to be eligible for the program.
- Removes requirement for the Office to adopt rules related to a public service loan forgiveness option.
- Adds that the Office shall establish lifetime loan limits, in addition to annual, for the program.
- Adds that data collected by the program is private and confidential and data may only be shared with state government entities if personally identifiable student information is removed.
- Strikes the reference to the residency statute and creates a new definition of “resident student” that pertains to language in current law regarding students who are not citizens.
- Stops the state match to the Undocumented Student Support Loan Match Account in any year that the fund balance of the account is \$10 million or more on the last day of the fiscal year.
- Maintains that student loans issued under the program must follow the requirements under 11 U.S.C. Sec. 523 regarding dischargeability in bankruptcy.
- Makes technical changes.