

2 **ESHB 1603** - S COMM AMD  
3 By Committee on Ways & Means

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5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
8 study the state's system of financial aid.

9 NEW SECTION. **Sec. 2.** (1) The higher education coordinating board  
10 shall study the state's financial aid programs to determine whether a  
11 comprehensive and coordinated system of assistance known as college  
12 promise should be established in order to expand and modify existing  
13 programs for needy students: The state need grant program under RCW  
14 28B.10.790 through 28B.10.824 and the state work study program under  
15 chapter 28B.12 RCW.

16 (2) By January 1, 1994, the higher education coordinating board, in  
17 consultation with the house of representatives and senate higher  
18 education and fiscal committees, and the institutions of higher  
19 education, shall report to the legislature its findings and  
20 recommendations for the state's financial aid system.

21 NEW SECTION. **Sec. 3.** The guidelines and priorities set forth in  
22 this act shall be reviewed by the higher education coordinating board.  
23 The report to the legislature shall include, but not be limited to:

24 (a) Specific program eligibility measures and application  
25 procedures for the populations of state financial aid recipients;

26 (b) Specific need analysis criteria and asset protection  
27 allowances;

28 (c) Estimates of how many state residents, both those who are  
29 currently enrolled in a college or university and potential enrollees,  
30 would be eligible and would be likely to apply for aid under the  
31 eligibility criteria identified in section 5 of this act. The  
32 estimates, developed in consultation with the office of financial  
33 management, the office of the superintendent of public instruction, and

1 other agencies as appropriate, should take into account state economic  
2 and demographic factors and other appropriate information;

3 (d) Estimates of where the aid applicants identified under (c) of  
4 this subsection would choose to enroll by type of institution and level  
5 of program; and

6 (e) Estimates of the costs for each state financial aid program,  
7 including the state need grant program under RCW 28B.10.790 through  
8 28B.10.824 and the state work study program under chapter 28B.12 RCW to  
9 accommodate any new aid applicants estimated under (c) of this  
10 subsection, as offset by nonstate sources of aid. Separate cost  
11 estimates should be made for each of the aid populations identified  
12 under section 5 of this act.

13 NEW SECTION. **Sec. 4.** In studying the state's financial aid  
14 programs, the higher education coordinating board shall include these  
15 guidelines:

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

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

19 (i) How to limit the debt of an undergraduate student to no more  
20 than one-half of a student's cost of attendance; and

21 (ii) How to provide more self-help opportunities than grant aid to  
22 middle-income students, and approximately equal amounts of self-help  
23 opportunities and grant aid to low-income and lower middle-income  
24 students. Self-help opportunities include work study and loans;

25 (b) In studying eligibility for state financial aid programs,  
26 consider sheltering home equity on a family's principal place of  
27 residence, and sheltering a reasonable portion of savings and farm or  
28 business net worth, each insofar as is permissible under state and  
29 federal law;

30 (c) Consistent with federal law, steps needed to simplify the  
31 financial aid application process;

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

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

36 (f) Deliver clear and timely information to current and future  
37 postsecondary students about the costs of attending college and  
38 available financial aid.

1 (2) For the state need grant program under RCW 28B.10.790 through  
2 28B.10.824: Whether, as funds are available, the program should be  
3 expanded to include new populations of resident students in the  
4 following priority order, ensuring that undergraduate students with the  
5 most demonstrated financial need receive full grants before less needy  
6 students receive any grant:

7 (a) Low-income undergraduates;

8 (b) Lower middle-income undergraduates;

9 (c) Middle-income undergraduates; and

10 (d) Resident graduate and professional students, following the  
11 income priorities reviewed for undergraduate students.

12 (3) For the state work study program under chapter 28B.12 RCW:  
13 Whether to increase employment opportunities including off-campus job  
14 opportunities with off-campus community service employers.

15 NEW SECTION. **Sec. 5.** In studying the state's financial aid  
16 programs, the board shall consider the following matrix. The matrix  
17 defines income levels, and for each level, the funding priority, and  
18 the assistance mix goal.

19 Guidelines for Funding Needy Undergraduate Students

20 Classification:	Low-income	Lower middle-income	Middle-income
21 Family			
22 Income:	0-\$20,864	\$20,865-\$31,296	\$31,297-\$52,160
23 (1991 dollars,			
24 family of four)			
25 Percentage	Fifty percent	Fifty-one to	Seventy-six
26 of State		seventy-five	to one hundred
27 Median		percent	twenty-five
28 Income:			percent
29 Priority for			
30 Receiving			
31 Grants:	First	Second	Third
32 Assistance	One-half	One-half	Up to one-third
33 Mix goal:	grants	grants	grants
34	One-half	One-half	Two-thirds
35	work study	work study	work study
36	and loans	and loans	and loans"

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4 On page 1, line 1 of the title, after "education;" strike the  
5 remainder of the title and insert "and creating new sections."

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