

---

THIRD SUBSTITUTE HOUSE BILL 1851

---

State of Washington                      55th Legislature                      1998 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Carlson, Radcliff, Mason, Kenney, Dunn, Talcott and Sullivan)

Read first time 02/03/98. Referred to Committee on .

1            AN ACT Relating to financial aid; amending RCW 28B.10.800,  
2 28B.10.802, 28B.10.804, 28B.10.806, 28B.10.808, 28B.10.810, 28B.10.822,  
3 28B.101.010, and 28B.101.020; reenacting and amending RCW 28B.101.040;  
4 adding a new section to chapter 28B.10 RCW; and creating new sections.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 28B.10 RCW  
7 to read as follows:

8            The legislature finds that state funded financial aid programs need  
9 to be restructured and better funded. The legislature also finds that:

10            (1) In most circumstances, need grant eligibility should not extend  
11 beyond one hundred twenty-five percent of the published length of the  
12 program in which the student is enrolled or the credit or clock-hour  
13 equivalent;

14            (2) State financial aid programs should continue to adhere to the  
15 principle that funding follows resident students to their choice of  
16 institution of higher education; and

17            (3) The educational opportunity grant program should be expanded to  
18 include needy upper division students from any area of the state.

1        NEW SECTION.    **Sec. 2.**    In cooperation with students, student aid  
2 administrators, employers, public and private institutions of higher  
3 education, private career schools and colleges, and other interested  
4 parties, the higher education coordinating board shall evaluate the  
5 reports prepared in response to the 1997 legislative directive to the  
6 house of representatives and senate fiscal committees to study tuition  
7 and financial aid.    By September 1, 1998, the board shall make  
8 recommendations to the governor and the legislature regarding  
9 Washington state's financial aid policies and programs.    The  
10 recommendations shall include, but not be limited to, the following  
11 policies:    (1) Methods for determining both initial and continuing  
12 student eligibility; (2) methods for determining student cost of  
13 attendance; (3) methods for determining student grant amounts; and (4)  
14 methods for distributing funds among the institutions of higher  
15 education.    The board shall also provide information on how its policy  
16 recommendations impact current students and state costs.    In  
17 formulating its recommendations, the board shall also analyze the  
18 impact of federal financial aid policies and strive to make Washington  
19 state policies work in concert with federal policies in a way that  
20 maximizes the combined resources of state and federal programs.    The  
21 board also will gather and analyze information on the extent to which  
22 state financial aid recipients are enrolled in precollege and  
23 developmental courses, and will report the information to the house of  
24 representatives and senate committees on higher education.

25        **Sec. 3.**    RCW 28B.10.800 and 1993 sp.s. c 18 s 2 are each amended to  
26 read as follows:

27        The ~~((sole))~~ purposes of RCW 28B.10.800 through 28B.10.824 ~~((is))~~  
28 are to establish the principles upon which the state financial aid  
29 programs will be based and to establish a state of Washington ~~((student~~  
30 ~~financial aid))~~ need grant program, thus assisting financially needy or  
31 disadvantaged students domiciled in Washington to obtain the  
32 opportunity of attending an accredited institution of higher education,  
33 as defined in RCW 28B.10.802(1).    ~~((Financial aid))~~ Need grants under  
34 RCW 28B.10.800 through 28B.10.824 ~~((is))~~ are available only to students  
35 who are resident students as defined in RCW 28B.15.012(2) (a) through  
36 (d).

1       **Sec. 4.** RCW 28B.10.802 and 1989 c 254 s 2 are each amended to read  
2 as follows:

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

4       (1) "Institutions of higher education" shall mean (~~((1))~~) (a) any  
5 public university, college, community college, or vocational-technical  
6 institute operated by the state of Washington or any political  
7 subdivision thereof or (~~((2))~~) (b) any other university, college,  
8 school, or institute in the state of Washington offering instruction  
9 beyond the high school level (~~(which)~~) that is a member institution of  
10 an accrediting association recognized by rule of the board for the  
11 purposes of this section: PROVIDED, That any institution, branch,  
12 extension or facility operating within the state of Washington which is  
13 affiliated with an institution operating in another state must be a  
14 separately accredited member institution of any such accrediting  
15 association: PROVIDED FURTHER, That no institution of higher education  
16 shall be eligible to participate in (~~(a student financial aid)~~) the  
17 state need grant program unless it agrees to and complies with program  
18 rules and regulations adopted pursuant to RCW 28B.10.822.

19       (2) The term "financial aid" shall mean loans (~~(and/or)~~), grants  
20 (~~(to)~~), and/or work study for needy students enrolled or accepted for  
21 enrollment as (~~(a))~~ students at institutions of higher education.

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

28       (4) The term "disadvantaged student" shall mean a post high school  
29 student who by reason of adverse cultural, educational, environmental,  
30 experiential, familial or other circumstances is unable to qualify for  
31 enrollment as a full time student in an institution of higher learning,  
32 who would otherwise qualify as a needy student, and who is attending an  
33 institution of higher learning under an established program designed to  
34 qualify the student for enrollment as a full time student.

35       (5) (~~("Commission" or)~~) "Board" shall mean the higher education  
36 coordinating board.

37       **Sec. 5.** RCW 28B.10.804 and 1995 c 269 s 801 are each amended to  
38 read as follows:

1 The (~~commission~~) board shall be cognizant of the following  
2 guidelines in the performance of its duties:

3 (1) The (~~commission~~) board shall be research oriented, not only  
4 at its inception but continually through its existence.

5 (2) The (~~commission~~) board shall coordinate all existing programs  
6 of financial aid except those specifically dedicated to a particular  
7 institution by the donor.

8 (3) The (~~commission~~) board shall take the initiative and  
9 responsibility for coordinating all federal student financial aid  
10 programs to (~~insure~~) ensure that the state recognizes the maximum  
11 potential effect of these programs, and shall design the state program  
12 which complements existing federal, state and institutional programs.  
13 In its program design, the board shall ensure that the state program  
14 continues to follow the principle that state financial aid funding  
15 follows the student to the student's choice of institution of higher  
16 education.

17 (4) Counseling is a paramount function of the state need grant and  
18 other state student financial aid programs, and in most cases could  
19 only be properly implemented at the institutional levels; therefore,  
20 state student financial aid programs shall be concerned with the  
21 attainment of those goals which, in the judgment of the (~~commission~~)  
22 board, are the reasons for the existence of a student financial aid  
23 program, and not solely with administration of the program on an  
24 individual basis.

25 (5) The "package" approach of combining loans, grants and  
26 employment for student financial aid shall be the (~~exceptional~~)  
27 conceptual element of the state's involvement.

28 **Sec. 6.** RCW 28B.10.806 and 1989 c 254 s 3 are each amended to read  
29 as follows:

30 The (~~commission~~) board shall have the following powers and  
31 duties:

32 (1) Conduct a full analysis of student financial aid as a means of:

33 (a) Fulfilling educational aspirations of students of the state of  
34 Washington, and

35 (b) Improving the general, social, cultural, and economic character  
36 of the state.

37 Such an analysis will be a continuous one and will yield current  
38 information relevant to needed improvements in the state program of

1 student financial aid. The ((~~commission~~)) board will disseminate the  
2 information yielded by their analyses to all appropriate individuals  
3 and agents.

4 (c) This study should include information on the following:

5 (i) all programs and sources of available student financial aid,

6 (ii) distribution of Washington citizens by socio-economic class,

7 (iii) data from federal and state studies useful in identifying:

8 (A) demands of students for specific educational goals in colleges,

9 and

10 (B) the discrepancy between high school students' preferences and  
11 the colleges they actually selected.

12 (2) Design a state program of student financial aid based on the  
13 data of the study referred to in this section and in section 2 of this  
14 act. The state program will supplement available federal and local aid  
15 programs. The state program of student financial aid will not exceed  
16 the difference between the budgetary costs of attending an institution  
17 of higher learning and the student's total resources, including family  
18 support, personal savings, employment, and federal and local aid  
19 programs.

20 (3) Determine and establish criteria for financial need of the  
21 individual applicant based upon the consideration of that particular  
22 applicant. In making this determination the ((~~commission~~)) board shall  
23 consider the following:

24 (a) Assets and income of the student.

25 (b) Assets and income of the parents, or the individuals legally  
26 responsible for the care and maintenance of the student.

27 (c) The cost of attending the institution the student is attending  
28 or planning to attend.

29 (d) Any other criteria deemed relevant to the ((~~commission~~)) board.

30 (4) Set the amount of financial aid to be awarded to any individual  
31 needy or disadvantaged student in any school year.

32 (5) Award financial aid to needy or disadvantaged students for a  
33 school year based upon only that amount necessary to fill the financial  
34 gap between the budgetary cost of attending an institution of higher  
35 education and the family and student contribution.

36 (6) Review the need and eligibility of all applications on an  
37 annual basis and adjust financial aid to reflect changes in the  
38 financial need of the recipients and the cost of attending the  
39 institution of higher education.

1       **Sec. 7.** RCW 28B.10.808 and 1991 c 164 s 4 are each amended to read  
2 as follows:

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

8       (1) The ~~((commission))~~ board shall annually select the financial  
9 aid award ~~((winners))~~ recipients from among Washington residents  
10 applying for student financial aid who have been ranked according to  
11 financial need as determined by the amount of the family contribution  
12 and other considerations brought to the ~~((commission's))~~ board's  
13 attention.

14       (2) The financial need of the highest ranked students shall be met  
15 by grants depending upon the evaluation of financial need until the  
16 total allocation has been disbursed. Funds from grants which are  
17 declined, forfeited or otherwise unused shall be reawarded until  
18 dispersed.

19       ~~((A grant may be renewed until the course of study is  
20 completed, but not for more than an additional four academic years  
21 beyond the first year of the award. These shall not be required to be  
22 consecutive years))~~ A student shall be eligible to receive a state need  
23 grant for up to five years, or the credit or clock hour equivalent of  
24 five years, or up to one hundred twenty-five percent of the published  
25 length of time of the student's program. A student may not earn more  
26 than one associate degree as a state need grant recipient.  
27 Qualifications for renewal will include maintaining satisfactory  
28 academic ~~((standing))~~ progress toward completion of ~~((the course of  
29 study, and continued eligibility))~~ an eligible program as determined by  
30 the ~~((commission))~~ 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.10.8081.

35       (4) In computing financial need, the ~~((commission))~~ board shall  
36 determine a maximum student expense budget allowance, not to exceed an  
37 amount equal to the total maximum student expense budget at the public  
38 institutions plus the current average state appropriation per student  
39 for operating expense in the public institutions.

1       **Sec. 8.** RCW 28B.10.810 and 1989 c 254 s 5 are each amended to read  
2 as follows:

3       For a student to be eligible for (~~(financial aid the)~~) a state need  
4 grant a student must:

5       (1) Be a "needy student" or "disadvantaged student" as determined  
6 by the (~~(commission)~~) board in accordance with RCW 28B.10.802 (3) and  
7 (4).

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

10       (3) Be enrolled or accepted for enrollment on at least a half-time  
11 basis at an institution of higher education in Washington as defined in  
12 RCW 28B.10.802(1).

13       (4) Have complied with all the rules and regulations adopted by the  
14 (~~(commission)~~) board for the administration of RCW 28B.10.800 through  
15 28B.10.824.

16       **Sec. 9.** RCW 28B.10.822 and 1973 c 62 s 4 are each amended to read  
17 as follows:

18       The (~~(commission)~~) board shall adopt rules (~~(and regulations)~~) as  
19 may be necessary or appropriate for effecting the provisions of RCW  
20 28B.10.800 through 28B.10.824 and section 1 of this act, and not in  
21 conflict with RCW 28B.10.800 through 28B.10.824, in accordance with the  
22 provisions of chapter 34.05 RCW, the (~~(state higher education)~~)  
23 administrative procedure act.

24       **Sec. 10.** RCW 28B.101.010 and 1990 c 288 s 3 are each amended to  
25 read as follows:

26       The educational opportunity grant program is hereby created (~~(as a~~  
27 ~~demonstration project)~~) to serve placebound financially needy students  
28 by assisting them to obtain a baccalaureate degree at public and  
29 private institutions of higher education (~~(which have the capacity to~~  
30 ~~accommodate such students within existing educational programs and~~  
31 ~~facilities)~~).

32       **Sec. 11.** RCW 28B.101.020 and 1990 c 288 s 4 are each amended to  
33 read as follows:

34       (1) For the purposes of this chapter, "placebound" means unable to  
35 relocate to complete a college program because of family or employment

1 commitments, health concerns, monetary inability, or other similar  
2 factors.

3 (2) To be eligible for an educational opportunity grant, applicants  
4 must be placebound residents of the state of Washington who are needy  
5 students as defined in RCW 28B.10.802(3) and who have completed the  
6 associate of arts degree or its equivalent. A placebound resident is  
7 one who may be influenced by the receipt of an enhanced student  
8 financial aid award (~~(to attend an institution that has existing unused~~  
9 ~~capacity rather than attend a branch campus established pursuant to~~  
10 ~~chapter 28B.45 RCW)~~). An eligible placebound applicant is further  
11 defined as a person (~~(whose residence is located in an area served by~~  
12 ~~a branch campus)~~) who, because of family or employment commitments,  
13 health concerns, monetary need, or other similar factors, would be  
14 unable to complete an upper-division course of study but for receipt of  
15 an educational opportunity grant.

16 **Sec. 12.** RCW 28B.101.040 and 1993 sp.s. c 18 s 35 and 1993 c 385  
17 s 2 are each reenacted and amended to read as follows:

18 Grants may be used by eligible participants to attend any public or  
19 private college or university in the state of Washington that is  
20 accredited by an accrediting association recognized by rule of the  
21 higher education coordinating board (~~(and that has an existing unused~~  
22 ~~capacity. Grants shall not be used to attend any branch campus or~~  
23 ~~educational program established under chapter 28B.45 RCW)~~). The  
24 participant shall not be eligible for a grant if it will be used for  
25 any programs that include religious worship, exercise, or instruction  
26 or to pursue a degree in theology. Each participating student may  
27 receive up to two thousand five hundred dollars per academic year, not  
28 to exceed the student's demonstrated financial need for the course of  
29 study. Resident students as defined in RCW 28B.15.012(2)(e) are not  
30 eligible for grants under this chapter. The board may deposit  
31 sufficient funds from any appropriation for this program into the state  
32 educational trust fund under RCW 28B.10.821 in order to provide a one-  
33 year renewal of the grant for each new recipient of the program.



1        NEW SECTION.    **Sec. 13.**    Sections 3 through 8 of this act apply to  
2 students who receive assistance through the state need grant program in  
3 the 1999 fall academic term and thereafter.

--- END ---