
HOUSE BILL 1851

State of Washington

55th Legislature

1997 Regular Session

By Representatives Carlson, Radcliff, Mason, Kenney, Dunn, Talcott and Sullivan

Read first time 02/11/97. Referred to Committee on Higher Education.

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, 28B.101.020, and 28B.101.030; reenacting and amending RCW
4 28B.101.040; adding a new section to chapter 28B.10 RCW; creating new
5 sections; and making appropriations.

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

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

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

11 (1) Precollege and developmental classes taken by students under
12 the age of twenty-four should not be included in the number of credits
13 required to obtain and maintain financial aid eligibility;

14 (2) In most circumstances, need grant eligibility should not extend
15 beyond four years plus one academic term or the credit or clock hour
16 equivalent;

17 (3) In most circumstances, need grant eligibility should not extend
18 beyond the published length of the program in which the student is
19 enrolled plus one academic term;

1 (4) The higher education coordinating board should enhance its
2 financial aid information outreach program. The board should make a
3 special effort to provide information to the parents of students in
4 middle school and junior high school; and

5 (5) State financial aid programs should continue to adhere to the
6 principle that funding follows resident students to their choice of
7 institution of higher education.

8 NEW SECTION. **Sec. 2.** In cooperation with students, student aid
9 administrators, employers, public and independent institutions of
10 higher education, private career schools and colleges, and other
11 interested parties, the higher education coordinating board shall
12 continue to evaluate and refine the thoughtful recommendations of its
13 1995-96 financial aid task force. As part of its effort, the board
14 shall consult economists and other experts to devise a method of
15 evaluating family income that, as accurately as possible, reflects the
16 student's and his or her family's ability to pay college expenses.
17 When evaluating ability to pay, the higher education coordinating board
18 shall take into account factors that include, but need not be limited
19 to: All sources of gift aid, employment, income, and living assistance
20 available to students and their families. The higher education
21 coordinating board shall also consider several different methods for
22 determining the grant amounts awarded to students at different types of
23 institutions of higher education. The methods shall include, but need
24 not be limited to: A percentage of cost of attendance; tuition and
25 fees at public colleges and universities; the provision of similar
26 grant amounts to all lower division students and to all upper division
27 undergraduate students, regardless of institution attended; and the
28 provision of enhanced grant amounts to upper division students who must
29 relocate to obtain their baccalaureate degrees. In its study, the
30 board may consider other financial aid concerns of students, employers,
31 aid administrators, institutions of higher education, and private
32 career schools and colleges. The board shall report its findings and
33 recommendations to the governor, the house of representatives and
34 senate committees on higher education, and other interested parties by
35 December 20, 1997.

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

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

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

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

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

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

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

1 (4) The term "disadvantaged student" shall mean a meritorious post
2 high school student who by reason of adverse cultural, educational,
3 environmental, experiential, familial or other circumstances is unable
4 to qualify for enrollment as a full time student in an institution of
5 higher learning, who would otherwise qualify as a needy student, and
6 who is attending an institution of higher learning under an established
7 program designed to qualify the student for enrollment as a full time
8 student.

9 (5) "Commission" or "board" shall mean the higher education
10 coordinating board.

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

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

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

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

20 (3) The (~~commission~~) board shall take the initiative and
21 responsibility for coordinating all federal student financial aid
22 programs to insure that the state recognizes the maximum potential
23 effect of these programs, and shall design the state program which
24 complements existing federal, state and institutional programs. In its
25 program design, the board shall ensure that the state program follows
26 the principle that state financial aid funding follows the student to
27 the student's choice of institution of higher education.

28 (4) Counseling is a paramount function of the state need grant and
29 other state student financial aid programs, and in most cases could
30 only be properly implemented at the institutional levels; therefore,
31 state student financial aid programs shall be concerned with the
32 attainment of those goals which, in the judgment of the (~~commission~~)
33 board, are the reasons for the existence of a student financial aid
34 program, and not solely with administration of the program on an
35 individual basis. Counseling includes the development, distribution,
36 and delivery of information about financial aid opportunities and
37 requirements to persons and organizations that include, but need not be
38 limited to: Students, parents, common schools, institutions of higher

1 education, public libraries, community-based organizations, and other
2 organizations and facilities that serve parents, students, and
3 potential students. The distribution of information may occur through
4 a variety of means including a toll-free hotline and the internet. A
5 special outreach effort shall be targeted toward parents of students in
6 the sixth through ninth grades. This outreach program shall include
7 information about the performance requirements necessary for college
8 entrance as well as the financial need requirements of state financial
9 aid programs. The board shall work cooperatively with the
10 superintendent of public instruction, the state board of education, the
11 common schools, institutions of higher education, and other interested
12 parties to design, distribute, and deliver financial aid information
13 for the special outreach effort.

14 (5) The "package" approach of combining loans, grants and
15 employment for student financial aid shall be the conceptional element
16 of the state's involvement.

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

19 The ((~~commission~~)) board shall have the following powers and
20 duties:

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

22 (a) Fulfilling educational aspirations of students of the state of
23 Washington, and

24 (b) Improving the general, social, cultural, and economic character
25 of the state.

26 Such an analysis will be a continuous one and will yield current
27 information relevant to needed improvements in the state program of
28 student financial aid. The ((~~commission~~)) board will disseminate the
29 information yielded by their analyses to all appropriate individuals
30 and agents.

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

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

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

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

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

36 and

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

1 (2) Design a state program of student financial aid based on the
2 data of the study referred to in this section. The state program will
3 supplement available federal and local aid programs. The state program
4 of student financial aid will not exceed the difference between the
5 budgetary costs of attending an institution of higher learning and the
6 student's total resources, including but not limited to: Family
7 support, personal savings, employment, and unemployment compensation;
8 temporary assistance for needy families; and federal, state, and local
9 financial aid and living assistance programs.

10 (3) Determine and establish criteria for financial need of the
11 individual applicant based upon the consideration of that particular
12 applicant. In making this determination the ((~~commission~~)) board shall
13 consider the following:

14 (a) Assets and income of the student.

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

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

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

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

22 (5) Award financial aid to needy or disadvantaged students for a
23 school year based upon only that amount necessary to fill the financial
24 gap between the budgetary cost of attending an institution of higher
25 education ((~~and~~)), the family and student contribution, and other
26 student financial aid.

27 (6) Review the need and eligibility of all applications on an
28 annual basis and adjust financial aid to reflect changes in the
29 financial need of the recipients and the cost of attending the
30 institution of higher education.

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

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

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

7 (2) The financial need of the highest ranked students shall be met
8 by grants depending upon the evaluation of financial need until the
9 total allocation has been disbursed. Funds from grants which are
10 declined, forfeited or otherwise unused shall be reawarded until
11 dispersed.

12 (3) A grant may be renewed ~~((until the course of study is
13 completed, but not for))~~ up to the published length of time of the
14 program, with total eligibility limited to no more than an additional
15 ((four)) three academic years plus one quarter or semester beyond the
16 first year of the award. These shall not be required to be consecutive
17 years. The board may make an exception for a student enrolled in a
18 five-year program, extending eligibility by an additional two quarters
19 or one semester. The period of eligibility for a student enrolled less
20 than full time shall be adjusted to the equivalent credit or clock
21 hours. The board shall adopt rules to ensure that, except in very
22 exceptional circumstances, the period of eligibility for a student
23 enrolled below the upper division level does not extend beyond two
24 academic years plus one quarter or semester. Qualifications for
25 renewal will include maintaining satisfactory ~~((academic standing))~~
26 progress toward completion of the course of study, and continued
27 eligibility as determined by the ~~((commission))~~ board. For students
28 under the age of twenty-four, credits earned in precollege and
29 developmental courses may not be used to determine eligibility or
30 satisfactory progress. 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)~~). The program has two purposes. The first
28 purpose is to serve placebound financially needy students by assisting
29 them to obtain a baccalaureate degree at public and ((private))
30 independent institutions of higher education which have the capacity to
31 accommodate such students within existing educational programs and
32 facilities. The second purpose is to minimize the need to build new
33 public colleges and universities or to expand the physical capacity of
34 existing state colleges and universities by providing an incentive for
35 upper division students to attend some public and independent
36 institutions of higher education with unused capacity.

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

3 (1) For the purposes of this chapter, "placebound" means unable to
4 relocate to complete a college program because of family or employment
5 commitments, health concerns, monetary inability, or other similar
6 factors. Placebound also includes students who might be able to
7 relocate to a baccalaureate institution with unused capacity if
8 additional student aid was available.

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

22 **Sec. 12.** RCW 28B.101.030 and 1990 c 288 s 5 are each amended to
23 read as follows:

24 The higher education coordinating board shall develop and
25 administer the educational opportunity grant program. The board shall
26 adopt necessary rules and guidelines and develop criteria and
27 procedures to select eligible participants in the program. The rules
28 shall give first priority to needy placebound students from branch
29 campus service areas who wish to attend the main campus of a public or
30 independent baccalaureate institution with unused capacity; second
31 priority to placebound students from any area who wish to relocate to
32 institutions of higher education that have a recent history of
33 underenrollment; and third priority to placebound students who wish to
34 attend the branch campus or extension center of a public baccalaureate
35 institution. With the assistance of the office of financial
36 management, and in consultation with public and independent
37 baccalaureate institutions, the board shall develop criteria for
38 determining the extent of underenrollments. The rules shall also

1 prohibit a student from receiving a grant for more than two academic
2 years plus one quarter or semester, or their quarter hour equivalent.
3 Payment shall be made directly to the eligible participant periodically
4 upon verification of enrollment and satisfactory progress towards
5 degree completion.

6 **Sec. 13.** RCW 28B.101.040 and 1993 sp.s. c 18 s 35 and 1993 c 385
7 s 2 are each reenacted and amended to read as follows:

8 Grants may be used by eligible participants to attend any public or
9 private college or university in the state of Washington that is
10 accredited by an accrediting association recognized by rule of the
11 higher education coordinating board and that has an existing unused
12 capacity. (~~Grants shall not be used to attend any branch campus or~~
13 ~~educational program established under chapter 28B.45 RCW.~~) The
14 participant shall not be eligible for a grant if it will be used for
15 any programs that include religious worship, exercise, or instruction
16 or to pursue a degree in theology. Each participating student may
17 receive up to two thousand five hundred dollars per academic year, not
18 to exceed the student's demonstrated financial need for the course of
19 study. Resident students as defined in RCW 28B.15.012(2)(e) are not
20 eligible for grants under this chapter.

21 NEW SECTION. **Sec. 14.** (1) The sum of five million dollars, or as
22 much thereof as may be necessary, is appropriated for the fiscal year
23 ending June 30, 1998, from the general fund to the higher education
24 coordinating board for work study grants under chapter 28B.12 RCW.

25 (2) The sum of five million dollars, or as much thereof as may be
26 necessary, is appropriated for the fiscal year ending June 30, 1999,
27 from the general fund to the higher education coordinating board for
28 work study grants under chapter 28B.12 RCW.

29 NEW SECTION. **Sec. 15.** (1) The sum of five million dollars, or as
30 much thereof as may be necessary, is appropriated for the fiscal year
31 ending June 30, 1998, from the general fund to the higher education
32 coordinating board for educational opportunity grants under chapter
33 28B.101 RCW.

34 (2) The sum of five million dollars, or as much thereof as may be
35 necessary, is appropriated for the fiscal year ending June 30, 1999,

1 from the general fund to the higher education coordinating board for
2 educational opportunity grants under chapter 28B.101 RCW.

3 NEW SECTION. **Sec. 16.** (1) The sum of eleven million five hundred
4 thousand dollars, or as much thereof as may be necessary, is
5 appropriated for the fiscal year ending June 30, 1998, from the general
6 fund to the higher education coordinating board for the state need
7 grant program.

8 (2) The sum of eleven million five hundred thousand dollars, or as
9 much thereof as may be necessary, is appropriated for the fiscal year
10 ending June 30, 1999, from the general fund to the higher education
11 coordinating board for the state need grant program.

12 NEW SECTION. **Sec. 17.** Sections 3 through 8 of this act apply to
13 students who receive assistance through the state need grant and work
14 study programs in the 1998 fall academic term and thereafter.

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