

2 **2SHB 1140** - S COMM AMD - **S2532.1**
3 By Committee on Higher Education

4 ADOPTED AS AMENDED (Flr 309) 4/8/99

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

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

9 (1) The legislature finds that the higher education coordinating
10 board, in consultation with the higher education community, has
11 completed a review of the state need grant program. It is the intent
12 of the legislature to endorse the board's proposed changes to the state
13 need grant program, including:

14 (a) Reaffirmation that the primary purpose of the state need grant
15 program is to assist low-income, needy, and disadvantaged Washington
16 residents attending institutions of higher education;

17 (b) A goal that the base state need grant amount over time be
18 increased to be equivalent to the rate of tuition charged to resident
19 undergraduate students attending Washington state public colleges and
20 universities;

21 (c) State need grant recipients be required to contribute a portion
22 of the total cost of their education through self-help;

23 (d) State need grant recipients be required to document their need
24 for dependent care assistance after taking into account other public
25 funds provided for like purposes; and

26 (e) Institutional aid administrators be allowed to determine
27 whether a student eligible for a state need grant in a given academic
28 year may remain eligible for the ensuing year if the student's family
29 income increases by no more than a marginal amount.

30 (2) The legislature further finds that the higher education
31 coordinating board, under its authority to implement the proposed
32 changes in subsection (1) of this section, should do so in a timely
33 manner.

34 (3) The legislature also finds that:

35 (a) In most circumstances, need grant eligibility should not extend
36 beyond five years or one hundred twenty-five percent of the published

1 length of the program in which the student is enrolled or the credit or
2 clock-hour equivalent; and

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

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

8 The ~~((sole))~~ purposes of RCW 28B.10.800 through 28B.10.824 ~~((is))~~
9 are to establish ((a)) the principles upon which the state financial
10 aid programs will be based and to establish the state of Washington
11 ~~((student financial aid))~~ state need grant program, thus assisting
12 financially needy or disadvantaged students domiciled in Washington to
13 obtain the opportunity of attending an accredited institution of higher
14 education, as defined in RCW 28B.10.802(1). ~~((Financial aid))~~ State
15 need grants under RCW 28B.10.800 through 28B.10.824 ~~((is))~~ are
16 available only to students who are resident students as defined in RCW
17 28B.15.012(2) (a) through (d).

18 **Sec. 3.** RCW 28B.10.804 and 1995 c 269 s 801 are each amended to
19 read as follows:

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

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

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

27 (3) The ~~((commission))~~ board shall take the initiative and
28 responsibility for coordinating all federal student financial aid
29 programs to ~~((insure))~~ ensure that the state recognizes the maximum
30 potential effect of these programs, and shall design ~~((the))~~ state
31 programs ~~((which))~~ that complement~~((s))~~ existing federal, state, and
32 institutional programs. The board shall ensure that state programs
33 continue to follow the principle that state financial aid funding
34 follows the student to the student's choice of institution of higher
35 education.

36 (4) Counseling is a paramount function of the state need grant and
37 other state student financial aid programs, and in most cases could

1 only be properly implemented at the institutional levels; therefore,
2 state student financial aid programs shall be concerned with the
3 attainment of those goals which, in the judgment of the ((~~commission~~))
4 board, are the reasons for the existence of a student financial aid
5 program, and not solely with administration of the program on an
6 individual basis.

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

10 **Sec. 4.** RCW 28B.10.806 and 1989 c 254 s 3 are each amended to read
11 as follows:

12 The ((~~commission~~)) board shall have the following powers and
13 duties:

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

15 (a) Fulfilling educational aspirations of students of the state of
16 Washington, and

17 (b) Improving the general, social, cultural, and economic character
18 of the state.

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

24 ((~~(c) This study should include information on the following:~~
25 ~~(i) all programs and sources of available student financial aid,~~
26 ~~(ii) distribution of Washington citizens by socio-economic class,~~
27 ~~(iii) data from federal and state studies useful in identifying:~~
28 ~~(A) demands of students for specific educational goals in colleges,~~
29 ~~and~~

30 ~~(B) the discrepancy between high school students' preferences and~~
31 ~~the colleges they actually selected.))~~

32 (2) Design a state program of student financial aid based on the
33 data of the study referred to in this section. The state programs will
34 supplement available federal and local aid programs. The state
35 programs of student financial aid will not exceed the difference
36 between the budgetary costs of attending an institution of higher
37 ((~~learning~~)) education and the student's total resources, including

1 family support, personal savings, employment, and federal, state, and
2 local aid programs.

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

7 (a) Assets and income of the student.

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

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

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

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

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

19 (6) Review the need and eligibility of all applications on an
20 annual basis and adjust financial aid to reflect changes in the
21 financial need of the recipients and the cost of attending the
22 institution of higher education.

23 **Sec. 5.** RCW 28B.10.808 and 1991 c 164 s 4 are each amended to read
24 as follows:

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

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

36 (2) The financial need of the highest ranked students shall be met
37 by grants depending upon the evaluation of financial need until the
38 total allocation has been disbursed. Funds from grants which are

1 declined, forfeited or otherwise unused shall be reawarded until
2 dispersed.

3 ~~(3) ((A grant may be renewed until the course of study is~~
4 ~~completed, but not for more than an additional four academic years~~
5 ~~beyond the first year of the award. These shall not be required to be~~
6 ~~consecutive years))~~ A student shall be eligible to receive a state need
7 grant for up to five years, or the credit or clock hour equivalent of
8 five years, or up to one hundred twenty-five percent of the published
9 length of time of the student's program. A student may not start a new
10 associate degree program as a state need grant recipient until at least
11 five years have elapsed since earning an associate degree as a need
12 grant recipient, except that a student may earn two associate degrees
13 concurrently. Qualifications for renewal will include maintaining
14 satisfactory academic ((standing)) progress toward completion of ((the
15 ~~course of study, and continued eligibility))~~ an eligible program as
16 determined by the ((commission)) board. Should the recipient terminate
17 his or her enrollment for any reason during the academic year, the
18 unused portion of the grant shall be returned to the state educational
19 grant fund by the institution according to the institution's own policy
20 for issuing refunds, except as provided in RCW 28B.10.8081.

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

26 **Sec. 6.** RCW 28B.10.810 and 1989 c 254 s 5 are each amended to read
27 as follows:

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

30 (1) Be a "needy student" or "disadvantaged student" as determined
31 by the ~~((commission))~~ board in accordance with RCW 28B.10.802 (3) and
32 (4).

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

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

1 (4) Have complied with all the rules and regulations adopted by the
2 ((~~commission~~)) board for the administration of RCW 28B.10.800 through
3 28B.10.824.

4 **Sec. 7.** RCW 28B.10.822 and 1973 c 62 s 4 are each amended to read
5 as follows:

6 The ((~~commission~~)) board shall adopt rules ((~~and regulations~~)) as
7 may be necessary or appropriate for effecting the provisions of RCW
8 28B.10.800 through 28B.10.824 and section 1 of this act, and not in
9 conflict with RCW 28B.10.800 through 28B.10.824, in accordance with the
10 provisions of chapter 34.05 RCW, the ((~~state higher education~~))
11 administrative procedure act.

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

14 In addition to waivers granted under the authority of RCW
15 28B.15.910, the governing boards of the state universities, the
16 regional universities, The Evergreen State College, and the community
17 colleges may waive all or a portion of the operating fees for any
18 student. State general fund appropriations shall not be provided to
19 replace tuition and fees revenue forgone as a result of waivers granted
20 under this section. The governing boards shall take public action to
21 adopt rules for granting tuition waivers authorized under this section.
22 Actions by governing boards of community colleges to grant waivers
23 under this section shall be subject to rules of the state board for
24 community and technical colleges.

25 NEW SECTION. **Sec. 9.** The higher education coordinating board,
26 with the assistance of the institutions of higher education, shall
27 evaluate the impact and the effectiveness of the new waiver authority
28 granted under this act. The evaluation shall include, but not be
29 limited to: (1) Information on how the institutions used their
30 authority to waive tuition, including what rates were put into effect
31 for categories of students or programs, and the impact on tuition
32 revenue; and (2) an analysis of the impact of additional waivers on
33 student enrollment patterns including changes in the proportion of
34 resident students, changes in the proportion of undergraduate students
35 and changes in the proportion of day-on-campus students. By November

1 1, 2000, the board shall report its findings and make recommendations
2 to the governor and the legislature.

3 **Sec. 10.** RCW 28B.15.066 and 1995 1st sp.s. c 9 s 3 are each
4 amended to read as follows:

5 It is the intent of the legislature that:

6 In making appropriations from the state's general fund to
7 institutions of higher education, each appropriation shall conform to
8 the following:

9 (1) The appropriation shall not be reduced by the amount of
10 operating fees revenue estimated to be collected from students enrolled
11 at the state-funded enrollment level specified in the omnibus biennial
12 operating appropriations act;

13 (2) The appropriation shall not be reduced by the amount of
14 operating fees revenue collected from students enrolled above the
15 state-funded level, but within the over-enrollment limitations,
16 specified in the omnibus biennial operating appropriations act; and

17 (3) The general fund state appropriation shall not be reduced by
18 the amount of operating fees revenue collected as a result of waiving
19 less operating fees revenue than the amounts authorized under RCW
20 28B.15.910. State general fund appropriations shall not be provided
21 for revenue forgone as a result of or for waivers granted under section
22 8 of this act.

23 **Sec. 11.** RCW 28B.15.910 and 1998 c 346 s 904 are each amended to
24 read as follows:

25 (1) For the purpose of providing state general fund support to
26 public institutions of higher education, except for revenue waived
27 under programs listed in subsection (3) of this section, and unless
28 otherwise expressly provided in the omnibus state appropriations act,
29 the total amount of operating fees revenue waived, exempted, or reduced
30 by a state university, a regional university, The Evergreen State
31 College, or the community colleges as a whole, shall not exceed the
32 percentage of total gross authorized operating fees revenue set forth
33 below. As used in this section, "gross authorized operating fees
34 revenue" means the estimated gross operating fees revenue as estimated
35 under RCW 82.33.020 or as revised by the office of financial
36 management, before granting any waivers. This limitation applies to
37 all tuition waiver programs established before or after July 1, 1992.

1	(a) University of Washington	21 percent
2	(b) Washington State University	20 percent
3	(c) Eastern Washington University	11 percent
4	(d) Central Washington University	8 percent
5	(e) Western Washington University	10 percent
6	(f) The Evergreen State College	6 percent
7	(g) Community colleges as a whole	35 percent

8 (2) The limitations in subsection (1) of this section apply to
9 waivers, exemptions, or reductions in operating fees contained in the
10 following:

- 11 (a) RCW 28B.10.265;
- 12 (b) RCW 28B.15.014;
- 13 (c) RCW 28B.15.100;
- 14 (d) RCW 28B.15.225;
- 15 (e) RCW 28B.15.380;
- 16 (f) RCW 28B.15.520;
- 17 (g) RCW 28B.15.526;
- 18 (h) RCW 28B.15.527;
- 19 (i) RCW 28B.15.543;
- 20 (j) RCW 28B.15.545;
- 21 (k) RCW 28B.15.555;
- 22 (l) RCW 28B.15.556;
- 23 (m) RCW 28B.15.615;
- 24 (n) RCW 28B.15.620;
- 25 (o) RCW 28B.15.628;
- 26 (p) RCW 28B.15.730;
- 27 (q) RCW 28B.15.740;
- 28 (r) RCW 28B.15.750;
- 29 (s) RCW 28B.15.756;
- 30 (t) RCW 28B.50.259;
- 31 (u) RCW 28B.70.050;
- 32 (v) RCW 28B.80.580; and

33 (w) During the 1997-99 fiscal biennium, the western interstate
34 commission for higher education undergraduate exchange program for
35 students attending Eastern Washington University.

36 (3) The limitations in subsection (1) of this section do not apply
37 to waivers, exemptions, or reductions in services and activities fees
38 contained in the following:

- 39 (a) RCW 28B.15.522;

1 (b) RCW 28B.15.540; and
2 (c) RCW 28B.15.558."

3 **2SHB 1140** - S COMM AMD
4 By Committee on Higher Education

5 ADOPTED AS AMENDED (Flr 309) 4/8/99

6 On page 1, line 1 of the title, after "education;" strike the
7 remainder of the title and insert "amending RCW 28B.10.800, 28B.10.804,
8 28B.10.806, 28B.10.808, 28B.10.810, 28B.10.822, 28B.15.066, and
9 28B.15.910; adding a new section to chapter 28B.10 RCW; adding a new
10 section to chapter 28B.15 RCW; and creating a new section."

--- END ---