
SUBSTITUTE HOUSE BILL 1882

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Wallace, Moeller, Haigh, McDermott, Kagi, Roberts, O'Brien, Kenney, Hurst and Ormsby)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to higher education costs; amending RCW 28B.95.060,
2 28B.50.030, 28B.92.060, 28B.92.080, and 28B.15.820; reenacting and
3 amending RCW 43.79A.040; adding new sections to chapter 28B.15 RCW;
4 adding a new section to chapter 28B.95 RCW; adding new sections to
5 chapter 28B.50 RCW; adding a new section to chapter 28B.92 RCW; adding
6 a new section to chapter 28B.76 RCW; adding a new chapter to Title 28B
7 RCW; creating new sections; and providing an expiration date.

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

9 NEW SECTION. **Sec. 1.** (1) The legislature finds that access to
10 higher education is of critical importance to the current and future
11 prosperity of the citizens of the state of Washington. However, the
12 legislature further finds that the following three factors are creating
13 barriers to access for students:

14 (a) Tuition increases have varied dramatically over the last
15 decade, making the cost of postsecondary attendance unpredictable for
16 students and families.

17 (b) There are at least thirty separate state and federal programs
18 providing direct financial aid or tax benefits to individuals seeking
19 postsecondary education, in addition to institutional aid, private

1 scholarships, and other programs. The system is complicated and
2 difficult to understand, with the unfortunate effect of discouraging
3 some low-income students from even applying to college. Additionally,
4 some students are not able to access enough financial assistance to
5 make postsecondary education affordable.

6 (c) Students frequently must repeat college-level coursework when
7 transferring from one institution of higher education to another,
8 increasing their financial and time costs.

9 (2) Through implementing of a complementary and coordinated set of
10 policies around tuition, financial aid, and student transitions, the
11 legislature intends to make access to higher education a top priority.

12 **PART 1**

13 **STATEWIDE TUITION POLICY**

14 NEW SECTION. **Sec. 101.** A new section is added to chapter 28B.15
15 RCW to read as follows:

16 TUITION--FUNDING LEVELS--LIMITATIONS. (1) Beginning with the
17 2007-08 academic year and ending with the 2016-17 academic year,
18 tuition fees charged to full-time resident undergraduate students may
19 increase no greater than seven percent over the previous academic year
20 in any institution of higher education. Annual reductions or increases
21 in full-time tuition fees for resident undergraduate students shall be
22 as provided in the omnibus appropriations act, within the seven percent
23 increase limit established in this section. To the extent that state
24 appropriations combined with tuition and fee revenues are insufficient
25 to achieve the total per-student funding goals established in
26 subsection (3) of this section, the legislature may revisit state
27 appropriations, authorized enrollment levels, and changes in tuition
28 fees for any given fiscal year.

29 (2) If in any year, the level of instructional state support per
30 full-time equivalent student at a public four-year institution does not
31 equal or exceed the amount of the previous year's instructional state
32 support adjusted for inflation using the implicit price deflator, the
33 tuition cap may be increased. In this circumstance, the governing
34 board of each impacted institution may elect to increase tuition and
35 fee revenues above the seven percent cap to a level sufficient to cover

1 the amount not received through the state appropriation. Upon meeting
2 the goal established in subsection (3) of this section, this authority
3 is suspended.

4 (3) The state shall adopt as its goal total per-student funding
5 levels, from state appropriations plus tuition and fees, of at least
6 the sixtieth percentile of total per-student funding at similar public
7 institutions of higher education in the global challenge states. The
8 office of financial management shall develop a funding trajectory for
9 each four-year institution of higher education and for the community
10 and technical college system as a whole that when combined with tuition
11 and fees revenue allows the state to achieve its funding goal for each
12 four-year institution and the community and technical college system as
13 a whole no later than fiscal year 2017. The state shall not reduce
14 enrollment levels below fiscal year 2007 budgeted levels in order to
15 improve or alter the per-student funding amount at any four-year
16 institution of higher education or the community and technical college
17 system as a whole. The state recognizes that each four-year
18 institution of higher education and the community and technical college
19 system as a whole have different funding requirements to achieve
20 desired performance levels, and that increases to the total per-student
21 funding amount may need to exceed the minimum funding goal.

22 (4) By September 1st of each year beginning in 2008, the office of
23 financial management shall report to the governor, the higher education
24 coordinating board, and appropriate committees of the legislature with
25 updated estimates of the total per-student funding level that
26 represents the sixtieth percentile of funding for comparable
27 institutions of higher education in the global challenge states, and
28 the progress toward that goal that was made for each of the public
29 institutions of higher education.

30 (5) As used in this section, "global challenge states" are the top
31 performing states on the new economy index published by the progressive
32 policy institute as of the effective date of this section. The new
33 economy index ranks states on indicators of their potential to compete
34 in the new economy. At least once every five years, the office of
35 financial management shall determine if changes to the list of global
36 challenge states are appropriate. The office of financial management
37 shall report its findings to the governor and the legislature.

1 NEW SECTION. **Sec. 102.** A new section is added to chapter 28B.15
2 RCW to read as follows:

3 BILLING DISCLOSURES TO STUDENTS. In addition to the requirement in
4 RCW 28B.76.300(4), institutions of higher education shall disclose to
5 their undergraduate resident students on the tuition billing statement,
6 in dollar figures for a full-time equivalent student: (1) The full
7 cost of instruction, (2) the amount collected from student tuition and
8 fees, and (3) the difference between the amounts for the full cost of
9 instruction and the student tuition and fees, noting that the
10 difference between the cost and tuition was paid by state tax funds and
11 other moneys.

12 **FINANCIAL AID**

13 **PART 2**

14 **GET READY FOR MATH AND SCIENCE SCHOLARSHIP PROGRAM**

15 NEW SECTION. **Sec. 201.** (1) The GET ready for math and science
16 scholarship program is established. The purpose of the program is to
17 provide scholarships to students who achieve level four on the
18 mathematics or science portions of the tenth grade Washington
19 assessment of student learning, major in a mathematics, science, or
20 related field in college, and commit to working in mathematics,
21 science, or a related field for at least three years in Washington
22 following completion of their bachelor's degree. The program shall be
23 administered by the nonprofit organization selected as the private
24 partner in the public-private partnership.

25 (2) The total annual amount of each GET ready for math and science
26 scholarship may vary, but shall not exceed the annual cost of resident
27 undergraduate tuition fees and mandatory fees at the University of
28 Washington. For full-time students, the amount of the scholarship
29 shall be as follows:

30 (a) Students with family incomes less than or equal to one hundred
31 percent of the state's median family income shall receive the maximum
32 scholarship award for the institution attended;

33 (b) Students whose incomes are greater than one hundred percent,
34 but less than or equal to one hundred fifty percent, of the state's

1 median family income shall receive fifty percent of the maximum award
2 for the institution attended; and

3 (c) Students whose incomes are greater than one hundred fifty
4 percent, but less than or equal to two hundred percent, of the state's
5 median family income shall receive twenty-five percent of the maximum
6 award for the institution attended.

7 (3) An eligible recipient may receive a GET ready for math and
8 science scholarship for up to one hundred eighty quarter credits, or
9 the semester equivalent, or for up to five years, whichever comes
10 first.

11 NEW SECTION. **Sec. 202.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

13 (1) "Board" means the higher education coordinating board.

14 (2) "GET units" means tuition units under the advanced college
15 tuition payment program in chapter 28B.95 RCW.

16 (3) "Institution of higher education" has the same meaning as in
17 RCW 28B.92.030.

18 (4) "Program administrator" means the private nonprofit corporation
19 that is registered under Title 24 RCW and qualified as a tax-exempt
20 entity under section 501(c)(3) of the federal internal revenue code,
21 that will serve as the private partner in the public-private
22 partnership under this chapter.

23 (5) "Qualified program" or "qualified major" means a mathematics,
24 science, or related degree program or major line of study offered by an
25 institution of higher education that is included on the list of
26 programs or majors selected by the board and the program administrator
27 under section 209 of this act.

28 NEW SECTION. **Sec. 203.** (1) An eligible student is a student who:

29 (a) Is eligible for resident tuition and fee rates as defined in
30 RCW 28B.15.012;

31 (b) Achieved level four on the mathematics or science portion of
32 the tenth grade Washington assessment of student learning;

33 (c) Has a family income at or below one hundred twenty-five percent
34 of the state median family income at the time the student applies for
35 a GET ready for math and science scholarship and for up to the two
36 previous years;

1 (d) Has declared an intention to complete a qualified program or
2 qualified major or has entered a qualified program or declared a
3 qualified major at an institution of higher education;

4 (e) Has declared an intention to work in a mathematics, science, or
5 related field in Washington for at least three years immediately
6 following completion of a bachelor's degree or higher degree.

7 (2) An eligible recipient is an eligible student who:

8 (a) Enrolls at an institution of higher education within one year
9 of graduating from high school;

10 (b) Maintains satisfactory academic progress, as defined by the
11 institution of higher education where the student is enrolled;

12 (c) Takes at least one college-level mathematics or science course
13 each term since enrolling in an institution of higher education; and

14 (d) Enters a qualified program or qualified major no later than the
15 end of the first term in which the student has junior level standing.

16 NEW SECTION. Sec. 204. (1) If the student enrolls in a qualified
17 program or declares a qualified major and the program or major is
18 subsequently removed from the list of qualified programs and qualified
19 majors by the board and the program administrator, the student's
20 eligibility to receive a GET ready for math and science scholarship
21 shall not be affected.

22 (2) If a student who received a GET ready for math and science
23 scholarship ceases to be enrolled in an institution of higher
24 education, withdraws or is no longer enrolled in a qualified program,
25 declares a major that is not a qualified major, or otherwise is no
26 longer eligible to receive a GET ready for math and science
27 scholarship, the student shall notify the program administrator as soon
28 as practicable and is not eligible for further GET ready for math and
29 science scholarship awards. Such a student shall also repay the amount
30 of the GET ready for math and science scholarship awarded to the
31 student as required by section 205 of this act.

32 NEW SECTION. Sec. 205. (1) A recipient of a GET ready for math
33 and science scholarship incurs an obligation to repay the scholarship,
34 with interest and an equalization fee, if he or she does not:

35 (a) Graduate with a bachelor's degree from a qualified program or

1 in a qualified major within five years of first enrolling at an
2 institution of higher education; and

3 (b) Work in Washington in a mathematics, science, or related
4 occupation full time for at least three years following completion of
5 a bachelor's degree, unless he or she is enrolled in a graduate degree
6 program as provided in subsection (4) of this section.

7 (2) A former scholarship recipient who has earned a bachelor's
8 degree shall annually verify to the board that he or she is working
9 full time in a mathematics, science, or related field for three years.

10 (3) If a former scholarship recipient begins but then stops working
11 full time in a mathematics, science, or related field within three
12 years following completion of a bachelor's degree, he or she shall pay
13 back a prorated portion of the amount of the GET ready for math and
14 science scholarship award received by the recipient, plus interest and
15 a prorated equalization fee.

16 (4) A recipient may postpone for up to three years his or her in-
17 state work obligation if he or she enrolls full time in a graduate
18 degree program in mathematics, science, or a related field.

19 NEW SECTION. **Sec. 206.** The office of the superintendent of public
20 instruction shall:

21 (1) Notify elementary, middle, junior high, and high school
22 students, parents, teachers, counselors, principals, and the children's
23 administration of the department of social and health services about
24 the GET ready for math and science scholarship program;

25 (2) Notify students who achieve level four of the mathematics or
26 science Washington assessment of student learning in tenth grade that
27 they may be eligible to apply for a GET ready for math and science
28 scholarship and provide them with contact information for the program
29 administrator;

30 (3) Notify the program administrator and the board, as early as
31 possible during the fall of the students' junior year in high school,
32 of the names and contact information of all students who achieved level
33 four on the mathematics or science Washington assessment of student
34 learning during tenth grade so that the program administrator may
35 provide them with scholarship information; and

36 (4) Provide data showing the race, ethnicity, income, and other
37 available demographic information of students who achieve level four of

1 the math and science Washington assessment of student learning in the
2 tenth grade. Compare those data with comparable information on the
3 tenth grade student population as a whole. Submit a report with the
4 analysis to the committees responsible for education and higher
5 education in the legislature on December 1st of even-numbered years.

6 NEW SECTION. **Sec. 207.** The board shall:

7 (1) Purchase GET units to be owned and held in trust by the board,
8 for the purpose of scholarship awards as provided for in this section;

9 (2) Distribute scholarship funds, in the form of GET units or
10 through direct payments from the GET ready for math and science
11 scholarship account, to institutions of higher education on behalf of
12 eligible recipients identified by the program administrator;

13 (3) Provide the program administrator with annual reports regarding
14 enrollment, contact, and graduation information of GET ready for math
15 and science scholarship recipients, if the recipients have given
16 permission for the board to do so;

17 (4) Collect repayments from former scholarship recipients who do
18 not meet the eligibility criteria or work obligations; and

19 (5) Establish rules for scholarship repayment, approved leaves of
20 absence, deferments, and exceptions to recognize extenuating
21 circumstances that may impact students.

22 NEW SECTION. **Sec. 208.** The program administrator shall:

23 (1) Recruit a minimum of eight private partners to provide input
24 into the development and administration of the GET ready for math and
25 science program;

26 (2) Solicit and accept grants and donations from private sources to
27 match state funds appropriated for the GET ready for math and science
28 scholarship program;

29 (3) Develop and implement an application, selection, and
30 notification process for awarding GET ready for math and science
31 scholarships;

32 (4) Notify institutions of higher education of scholarship
33 recipients who will attend their institutions and inform them of the
34 terms of the students' eligibility; and

35 (5) Report to private donors on the program outcomes and facilitate
36 contact between scholarship recipients and donors, if the recipients

1 have given the program administrator permission to do so, in order for
2 donors to offer employment opportunities, internships, and career
3 information to recipients.

4 NEW SECTION. **Sec. 209.** The board and the program administrator
5 shall jointly determine criteria for qualifying undergraduate programs,
6 majors, and courses leading to a bachelor's degree in mathematics,
7 science, or a related field, offered by institutions of higher
8 education. The board shall publish the criteria for qualified courses,
9 and lists of qualified programs and qualified majors on its web site on
10 a biennial basis.

11 NEW SECTION. **Sec. 210.** (1) The GET ready for math and science
12 scholarship account is created in the custody of the state treasurer.

13 (2) The board shall deposit into the account all money received for
14 the GET ready for math and science scholarship program from
15 appropriations and private sources. The account shall be
16 self-sustaining.

17 (3) Expenditures from the account shall be used for scholarships to
18 eligible students and for purchases of GET units. Purchased GET units
19 shall be owned and held in trust by the board. Expenditures from the
20 account shall be an equal match of state appropriations and private
21 funds raised by the program administrator.

22 (4) With the exception of the operating costs associated with the
23 management of the account by the treasurer's office as authorized in
24 chapter 43.79A RCW, the account shall be credited with all investment
25 income earned by the account.

26 (5) Disbursements from the account are exempt from appropriations
27 and the allotment provisions of chapter 43.88 RCW.

28 (6) Disbursements from the account shall be made only on the
29 authorization of the board.

30 NEW SECTION. **Sec. 211.** A new section is added to chapter 28B.95
31 RCW to read as follows:

32 Ownership of tuition units purchased by the higher education
33 coordinating board for the GET ready for math and science scholarship
34 program under section 207 of this act shall be in the name of the state

1 of Washington and may be redeemed by the state of Washington on behalf
2 of recipients of GET ready for math and science scholarship program
3 scholarships for tuition and fees.

4 **Sec. 212.** RCW 28B.95.060 and 2000 c 14 s 5 are each amended to
5 read as follows:

6 (1) The Washington advanced college tuition payment program account
7 is created in the custody of the state treasurer. The account shall be
8 a discrete nontreasury account retaining its interest earnings in
9 accordance with RCW 43.79A.040.

10 (2)(a) Except as provided in (b) of this subsection, the governing
11 body shall deposit in the account all money received for the program.
12 The account shall be self-sustaining and consist of payments received
13 from purchasers of tuition units and funds received from other sources,
14 public or private. With the exception of investment and operating
15 costs associated with the investment of money by the investment board
16 paid under RCW 43.33A.160 and 43.84.160, the account shall be credited
17 with all investment income earned by the account. Disbursements from
18 the account are exempt from appropriations and the allotment provisions
19 of chapter 43.88 RCW. Money used for program administration is subject
20 to the allotment of all expenditures. However, an appropriation is not
21 required for such expenditures. Program administration shall include,
22 but not be limited to: The salaries and expenses of the program
23 personnel including lease payments, travel, and goods and services
24 necessary for program operation; contracts for program promotion and
25 advertisement, audits, and account management; and other general costs
26 of conducting the business of the program.

27 (b) All money received by the program from the higher education
28 coordinating board for the GET ready for math and science scholarship
29 program shall be deposited in the GET ready for math and science
30 scholarship account created in section 210 of this act.

31 (3) The assets of the account may be spent without appropriation
32 for the purpose of making payments to institutions of higher education
33 on behalf of the qualified beneficiaries, making refunds, transfers, or
34 direct payments upon the termination of the Washington advanced college
35 tuition payment program. Disbursements from the account shall be made
36 only on the authorization of the governing body.

1 (4) With regard to the assets of the account, the state acts in a
2 fiduciary, not ownership, capacity. Therefore the assets of the
3 program are not considered state money, common cash, or revenue to the
4 state.

5 **Sec. 213.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2
6 are each reenacted and amended to read as follows:

7 (1) Money in the treasurer's trust fund may be deposited, invested,
8 and reinvested by the state treasurer in accordance with RCW 43.84.080
9 in the same manner and to the same extent as if the money were in the
10 state treasury.

11 (2) All income received from investment of the treasurer's trust
12 fund shall be set aside in an account in the treasury trust fund to be
13 known as the investment income account.

14 (3) The investment income account may be utilized for the payment
15 of purchased banking services on behalf of treasurer's trust funds
16 including, but not limited to, depository, safekeeping, and
17 disbursement functions for the state treasurer or affected state
18 agencies. The investment income account is subject in all respects to
19 chapter 43.88 RCW, but no appropriation is required for payments to
20 financial institutions. Payments shall occur prior to distribution of
21 earnings set forth in subsection (4) of this section.

22 (4)(a) Monthly, the state treasurer shall distribute the earnings
23 credited to the investment income account to the state general fund
24 except under (b) and (c) of this subsection.

25 (b) The following accounts and funds shall receive their
26 proportionate share of earnings based upon each account's or fund's
27 average daily balance for the period: The Washington promise
28 scholarship account, the college savings program account, the
29 Washington advanced college tuition payment program account, the
30 agricultural local fund, the American Indian scholarship endowment
31 fund, the foster care scholarship endowment fund, the foster care
32 endowed scholarship trust fund, the students with dependents grant
33 account, the basic health plan self-insurance reserve account, the
34 contract harvesting revolving account, the Washington state combined
35 fund drive account, the commemorative works account, the Washington
36 international exchange scholarship endowment fund, the developmental
37 disabilities endowment trust fund, the energy account, the fair fund,

1 the fruit and vegetable inspection account, the future teachers
2 conditional scholarship account, the game farm alternative account, the
3 GET ready for math and science scholarship account, the grain
4 inspection revolving fund, the juvenile accountability incentive
5 account, the law enforcement officers' and fire fighters' plan 2
6 expense fund, the local tourism promotion account, the produce railcar
7 pool account, the regional transportation investment district account,
8 the rural rehabilitation account, the stadium and exhibition center
9 account, the youth athletic facility account, the self-insurance
10 revolving fund, the sulfur dioxide abatement account, the children's
11 trust fund, the Washington horse racing commission Washington bred
12 owners' bonus fund account, the Washington horse racing commission
13 class C purse fund account, the individual development account program
14 account, the Washington horse racing commission operating account
15 (earnings from the Washington horse racing commission operating account
16 must be credited to the Washington horse racing commission class C
17 purse fund account), the life sciences discovery fund, and the reading
18 achievement account. However, the earnings to be distributed shall
19 first be reduced by the allocation to the state treasurer's service
20 fund pursuant to RCW 43.08.190.

21 (c) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The advanced right of way
24 revolving fund, the advanced environmental mitigation revolving
25 account, the city and county advance right-of-way revolving fund, the
26 federal narcotics asset forfeitures account, the high occupancy vehicle
27 account, the local rail service assistance account, and the
28 miscellaneous transportation programs account.

29 (5) In conformance with Article II, section 37 of the state
30 Constitution, no trust accounts or funds shall be allocated earnings
31 without the specific affirmative directive of this section.

32 PART 3

33 IMPLEMENTING POSTSECONDARY OPPORTUNITIES

34 NEW SECTION. **Sec. 301.** The legislature finds that:

35 (1) The economic trends of globalization and technological change

1 are increasing the demand for higher and differently skilled workers
2 than in the past;

3 (2) Increasing Washington's economic competitiveness requires
4 increasing the supply of skilled workers in the state;

5 (3) Improving the labor market competitiveness of all Washington
6 residents requires that all residents have access to postsecondary
7 education; and

8 (4) Community and technical college workforce training programs and
9 Washington state apprenticeship and training council-approved
10 apprenticeship programs provide effective and efficient pathways for
11 people to enter high wage, high skill careers while also meeting the
12 needs of the economy.

13 **OPPORTUNITY GRANT PROGRAM**

14 NEW SECTION. **Sec. 302.** A new section is added to chapter 28B.50
15 RCW to read as follows:

16 (1) The college board shall develop and implement a workforce
17 education program known as the opportunity grant program to provide
18 funding for students enrolled at qualified institutions of higher
19 education in opportunity grant-eligible programs of study as described
20 in section 304 of this act. Students enrolled in the opportunity grant
21 program are eligible for:

22 (a) Funding for tuition and mandatory fees at the public community
23 and technical college rate, prorated if the credit load is less than
24 full time, paid directly to the educational institution; and

25 (b) An additional one thousand dollars per academic year for books,
26 tools, and supplies, prorated if the credit load is less than full
27 time.

28 (2) Funding under subsection (1)(a) and (b) of this section is
29 limited to a maximum forty-five credits or the equivalent in an
30 opportunity grant-eligible program of study, including required related
31 courses. No student may receive opportunity grant funding for more
32 than forty-five credits or for more than three years from initial
33 receipt of grant funds in one or a combination of programs.

34 NEW SECTION. **Sec. 303.** A new section is added to chapter 28B.50
35 RCW to read as follows:

1 (1) To be eligible for participation in the opportunity grant
2 program established in section 302 of this act, a student must:

3 (a) Be a Washington resident student as defined in RCW 28B.15.012
4 enrolled in an opportunity grant-eligible program of study; and

5 (b)(i) Be enrolled on or after January 1, 2008, but before January
6 1, 2010, and have a family income that is at or below two hundred
7 percent of the federal poverty level using the most current guidelines
8 available from the United States department of health and human
9 services;

10 (ii) Be enrolled on or after January 1, 2010, but before January 1,
11 2012, and have a family income that is at or below the state median
12 family income using the state need grant schedule for the same academic
13 year; or

14 (iii) Be enrolled in a qualified institution of higher education on
15 or after January 1, 2012.

16 (2) Upon enrolling, the student must provide evidence of commitment
17 to complete the program. The student must make satisfactory progress
18 and maintain a cumulative 2.0 grade point average for continued
19 eligibility. If a student's cumulative grade point average falls below
20 2.0, the student may petition the institution of higher education of
21 attendance. The qualified institution of higher education has the
22 authority to establish a probationary period until such time as the
23 student's grade point average reaches required standards.

24 (3) Subject to funds appropriated for this specific purpose,
25 qualified institutions of higher education shall receive an enhancement
26 of one thousand five hundred dollars for each full-time equivalent
27 student enrolled in the opportunity grant program whose income is below
28 two hundred percent of the federal poverty level. The funds shall be
29 used for individualized support services which may include, but are not
30 limited to, college and career advising, tutoring, emergency child
31 care, and emergency transportation. The qualified institution of
32 higher education is expected to help students access all financial
33 resources and support services available to them through alternative
34 sources.

35 (4) The college board shall be accountable for student retention
36 and completion of opportunity grant-eligible programs of study. It
37 shall set annual performance measures and targets and monitor the
38 performance at all qualified institutions of higher education. The

1 college board must reduce funding at institutions of higher education
2 that do not meet targets for two consecutive years, based on criteria
3 developed by the college board.

4 (5) The college board and higher education coordinating board shall
5 work together to ensure that students participating in the opportunity
6 grant program:

7 (a) Receive all other state and federal financial aid to which they
8 are entitled while receiving an opportunity grant; and

9 (b) Receive priority for state and federal financial aid when
10 pursuing a subsequent related credential, certificate, or degree at a
11 two or four-year institution of higher education, after completing the
12 opportunity grant program.

13 (6) The college board and higher education coordinating board shall
14 document the amount of opportunity grant assistance and the types and
15 amounts of other sources of financial aid received by participating
16 students. Annually, they shall produce a summary of the data.

17 (7) The college board shall:

18 (a) Begin developing the program no later than August 1, 2007, with
19 student enrollment to begin no later than January 14, 2008; and

20 (b) Submit a progress report to the legislature by December 1,
21 2008.

22 (8) The college board may, in implementing the opportunity grant
23 program, accept, use, and expend or dispose of contributions of money,
24 services, and property. All such moneys received by the college board
25 for the program must be deposited in an account at a depository
26 approved by the state treasurer. Only the college board or a duly
27 authorized representative thereof may authorize expenditures from this
28 account. In order to maintain an effective expenditure and revenue
29 control, the account is subject in all respects to chapter 43.88 RCW,
30 but no appropriation is required to permit expenditure of moneys in the
31 account.

32 OPPORTUNITY PARTNERSHIPS

33 NEW SECTION. **Sec. 304.** A new section is added to chapter 28B.50
34 RCW to read as follows:

35 The college board, in partnership with business, labor, and the
36 workforce training and education coordinating board, shall:

1 (1) Identify job specific training programs offered by qualified
2 postsecondary institutions that lead to a credential, certificate, or
3 degree in high demand occupations, which are occupations where data
4 show that employer demand for workers exceeds the supply of qualified
5 job applicants throughout the state or in a specific region, and where
6 training capacity is underutilized;

7 (2) Gain recognition of the credentials, certificates, and degrees
8 by Washington's employers and labor organizations. The college board
9 shall designate these recognized credentials, certificates, and degrees
10 as "opportunity grant-eligible programs of study"; and

11 (3) Market the credentials, certificates, and degrees to potential
12 students, businesses, and apprenticeship programs as a way for
13 individuals to advance in their careers and to better meet the needs of
14 industry.

15 NEW SECTION. **Sec. 305.** A new section is added to chapter 28B.50
16 RCW to read as follows:

17 (1) Community and technical colleges shall partner with local
18 workforce development councils to develop the opportunity partnership
19 program. The opportunity partnership program may be newly developed or
20 part of an existing program, and shall provide mentoring to students
21 participating in the opportunity grant program. The program must
22 develop criteria and identify opportunity grant students who would
23 benefit by having a mentor. Each participating student shall be
24 matched with a business or labor mentor employed in the field in which
25 the student is interested. The mentor shall help the student explore
26 careers and employment options through any combination of tours,
27 informational interviews, job shadowing, and internships.

28 (2) Subject to funds appropriated for this specific purpose, the
29 workforce training and education coordinating board shall create the
30 opportunity partnership program. The board, in partnership with
31 business, labor, and the college board, shall determine the criteria
32 for the distribution of funds.

33 (3) The board may, in implementing this section, accept, use, and
34 dispose of contributions of money, services, and property. All moneys
35 received by the board for the purposes of this section must be
36 deposited in a depository approved by the state treasurer. Only the
37 board or a duly authorized representative thereof may authorize

1 expenditures from this account. In order to maintain an effective
2 expenditure and revenue control, the account is subject in all respects
3 to chapter 43.88 RCW, but no appropriation is required to permit
4 expenditure of moneys in the account.

5 **MISCELLANEOUS**

6 **Sec. 306.** RCW 28B.50.030 and 2005 c 258 s 8 are each amended to
7 read as follows:

8 As used in this chapter, unless the context requires otherwise, the
9 term:

10 (1) "System" shall mean the state system of community and technical
11 colleges, which shall be a system of higher education.

12 (2) "Board" shall mean the work force training and education
13 coordinating board.

14 (3) "College board" shall mean the state board for community and
15 technical colleges created by this chapter.

16 (4) "Director" shall mean the administrative director for the state
17 system of community and technical colleges.

18 (5) "District" shall mean any one of the community and technical
19 college districts created by this chapter.

20 (6) "Board of trustees" shall mean the local community and
21 technical college board of trustees established for each college
22 district within the state.

23 (7) "Occupational education" shall mean that education or training
24 that will prepare a student for employment that does not require a
25 baccalaureate degree, and education and training leading to an applied
26 baccalaureate degree.

27 (8) "K-12 system" shall mean the public school program including
28 kindergarten through the twelfth grade.

29 (9) "Common school board" shall mean a public school district board
30 of directors.

31 (10) "Community college" shall include those higher education
32 institutions that conduct education programs under RCW 28B.50.020.

33 (11) "Technical college" shall include those higher education
34 institutions with the sole mission of conducting occupational
35 education, basic skills, literacy programs, and offering on short
36 notice, when appropriate, programs that meet specific industry needs.

1 The programs of technical colleges shall include, but not be limited
2 to, continuous enrollment, competency-based instruction, industry-
3 experienced faculty, curriculum integrating vocational and basic skills
4 education, and curriculum approved by representatives of employers and
5 labor. For purposes of this chapter, technical colleges shall include
6 Lake Washington Vocational-Technical Institute, Renton Vocational-
7 Technical Institute, Bates Vocational-Technical Institute, Clover Park
8 Vocational Institute, and Bellingham Vocational-Technical Institute.

9 (12) "Adult education" shall mean all education or instruction,
10 including academic, vocational education or training, basic skills and
11 literacy training, and "occupational education" provided by public
12 educational institutions, including common school districts for persons
13 who are eighteen years of age and over or who hold a high school
14 diploma or certificate. However, "adult education" shall not include
15 academic education or instruction for persons under twenty-one years of
16 age who do not hold a high school degree or diploma and who are
17 attending a public high school for the sole purpose of obtaining a high
18 school diploma or certificate, nor shall "adult education" include
19 education or instruction provided by any four year public institution
20 of higher education.

21 (13) "Dislocated forest product worker" shall mean a forest
22 products worker who: (a)(i) Has been terminated or received notice of
23 termination from employment and is unlikely to return to employment in
24 the individual's principal occupation or previous industry because of
25 a diminishing demand for his or her skills in that occupation or
26 industry; or (ii) is self-employed and has been displaced from his or
27 her business because of the diminishing demand for the business'
28 services or goods; and (b) at the time of last separation from
29 employment, resided in or was employed in a rural natural resources
30 impact area.

31 (14) "Forest products worker" shall mean a worker in the forest
32 products industries affected by the reduction of forest fiber
33 enhancement, transportation, or production. The workers included
34 within this definition shall be determined by the employment security
35 department, but shall include workers employed in the industries
36 assigned the major group standard industrial classification codes "24"
37 and "26" and the industries involved in the harvesting and management
38 of logs, transportation of logs and wood products, processing of wood

1 products, and the manufacturing and distribution of wood processing and
2 logging equipment. The commissioner may adopt rules further
3 interpreting these definitions. For the purposes of this subsection,
4 "standard industrial classification code" means the code identified in
5 RCW 50.29.025(3).

6 (15) "Dislocated salmon fishing worker" means a finfish products
7 worker who: (a)(i) Has been terminated or received notice of
8 termination from employment and is unlikely to return to employment in
9 the individual's principal occupation or previous industry because of
10 a diminishing demand for his or her skills in that occupation or
11 industry; or (ii) is self-employed and has been displaced from his or
12 her business because of the diminishing demand for the business's
13 services or goods; and (b) at the time of last separation from
14 employment, resided in or was employed in a rural natural resources
15 impact area.

16 (16) "Salmon fishing worker" means a worker in the finfish industry
17 affected by 1994 or future salmon disasters. The workers included
18 within this definition shall be determined by the employment security
19 department, but shall include workers employed in the industries
20 involved in the commercial and recreational harvesting of finfish
21 including buying and processing finfish. The commissioner may adopt
22 rules further interpreting these definitions.

23 (17) "Rural natural resources impact area" means:

24 (a) A nonmetropolitan county, as defined by the 1990 decennial
25 census, that meets three of the five criteria set forth in subsection
26 (18) of this section;

27 (b) A nonmetropolitan county with a population of less than forty
28 thousand in the 1990 decennial census, that meets two of the five
29 criteria as set forth in subsection (18) of this section; or

30 (c) A nonurbanized area, as defined by the 1990 decennial census,
31 that is located in a metropolitan county that meets three of the five
32 criteria set forth in subsection (18) of this section.

33 (18) For the purposes of designating rural natural resources impact
34 areas, the following criteria shall be considered:

35 (a) A lumber and wood products employment location quotient at or
36 above the state average;

37 (b) A commercial salmon fishing employment location quotient at or
38 above the state average;

1 (c) Projected or actual direct lumber and wood products job losses
2 of one hundred positions or more;

3 (d) Projected or actual direct commercial salmon fishing job losses
4 of one hundred positions or more; and

5 (e) An unemployment rate twenty percent or more above the state
6 average. The counties that meet these criteria shall be determined by
7 the employment security department for the most recent year for which
8 data is available. For the purposes of administration of programs
9 under this chapter, the United States post office five-digit zip code
10 delivery areas will be used to determine residence status for
11 eligibility purposes. For the purpose of this definition, a zip code
12 delivery area of which any part is ten miles or more from an urbanized
13 area is considered nonurbanized. A zip code totally surrounded by zip
14 codes qualifying as nonurbanized under this definition is also
15 considered nonurbanized. The office of financial management shall make
16 available a zip code listing of the areas to all agencies and
17 organizations providing services under this chapter.

18 (19) "Applied baccalaureate degree" means a baccalaureate degree
19 awarded by a college under RCW 28B.50.810 for successful completion of
20 a program of study that is:

21 (a) Specifically designed for individuals who hold an associate of
22 applied science degree, or its equivalent, in order to maximize
23 application of their technical course credits toward the baccalaureate
24 degree; and

25 (b) Based on a curriculum that incorporates both theoretical and
26 applied knowledge and skills in a specific technical field.

27 (20) "Qualified institutions of higher education" means:

28 (a) Washington public community and technical colleges;

29 (b) Private career schools that are members of an accrediting
30 association recognized by rule of the higher education coordinating
31 board for the purposes of chapter 28B.92 RCW; and

32 (c) Washington state apprenticeship and training council-approved
33 apprenticeship programs.

34 **PART 4**

35 **EXPANDING THE STATE NEED GRANT**

1 **Sec. 401.** RCW 28B.92.060 and 2005 c 93 s 3 are each amended to
2 read as follows:

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

8 (1) The board shall annually select the financial aid award
9 recipients from among Washington residents applying for student
10 financial aid who have been ranked according to:

11 (a) Financial need as determined by the amount of the family
12 contribution; and

13 (b) Other considerations, such as whether the student is a former
14 foster youth.

15 (2) The financial need of the highest ranked students shall be met
16 by grants depending upon the evaluation of financial need until the
17 total allocation has been disbursed. Funds from grants which are
18 declined, forfeited or otherwise unused shall be reawarded until
19 disbursed, except that eligible former foster youth shall be assured
20 receipt of a grant.

21 (3) A student shall be eligible to receive a state need grant for
22 up to five years, or the credit or clock hour equivalent of five years,
23 or up to one hundred twenty-five percent of the published length of
24 time of the student's program. A student may not start a new associate
25 degree program as a state need grant recipient until at least five
26 years have elapsed since earning an associate degree as a need grant
27 recipient, except that a student may earn two associate degrees
28 concurrently. Qualifications for renewal will include maintaining
29 satisfactory academic progress toward completion of an eligible program
30 as determined by the 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.92.070.

35 (4) In computing financial need, the board shall determine a
36 maximum student expense budget allowance, not to exceed an amount equal
37 to the total maximum student expense budget at the public institutions

1 plus the current average state appropriation per student for operating
2 expense in the public institutions.

3 (5)(a) A student who is enrolled in three to six credit-bearing
4 quarter credits, or the equivalent semester credits, may receive a
5 grant for up to one academic year before beginning a program that leads
6 to a degree or certificate.

7 (b) An eligible student enrolled on a less-than-full-time basis
8 shall receive a prorated portion of his or her state need grant for any
9 academic period in which he or she is enrolled on a less-than-full-time
10 basis, as long as funds are available.

11 (c) An institution of higher education may award a state need grant
12 to an eligible student on a provisional basis before the student
13 completes the required free application for federal student aid if:

14 (i) The student has not previously received a state need grant from
15 that institution;

16 (ii) The institution has conducted a review of the student's
17 financial condition, and the financial condition of the student's
18 family if the student is a dependent student, and has determined that
19 the student is likely eligible for a state need grant; and

20 (iii) The student has signed a document attesting to the fact that
21 the financial information the student provided to the institution is
22 accurate and complete and that the student agrees to repay the
23 institution for the grant amount if the student is subsequently deemed
24 to be ineligible for a state need grant.

25 (d) An institution of higher education that awards a student a
26 state need grant on a provisional basis shall require the student to
27 submit his or her free application for federal student aid by no later
28 than the forty-fifth day of the quarter or sixtieth day of the semester
29 in which the student received the provisional grant.

30 (e) A student who fails to submit the free application for federal
31 student aid by the forty-fifth day of the quarter or the sixtieth day
32 of the semester in which the student receives a provisional grant shall
33 be deemed to have been ineligible to receive a state need grant for
34 that quarter or semester, and shall repay the amount of the grant. In
35 the case of exceptional circumstances, a school may extend the time
36 period in which a particular student must submit the free application
37 for federal student aid. However, that time period may not be extended

1 beyond the last day of the quarter or semester in which the student
2 received a provisional grant.

3 (f) No student who is required to repay a provisional state need
4 grant is eligible to receive a subsequent state need grant until the
5 student has repaid the provisional grant in full.

6 (6) As used in this section, "former foster youth" means a person
7 who is at least eighteen years of age, but not more than twenty-four
8 years of age, who was a dependent of the department of social and
9 health services at the time he or she attained the age of eighteen.

10 **Sec. 402.** RCW 28B.92.080 and 2004 c 275 s 39 are each amended to
11 read as follows:

12 For a student to be eligible for a state need grant a student must:

13 (1) Be a "needy student" or "disadvantaged student" as determined
14 by the board in accordance with RCW 28B.92.030 (3) and (4).

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

17 (3) Be enrolled or accepted for enrollment (~~on at least a half-~~
18 ~~time basis~~) for at least three quarter credits or the equivalent
19 semester credits at an institution of higher education in Washington as
20 defined in RCW 28B.92.030(1).

21 (4) Have complied with all the rules and regulations adopted by the
22 board for the administration of this chapter.

23 NEW SECTION. **Sec. 403.** A new section is added to chapter 28B.92
24 RCW to read as follows:

25 Institutions of higher education are encouraged to review their
26 policies and procedures regarding financial aid for students taking a
27 less-than-half-time course load, and to implement policies and
28 procedures providing students taking a less-than-half-time course load
29 with the same access to institutional aid, including tuition waivers,
30 as provided to students enrolled half time or more.

31 **Sec. 404.** RCW 28B.15.820 and 2004 c 275 s 66 are each amended to
32 read as follows:

33 (1) Each institution of higher education, including technical
34 colleges, shall deposit a minimum of three and one-half percent of
35 revenues collected from tuition and services and activities fees in an

1 institutional financial aid fund that is hereby created and which shall
2 be held locally. Moneys in the fund shall be used only for the
3 following purposes: (a) To make guaranteed long-term loans to eligible
4 students as provided in subsections (3) through (8) of this section;
5 (b) to make short-term loans as provided in subsection (9) of this
6 section; or (c) to provide financial aid to needy students as provided
7 in subsection (10) of this section.

8 (2) An "eligible student" for the purposes of subsections (3)
9 through (8) and (10) of this section is a student registered for at
10 least (~~six~~) three credit hours or the equivalent, who is eligible for
11 resident tuition and fee rates as defined in RCW 28B.15.012 and
12 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.

13 (3) The amount of the guaranteed long-term loans made under this
14 section shall not exceed the demonstrated financial need of the
15 student. Each institution shall establish loan terms and conditions
16 which shall be consistent with the terms of the guaranteed loan program
17 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
18 amended. All loans made shall be guaranteed by the Washington student
19 loan guaranty association or its successor agency. Institutions are
20 hereby granted full authority to operate as an eligible lender under
21 the guaranteed loan program.

22 (4) Before approving a guaranteed long-term loan, each institution
23 shall analyze the ability of the student to repay the loan based on
24 factors which include, but are not limited to, the student's
25 accumulated total education loan burdens and the employment
26 opportunities and average starting salary characteristics of the
27 student's chosen fields of study. The institution shall counsel the
28 student on the advisability of acquiring additional debt, and on the
29 availability of other forms of financial aid.

30 (5) Each institution is responsible for collection of guaranteed
31 long-term loans made under this section and shall exercise due
32 diligence in such collection, maintaining all necessary records to
33 insure that maximum repayments are made. Institutions shall cooperate
34 with other lenders and the Washington student loan guaranty
35 association, or its successor agency, in the coordinated collection of
36 guaranteed loans, and shall assure that the guarantability of the loans
37 is not violated. Collection and servicing of guaranteed long-term
38 loans under this section shall be performed by entities approved for

1 such servicing by the Washington student loan guaranty association or
2 its successor agency: PROVIDED, That institutions be permitted to
3 perform such servicing if specifically recognized to do so by the
4 Washington student loan guaranty association or its successor agency.
5 Collection and servicing of guaranteed long-term loans made by
6 community colleges under subsection (1) of this section shall be
7 coordinated by the state board for community and technical colleges and
8 shall be conducted under procedures adopted by the state board.

9 (6) Receipts from payment of interest or principal or any other
10 subsidies to which institutions as lenders are entitled, that are paid
11 by or on behalf of borrowers of funds under subsections (3) through (8)
12 of this section, shall be deposited in each institution's financial aid
13 fund and shall be used to cover the costs of making the guaranteed
14 long-term loans under this section and maintaining necessary records
15 and making collections under subsection (5) of this section: PROVIDED,
16 That such costs shall not exceed five percent of aggregate outstanding
17 loan principal. Institutions shall maintain accurate records of such
18 costs, and all receipts beyond those necessary to pay such costs, shall
19 be deposited in the institution's financial aid fund.

20 (7) The governing boards of the state universities, the regional
21 universities, and The Evergreen State College, and the state board for
22 community and technical colleges, on behalf of the community colleges
23 and technical colleges, shall each adopt necessary rules and
24 regulations to implement this section.

25 (8) First priority for any guaranteed long-term loans made under
26 this section shall be directed toward students who would not normally
27 have access to educational loans from private financial institutions in
28 Washington state, and maximum use shall be made of secondary markets in
29 the support of loan consolidation.

30 (9) Short-term loans, not to exceed one year, may be made from the
31 institutional financial aid fund to students enrolled in the
32 institution. No such loan shall be made to any student who is known by
33 the institution to be in default or delinquent in the payment of any
34 outstanding student loan. A short-term loan may be made only if the
35 institution has ample evidence that the student has the capability of
36 repaying the loan within the time frame specified by the institution
37 for repayment.

1 (10) Any moneys deposited in the institutional financial aid fund
2 that are not used in making long-term or short-term loans may be used
3 by the institution for locally-administered financial aid programs for
4 needy students, such as need-based institutional employment programs or
5 need-based tuition and fee scholarship or grant programs. These funds
6 shall be used in addition to and not to replace institutional funds
7 that would otherwise support these locally-administered financial aid
8 programs. First priority in the use of these funds shall be given to
9 needy students who have accumulated excessive educational loan burdens.
10 An excessive educational loan burden is a burden that will be difficult
11 to repay given employment opportunities and average starting salaries
12 in the student's chosen fields of study. Second priority in the use of
13 these funds shall be given to needy single parents, to assist these
14 students with their educational expenses, including expenses associated
15 with child care and transportation.

16 **PART 5**

17 **FINANCIAL AID ACCESS AND TRANSPARENCY**

18 NEW SECTION. **Sec. 501.** (1) The higher education coordinating
19 board shall conduct a review of:

20 (a) The current types and amounts of need-based financial aid
21 available to students in Washington from state, federal, and
22 institutional sources, with information on the eligible population for
23 each source; and

24 (b) The level of understanding of available financial aid and
25 requirements for accessing the aid, among high school students, high
26 school parents, and college students.

27 (2) Based on the results of the review, the higher education
28 coordinating board shall develop and propose a plan to:

29 (a) Simplify the delivery of financial aid;

30 (b) Provide easy access to high quality financial aid information;
31 and

32 (c) Address gaps in the financial aid system.

33 (3) The board shall submit its plan to the fiscal and higher
34 education committees of the legislature by December 20, 2007, and shall
35 coordinate its research and development with the state board for

1 community and technical colleges and the superintendent of public
2 instruction.

3 (4) The board may, in carrying out this study, accept, use, and
4 dispose of contributions of money, services, and property. All moneys
5 received by the board for the study must be deposited in a depository
6 approved by the state treasurer. Disbursements of such funds shall be
7 on authorization of the institute or a duly authorized representative
8 thereof. In order to maintain an effective expenditure and revenue
9 control, such funds are subject in all respects to chapter 43.88 RCW,
10 but no appropriation is required to permit expenditure of such funds.

11 (5) This section expires December 31, 2007.

12 **PART 6**
13 **STUDENT TRANSITIONS**

14 NEW SECTION. **Sec. 601.** A new section is added to chapter 28B.76
15 RCW to read as follows:

16 (1) The legislature desires to make transitions among high school,
17 two-year, and four-year institutions of higher education through a
18 standard practice, whether through course design, common course
19 numbering, or transfer agreements. The legislature recognizes that
20 significant progress has been accomplished in this area through a joint
21 access oversight group. However, challenges that still exist lead to
22 unnecessary time and money costs for students. The higher education
23 coordinating board, in collaboration with the state board for community
24 and technical colleges and the council of presidents, shall convene a
25 work group that includes representatives of the public baccalaureate
26 institutions and the community and technical colleges. The work group
27 may include representatives from independent four-year institutions as
28 appropriate. The work group shall be responsible for identifying and
29 examining:

30 (a) The criteria and circumstances under which courses that
31 transfer within an associate degree program do and do not transfer
32 separately from a degree;

33 (b) A comprehensive list of additional major-related program
34 agreements that are needed to best prepare transfer students for
35 specific baccalaureate majors;

1 (c) The current availability of baccalaureate degree programs into
2 which associate of applied science technical degrees transfer, and a
3 list of those to be considered in the future; and

4 (d) The transferability of advanced placement courses, and other
5 college-level and dual credit coursework taken during high school.

6 (2) Based upon the information identified by the work group in
7 subsection (1) of this section, the work group shall provide the higher
8 education coordinating board with a recommended work plan and timetable
9 to improve transfer, that includes: (a) Options for course and degree
10 transfer, (b) an expansion of baccalaureate degree options for
11 graduates of associate of applied science technical degree programs,
12 and (c) recommended strategies to improve student understanding of
13 courses that are appropriate for transfer into various types of
14 baccalaureate degrees. The higher education coordinating board, in
15 collaboration with the state board for community and technical colleges
16 and the council of presidents, shall review and modify the work group's
17 recommendations as necessary.

18 (3) The higher education coordinating board shall report to the
19 higher education committees of the house of representatives and the
20 senate on the work plan, its implementation, and any resulting policy
21 changes on an annual basis, beginning January 10, 2008.

22 **PART 7**

23 **MISCELLANEOUS PROVISIONS**

24 NEW SECTION. **Sec. 701.** Part headings and captions used in this
25 act are not any part of the law.

26 NEW SECTION. **Sec. 702.** Sections 201 through 210 of this act
27 constitute a new chapter in Title 28B RCW.

--- END ---