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**SUBSTITUTE HOUSE BILL 2021**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Kenney, Probst, Wallace, Sullivan, Priest, Maxwell, Chase, Ormsby, Hudgins, Jacks, Lias, White, Sells, Morrell, Kelley, Darneille, Wood, and Roberts)

READ FIRST TIME 02/18/09.

1           AN ACT Relating to revitalizing student financial aid; amending RCW  
2 28B.92.060,     28B.92.030,     28B.15.543,     28B.76.660,     28B.76.665,  
3 28B.15.0681,   28B.76.500,   28B.15.820,   and 28B.12.030; adding a new  
4 section to chapter 28B.101 RCW; adding new sections to chapter 28B.92  
5 RCW; adding a new section to chapter 28A.600 RCW; adding a new section  
6 to chapter 28B.15 RCW; adding new sections to chapter 28B.12 RCW;  
7 creating a new section; repealing RCW 28B.101.005, 28B.101.010,  
8 28B.101.020, 28B.101.030, and 28B.101.040; providing effective dates;  
9 and providing an expiration date.

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

11           NEW SECTION.   **Sec. 1.**   The legislature finds that a myriad of  
12 financial aid programs exist for students at the federal, state, local,  
13 community, and institutional levels. These programs enable thousands  
14 of students across Washington to access all sectors of higher  
15 education, from apprenticeship programs to public and private four and  
16 two-year institutions of higher education. The legislature further  
17 finds that Washington state is a national leader in the distribution of  
18 financial aid to increase college access and affordability, ranking

1 fourth in the nation in 2007 in terms of state student grant aid  
2 funding per capita.

3 It is the intent of the legislature to promote and expand access to  
4 state financial aid programs by determining which programs provide the  
5 greatest value to the largest number of students, and by fully  
6 supporting those programs. Furthermore, it is the intent of the  
7 legislature to designate all existing financial aid an opportunity  
8 fund, with the effect of providing students with a clear understanding  
9 of available resources to pay for postsecondary education, thereby  
10 increasing access to postsecondary education and meeting the needs of  
11 local business and industry.

12 It is the intent of the legislature that the higher education  
13 coordinating board, the state board for community and technical  
14 colleges, the office of the superintendent of public instruction, the  
15 workforce training and education coordinating board, and institutions  
16 of higher education coordinate the development of outreach tools, such  
17 as a web-based portal for information on all opportunity fund aid  
18 programs. The information should be communicated in a format and  
19 manner that provides an ease of understanding for students and their  
20 families and include other pertinent information on institutions of  
21 higher education, costs, and academic programs. It is also the intent  
22 of the legislature for institutions of higher education to incorporate  
23 this information in promotional materials to prospective and current  
24 students and their families.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.101  
26 RCW to read as follows:

27 (1) The legislature intends to consolidate the educational  
28 opportunity grant program over a period of two years. As of August 1,  
29 2009, no new educational opportunity grants may be made. Persons who  
30 have been selected by the higher education coordinating board to  
31 receive a grant before August 1, 2009, shall receive the full amount of  
32 their award, not to exceed two thousand five hundred dollars per  
33 academic year for a maximum of two years. All persons awarded an  
34 educational opportunity grant before August 1, 2009, must complete  
35 using the award before August 1, 2011. For these recipients,  
36 eligibility for the grant is forfeited after this period.

37 (2) This section expires August 1, 2011.

1        NEW SECTION.    **Sec. 3.** A new section is added to chapter 28B.92 RCW  
2 to read as follows:

3        (1) To the extent funds are appropriated for this purpose and  
4 within overall appropriations for the state need grant, enhanced need  
5 grants are provided for persons who meet all of the following criteria:

6            (a) Are needy students as defined in RCW 28B.92.030;

7            (b) Are placebound students as defined in RCW 28B.92.030; and

8            (c) Have completed the associate of arts or the associate of  
9 science degree, or its equivalent.

10        (2) The enhanced need grants established in this section are  
11 provided to this specific group of students in addition to the base  
12 state need grant, as defined by rule of the board.

13        **Sec. 4.** RCW 28B.92.060 and 2007 c 404 s 2 are each amended to read  
14 as follows:

15        In awarding need grants, the board shall proceed substantially as  
16 follows: PROVIDED, That nothing contained herein shall be construed to  
17 prevent the board, in the exercise of its sound discretion, from  
18 following another procedure when the best interest of the program so  
19 dictates:

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

23            (a) Financial need as determined by the amount of the family  
24 contribution; and

25            (b) Other considerations, such as whether the student is a former  
26 foster youth, or is a placebound student who has completed an associate  
27 of arts or associate of science degree or its equivalent.

28        (2) The financial need of the highest ranked students shall be met  
29 by grants depending upon the evaluation of financial need until the  
30 total allocation has been disbursed. Funds from grants which are  
31 declined, forfeited or otherwise unused shall be reawarded until  
32 disbursed, except that eligible former foster youth shall be assured  
33 receipt of a grant.

34        (3) A student shall be eligible to receive a state need grant for  
35 up to five years, or the credit or clock hour equivalent of five years,  
36 or up to one hundred twenty-five percent of the published length of  
37 time of the student's program. A student may not start a new associate

1 degree program as a state need grant recipient until at least five  
2 years have elapsed since earning an associate degree as a need grant  
3 recipient, except that a student may earn two associate degrees  
4 concurrently. Qualifications for renewal will include maintaining  
5 satisfactory academic progress toward completion of an eligible program  
6 as determined by the board. Should the recipient terminate his or her  
7 enrollment for any reason during the academic year, the unused portion  
8 of the grant shall be returned to the state educational grant fund by  
9 the institution according to the institution's own policy for issuing  
10 refunds, except as provided in RCW 28B.92.070.

11 (4) In computing financial need, the board shall determine a  
12 maximum student expense budget allowance, not to exceed an amount equal  
13 to the total maximum student expense budget at the public institutions  
14 plus the current average state appropriation per student for operating  
15 expense in the public institutions. Any child support payments  
16 received by students who are parents attending less than half-time  
17 shall not be used in computing financial need.

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

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

26 (c) An institution of higher education may award a state need grant  
27 to an eligible student enrolled in three to six credit-bearing quarter  
28 credits, or the semester equivalent, on a provisional basis if:

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

31 (ii) The student completes the required free application for  
32 federal student aid;

33 (iii) The institution has reviewed the student's financial  
34 condition, and the financial condition of the student's family if the  
35 student is a dependent student, and has determined that the student is  
36 likely eligible for a state need grant; and

37 (iv) The student has signed a document attesting to the fact that  
38 the financial information provided on the free application for federal

1 student aid and any additional financial information provided directly  
2 to the institution is accurate and complete, and that the student  
3 agrees to repay the institution for the grant amount if the student  
4 submitted false or incomplete information.

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

9 **Sec. 5.** RCW 28B.92.030 and 2004 c 275 s 35 are each amended to  
10 read as follows:

11 As used in this chapter:

12 (1) "Institution" or "institutions of higher education" means:

13 (a) Any public university, college, community college, or technical  
14 college operated by the state of Washington or any political  
15 subdivision thereof; or

16 (b) Any other university, college, school, or institute in the  
17 state of Washington offering instruction beyond the high school level  
18 which is a member institution of an accrediting association recognized  
19 by rule of the board for the purposes of this section: PROVIDED, That  
20 any institution, branch, extension or facility operating within the  
21 state of Washington which is affiliated with an institution operating  
22 in another state must be a separately accredited member institution of  
23 any such accrediting association, or a branch of a member institution  
24 of an accrediting association recognized by rule of the board for  
25 purposes of this section, that is eligible for federal student  
26 financial aid assistance and has operated as a nonprofit college or  
27 university delivering on-site classroom instruction for a minimum of  
28 twenty consecutive years within the state of Washington, and has an  
29 annual enrollment of at least seven hundred full-time equivalent  
30 students: PROVIDED FURTHER, That no institution of higher education  
31 shall be eligible to participate in a student financial aid program  
32 unless it agrees to and complies with program rules and regulations  
33 adopted pursuant to RCW 28B.92.150.

34 (2) "Financial aid" means loans and/or grants to needy students  
35 enrolled or accepted for enrollment as a student at institutions of  
36 higher education.

1 (3) "Needy student" means a post high school student of an  
2 institution of higher education who demonstrates to the board the  
3 financial inability, either through the student's parents, family  
4 and/or personally, to meet the total cost of board, room, books, and  
5 tuition and incidental fees for any semester or quarter.

6 (4) "Disadvantaged student" means a post high school student who by  
7 reason of adverse cultural, educational, environmental, experiential,  
8 familial or other circumstances is unable to qualify for enrollment as  
9 a full time student in an institution of higher education, who would  
10 otherwise qualify as a needy student, and who is attending an  
11 institution of higher education under an established program designed  
12 to qualify the student for enrollment as a full time student.

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

14 (6) "Placebound student" means a student who (a) is unable to  
15 complete a college program because of family or employment commitments,  
16 health concerns, monetary inability, or other similar factors; and (b)  
17 may be influenced by the receipt of an enhanced student financial aid  
18 award to complete a baccalaureate degree at an eligible institution.

19 NEW SECTION. Sec. 6. A new section is added to chapter 28A.600  
20 RCW to read as follows:

21 (1) The legislature intends to change eligibility requirements of  
22 the Washington scholars program. Persons who have been selected by the  
23 higher education coordinating board as Washington scholars or  
24 Washington scholars-alternates before August 1, 2009, shall continue to  
25 be eligible to receive a maximum of twelve quarters or eight semesters  
26 of grants for undergraduate study, subject to applicable rule of the  
27 higher education coordinating board. Persons who have been selected by  
28 the higher education coordinating board as Washington scholars or  
29 Washington scholars-alternates on or after August 1, 2009, are eligible  
30 to receive a maximum of six quarters or four semesters of grants for  
31 undergraduate study.

32 (2) It is further the intent of the legislature to redirect any  
33 cost savings gained through changes in eligibility criteria to the  
34 Washington scholars program to the state work-study program, as defined  
35 in chapter 28B.12 RCW.

1       **Sec. 7.** RCW 28B.15.543 and 2004 c 275 s 49 are each amended to  
2 read as follows:

3       (1) Subject to the limitations of RCW 28B.15.910, the governing  
4 boards of the state universities, the regional universities, The  
5 Evergreen State College, and the community colleges shall waive tuition  
6 and service and activities fees for students named by the higher  
7 education coordinating board on or before June 30, 1994, as recipients  
8 of the Washington scholars award under RCW 28A.600.100 through  
9 28A.600.150. The waivers shall be used only for undergraduate studies.  
10 To qualify for the waiver, recipients shall enter the college or  
11 university within three years of high school graduation and maintain a  
12 minimum grade point average at the college or university equivalent to  
13 3.30. Students (~~(shall be)~~) named as recipients before August 1, 2009,  
14 are eligible to receive a maximum of twelve quarters or eight semesters  
15 of waivers and may transfer among state-supported institutions of  
16 higher education during that period and continue to have the tuition  
17 and services and activities fees waived by the state-supported  
18 institution of higher education that the student attends. Beginning  
19 August 1, 2009, students named as recipients are eligible to receive a  
20 maximum of six quarters or four semesters of waivers and may transfer  
21 among state-supported institutions of higher education during that  
22 period and continue to have the tuition and services and activities  
23 fees waived by the state-supported institution of higher education that  
24 the student attends. Should the student's cumulative grade point  
25 average fall below 3.30 during the first three quarters or two  
26 semesters, that student may petition the higher education coordinating  
27 board which shall have the authority to establish a probationary period  
28 until such time as the student's grade point average meets required  
29 standards.

30       (2) Students named by the higher education coordinating board after  
31 June 30, 1994, as recipients of the Washington scholars award under RCW  
32 28A.600.100 through 28A.600.150 shall be eligible to receive a grant  
33 for undergraduate course work as authorized under RCW 28B.76.660.

34       **Sec. 8.** RCW 28B.76.660 and 2005 c 518 s 917 are each amended to  
35 read as follows:

36       (1) Recipients of the Washington scholars award or the Washington  
37 scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who

1 choose to attend an independent college or university in this state, as  
2 defined in subsection (4) of this section, and recipients of the award  
3 named after June 30, 1994, who choose to attend a public college or  
4 university in the state may receive grants under this section if moneys  
5 are available. The higher education coordinating board shall  
6 distribute grants to eligible students under this section from moneys  
7 appropriated for this purpose. The individual grants shall not exceed,  
8 on a yearly basis, the yearly, full-time, resident, undergraduate  
9 tuition and service and activities fees in effect at the state-funded  
10 research universities. Grants to recipients attending an independent  
11 institution shall be contingent upon the institution matching on at  
12 least a dollar-for-dollar basis, either with actual money or by a  
13 waiver of fees, the amount of the grant received by the student from  
14 the state. The higher education coordinating board shall establish  
15 procedures, by rule, to disburse the awards as direct grants to the  
16 students.

17 (2) The higher education coordinating board shall establish rules  
18 that provide for the annual awarding of grants, if moneys are  
19 available, to three Washington scholars per legislative district except  
20 for fiscal year 2007 when no more than two scholars per district shall  
21 be selected; and, if not used by an original recipient, to the  
22 Washington scholars-alternate from the same legislative district.

23 Beginning with scholars selected in the year 2000, if the  
24 recipients of grants fail to demonstrate in a timely manner that they  
25 will enroll in a Washington institution of higher education in the fall  
26 term of the academic year following the award of the grant or are  
27 deemed by the higher education coordinating board to have withdrawn  
28 from college during the first academic year following the award, then  
29 the grant shall be considered relinquished. The higher education  
30 coordinating board may then award any remaining grant amounts to the  
31 Washington scholars-alternate from the same legislative district if the  
32 grants are awarded within one calendar year of the recipient being  
33 named a Washington scholars-alternate. Washington scholars-alternates  
34 named as recipients of the grant must also demonstrate in a timely  
35 manner that they will enroll in a Washington institution of higher  
36 education during the next available term, as determined by the higher  
37 education coordinating board. The board may accept appeals and grant



1 waivers to the enrollment requirements of this section based on  
2 exceptional mitigating circumstances of individual grant recipients.

3 To maintain eligibility for the grants, recipients must maintain a  
4 minimum grade point average at the college or university equivalent to  
5 3.30. Students (~~shall be~~) selected before August 1, 2009, are  
6 eligible to receive a maximum of twelve quarters or eight semesters of  
7 grants for undergraduate study and may transfer among in-state public  
8 and independent colleges and universities during that period and  
9 continue to receive the grant as provided under RCW 28B.76.665.  
10 Beginning August 1, 2009, students named as recipients are eligible to  
11 receive a maximum of six quarters or four semesters of grants for  
12 undergraduate study and may transfer among in-state public and  
13 independent colleges and universities during that period and continue  
14 to receive the grant as provided under RCW 28B.76.665. If the  
15 student's cumulative grade point average falls below 3.30 during the  
16 first three quarters or two semesters, that student may petition the  
17 higher education coordinating board which shall have the authority to  
18 establish a probationary period until such time as the student's grade  
19 point average meets required standards.

20 (3) No grant shall be awarded to any student who is pursuing a  
21 degree in theology.

22 (4) As used in this section, "independent college or university"  
23 means a private, nonprofit educational institution, the main campus of  
24 which is permanently situated in the state, open to residents of the  
25 state, providing programs of education beyond the high school level  
26 leading at least to the baccalaureate degree, and accredited by the  
27 northwest association of schools and colleges as of June 9, 1988, and  
28 other institutions as may be developed that are approved by the higher  
29 education coordinating board as meeting equivalent standards as those  
30 institutions accredited under this section.

31 (5) As used in this section, "public college or university" means  
32 an institution of higher education as defined in RCW 28B.10.016.

33 **Sec. 9.** RCW 28B.76.665 and 2004 c 275 s 25 are each amended to  
34 read as follows:

35 Students receiving grants under RCW 28B.76.660 or waivers under RCW  
36 28B.15.543 are entitled to transfer among in-state public and  
37 independent colleges or universities and to continue to receive award

1 benefits, as provided in this section, in the form of a grant or waiver  
2 of tuition and services and activities fees while enrolled at such  
3 institutions during the period of eligibility. For students identified  
4 as Washington scholars or Washington scholars-alternates before August  
5 1, 2009, the total grants or waivers for any one student shall not  
6 exceed twelve quarters or eight semesters of undergraduate study.  
7 Beginning August 1, 2009, the total grants or waivers for any one  
8 student shall not exceed six quarters or four semesters of  
9 undergraduate study.

10 (1) Scholars named to the award on or before June 30, 1994, may  
11 transfer between in-state public institutions, or from an eligible  
12 independent college or university to an in-state public institution of  
13 higher education, and are entitled to receive the waiver of tuition and  
14 services and activities fees.

15 (2) Scholars named to the award on or before June 30, 1994, may  
16 transfer from an in-state public institution to an eligible independent  
17 college or university, or between eligible independent colleges or  
18 universities, and continue to receive a grant contingent upon available  
19 funding.

20 (3) Scholars named to the award after June 30, 1994, may transfer  
21 among in-state public or private colleges and universities and continue  
22 to receive the grant contingent upon available funding.

23 (4) In addition, scholars who transfer to an eligible independent  
24 institution may receive the grant contingent upon the agreement of the  
25 school to match on at least a dollar-for-dollar basis, either with  
26 actual money or by a waiver of fees, the amount of the grant received  
27 by the student from the state.

28 **Sec. 10.** RCW 28B.15.0681 and 2007 c 151 s 2 are each amended to  
29 read as follows:

30 (1) In addition to the requirement in RCW 28B.76.300(4),  
31 institutions of higher education shall disclose to their undergraduate  
32 resident students on the tuition billing statement, in dollar figures  
33 for a full-time equivalent student:

- 34 ~~((1))~~ (a) The full cost of instruction(~~((2))~~);
- 35 (b) The amount collected from student tuition and fees(~~((7))~~); and
- 36 ~~((3))~~ (c) The difference between the amounts for the full cost of  
37 instruction and the student tuition and fees(~~((7-noting))~~)

1       (2) The tuition billing statement shall note that the difference  
2 between the cost and tuition under subsection (1)(c) of this section  
3 was paid by state tax funds and other moneys.

4       (3) Beginning in the 2010-11 academic year, the amount determined  
5 in subsection (1)(c) of this section shall be labeled an "opportunity  
6 fund" on the tuition billing statement.

7       (4) Beginning in the 2010-11 academic year, institutions of higher  
8 education shall label all financial aid awarded to resident  
9 undergraduate students as an "opportunity fund" on the tuition billing  
10 statement or financial aid award notification. This includes aid from  
11 all sources including federal, state, and local governments, local  
12 communities, nonprofit and for-profit organizations, and institutions  
13 of higher education. The disclosure requirements specified in this  
14 section do not change the source, award amount, student eligibility, or  
15 student obligations associated with each award. Institutions of higher  
16 education retain the ability to customize their tuition billing  
17 statements to inform students of the assistance source, amount, and  
18 type so long as provisions of this section are also fulfilled.

19       **Sec. 11.** RCW 28B.76.500 and 1985 c 370 s 23 are each amended to  
20 read as follows:

21       (1) The board shall administer any state program or state-  
22 administered federal program of student financial aid now or hereafter  
23 established.

24       (2) Each of the student financial aid programs administered by the  
25 board shall be labeled an "opportunity fund." All communication  
26 materials, including, but not limited to, printed materials,  
27 presentations, and web content, shall include the "opportunity fund"  
28 label.

29       (3) If the board develops a one-stop college information web-based  
30 portal that includes financial, academic, and career planning  
31 information, the portal shall display all available student financial  
32 aid programs under the "opportunity fund" label.

33       (4) The labeling requirements in this section do not change the  
34 source, eligibility requirements, or student obligations associated  
35 with each program. The board retains the ability to customize its  
36 communications to differentiate between programs, eligibility

1 requirements, and student obligations, so long as the reporting  
2 provisions of this chapter are also fulfilled.

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

5 As used in this chapter, "dual credit program" means a program,  
6 administered by either an institution of higher education or a high  
7 school, through which high school students in the eleventh or twelfth  
8 grade who have not yet received the credits required for the award of  
9 a high school diploma apply to a participating institution of higher  
10 education to enroll in courses or programs offered by the institution  
11 of higher education and simultaneously earn high school and college  
12 credit.

13 **Sec. 13.** RCW 28B.15.820 and 2007 c 404 s 4 are each amended to  
14 read as follows:

15 (1) Each institution of higher education, including technical  
16 colleges, shall deposit a minimum of three and one-half percent of  
17 revenues collected from tuition and services and activities fees in an  
18 institutional financial aid fund that is hereby created and which shall  
19 be held locally. Moneys in the fund shall be used only for the  
20 following purposes: (a) To make guaranteed long-term loans to eligible  
21 students as provided in subsections (3) through (8) of this section;  
22 (b) to make short-term loans as provided in subsection (9) of this  
23 section; ~~((or))~~ (c) to provide financial aid to needy students as  
24 provided in subsection (10) of this section; or (d) to provide  
25 financial aid to students as provided in subsection (11) of this  
26 section.

27 (2) An "eligible student" for the purposes of subsections (3)  
28 through (8) and (10) of this section is a student registered for at  
29 least three credit hours or the equivalent, who is eligible for  
30 resident tuition and fee rates as defined in RCW 28B.15.012 and  
31 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.

32 (3) The amount of the guaranteed long-term loans made under this  
33 section shall not exceed the demonstrated financial need of the  
34 student. Each institution shall establish loan terms and conditions  
35 which shall be consistent with the terms of the guaranteed loan program  
36 established by 20 U.S. Code Section 1071 et seq., as now or hereafter

1 amended. All loans made shall be guaranteed by the Washington student  
2 loan guaranty association or its successor agency. Institutions are  
3 hereby granted full authority to operate as an eligible lender under  
4 the guaranteed loan program.

5 (4) Before approving a guaranteed long-term loan, each institution  
6 shall analyze the ability of the student to repay the loan based on  
7 factors which include, but are not limited to, the student's  
8 accumulated total education loan burdens and the employment  
9 opportunities and average starting salary characteristics of the  
10 student's chosen fields of study. The institution shall counsel the  
11 student on the advisability of acquiring additional debt, and on the  
12 availability of other forms of financial aid.

13 (5) Each institution is responsible for collection of guaranteed  
14 long-term loans made under this section and shall exercise due  
15 diligence in such collection, maintaining all necessary records to  
16 insure that maximum repayments are made. Institutions shall cooperate  
17 with other lenders and the Washington student loan guaranty  
18 association, or its successor agency, in the coordinated collection of  
19 guaranteed loans, and shall assure that the guarantability of the loans  
20 is not violated. Collection and servicing of guaranteed long-term  
21 loans under this section shall be performed by entities approved for  
22 such servicing by the Washington student loan guaranty association or  
23 its successor agency: PROVIDED, That institutions be permitted to  
24 perform such servicing if specifically recognized to do so by the  
25 Washington student loan guaranty association or its successor agency.  
26 Collection and servicing of guaranteed long-term loans made by  
27 community colleges under subsection (1) of this section shall be  
28 coordinated by the state board for community and technical colleges and  
29 shall be conducted under procedures adopted by the state board.

30 (6) Receipts from payment of interest or principal or any other  
31 subsidies to which institutions as lenders are entitled, that are paid  
32 by or on behalf of borrowers of funds under subsections (3) through (8)  
33 of this section, shall be deposited in each institution's financial aid  
34 fund and shall be used to cover the costs of making the guaranteed  
35 long-term loans under this section and maintaining necessary records  
36 and making collections under subsection (5) of this section: PROVIDED,  
37 That such costs shall not exceed five percent of aggregate outstanding

1 loan principal. Institutions shall maintain accurate records of such  
2 costs, and all receipts beyond those necessary to pay such costs, shall  
3 be deposited in the institution's financial aid fund.

4 (7) The governing boards of the state universities, the regional  
5 universities, and The Evergreen State College, and the state board for  
6 community and technical colleges, on behalf of the community colleges  
7 and technical colleges, shall each adopt necessary rules and  
8 regulations to implement this section.

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

14 (9) Short-term loans, not to exceed one year, may be made from the  
15 institutional financial aid fund to students enrolled in the  
16 institution. No such loan shall be made to any student who is known by  
17 the institution to be in default or delinquent in the payment of any  
18 outstanding student loan. A short-term loan may be made only if the  
19 institution has ample evidence that the student has the capability of  
20 repaying the loan within the time frame specified by the institution  
21 for repayment.

22 (10) Any moneys deposited in the institutional financial aid fund  
23 that are not used in making long-term or short-term loans may be used  
24 by the institution for locally administered financial aid programs for  
25 needy students, such as need-based institutional employment programs or  
26 need-based tuition and fee scholarship or grant programs. These funds  
27 shall be used in addition to and not to replace institutional funds  
28 that would otherwise support these locally administered financial aid  
29 programs. First priority in the use of these funds shall be given to  
30 needy students who have accumulated excessive educational loan burdens.  
31 An excessive educational loan burden is a burden that will be difficult  
32 to repay given employment opportunities and average starting salaries  
33 in the student's chosen fields of study. Second priority in the use of  
34 these funds shall be given to needy single parents, to assist these  
35 students with their educational expenses, including expenses associated  
36 with child care and transportation.

37 (11) Any moneys deposited in the institutional financial aid fund  
38 may be used by the institution for a locally administered financial aid

1 program for high school students enrolled in dual credit programs. If  
2 institutions use funds in this manner, the governing boards of the  
3 state universities, the regional universities, The Evergreen State  
4 College, and the state board for community and technical colleges shall  
5 each adopt necessary rules to implement this subsection. Moneys from  
6 this fund may be used for all educational expenses related to a  
7 student's participation in a dual credit program including but not  
8 limited to tuition, fees, course materials, and transportation.

9 NEW SECTION. Sec. 14. A new section is added to chapter 28B.92  
10 RCW to read as follows:

11 Institutions of higher education are encouraged to review their  
12 policies and procedures regarding financial aid for students enrolled  
13 in dual credit programs as defined in section 12 of this act.  
14 Institutions of higher education are further encouraged to implement  
15 policies and procedures providing students enrolled in dual credit  
16 programs with the same access to institutional aid, including all  
17 educational expenses, as provided to resident undergraduate students.

18 **Sec. 15.** RCW 28B.12.030 and 2002 c 187 s 2 are each amended to  
19 read as follows:

20 As used in this chapter, the following words and terms shall have  
21 the following meanings, unless the context shall clearly indicate  
22 another or different meaning or intent:

23 (1) The term "needy student" shall mean a resident student, as  
24 defined in RCW 28B.15.012, enrolled or accepted for enrollment at a  
25 post-secondary institution who, according to a system of need analysis  
26 approved by the higher education coordinating board, demonstrates a  
27 financial inability, either parental, familial, or personal, to bear  
28 the total cost of education for any semester or quarter.

29 (2) The term "eligible institution" shall mean any post-secondary  
30 institution in this state accredited by the Northwest Association of  
31 Schools and Colleges, or a branch of a member institution of an  
32 accrediting association recognized by rule of the board for purposes of  
33 this section, that is eligible for federal student financial aid  
34 assistance and has operated as a nonprofit college or university  
35 delivering on-site classroom instruction for a minimum of twenty

1 consecutive years within the state of Washington, or any public  
2 technical college in the state.

3 NEW SECTION. **Sec. 16.** A new section is added to chapter 28B.12  
4 RCW to read as follows:

5 Nonresident students awarded state work-study funds before August  
6 1, 2009, shall retain eligibility to receive new awards through August  
7 1, 2014. For these recipients, eligibility for the state work-study  
8 program is forfeited after this period.

9 NEW SECTION. **Sec. 17.** A new section is added to chapter 28B.12  
10 RCW to read as follows:

11 (1) Within existing resources, the higher education coordinating  
12 board shall establish the work-study opportunity fund for high-demand  
13 occupations, a competitive grant program to encourage job placements in  
14 high-demand fields. The board shall award grants to eligible  
15 institutions of higher education that have developed a partnership with  
16 a proximate organization willing to host work-study placements.  
17 Partner organizations may be nonprofit organizations, for-profit firms,  
18 or public agencies. Eligible institutions of higher education must  
19 verify that all job placements will last for a minimum of one academic  
20 quarter or one academic semester, depending on the system used by the  
21 eligible institution of higher education.

22 (2) The board may adopt rules to identify high-demand fields for  
23 purposes of this section. The legislature recognizes that the high-  
24 demand fields identified by the board may differ in different regions  
25 of the state.

26 (3) The board may award grants to eligible institutions of higher  
27 education that cover both student wages and program administration.

28 (4) The board shall develop performance benchmarks regarding  
29 program success including, but not limited to, the number of students  
30 served, the amount of employer contributions, and the number of  
31 participating high-demand employers.

32 NEW SECTION. **Sec. 18.** The following acts or parts of acts, as now  
33 existing or hereafter amended, are each repealed, effective August 1,  
34 2011:



- 1 (1) RCW 28B.101.005 (Finding--Intent) and 2003 c 233 s 1 & 1990 c  
2 288 s 2;  
3 (2) RCW 28B.101.010 (Program created) and 2003 c 233 s 2 & 1990 c  
4 288 s 3;  
5 (3) RCW 28B.101.020 (Definition--Eligibility) and 2004 c 275 s 67,  
6 2003 c 233 s 3, & 1990 c 288 s 4;  
7 (4) RCW 28B.101.030 (Administration of program--Payments to  
8 participants) and 1990 c 288 s 5; and  
9 (5) RCW 28B.101.040 (Use of grants) and 2003 c 233 s 4 & 2002 c 186  
10 s 3.

11 NEW SECTION. **Sec. 19.** This act takes effect August 1, 2009.

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