
SENATE BILL 6592

State of Washington

62nd Legislature

2012 Regular Session

By Senators Hill and Tom

Read first time 02/08/12. Referred to Committee on Higher Education & Workforce Development.

1 AN ACT Relating to streamlining and reforming financial aid
2 programs; amending RCW 28B.92.030, 28B.76.526, 28B.76.540, 28B.95.060,
3 and 43.79A.040; reenacting and amending RCW 28B.92.060; repealing RCW
4 28B.105.010, 28B.105.020, 28B.105.030, 28B.105.040, 28B.105.050,
5 28B.105.060, 28B.105.070, 28B.105.080, 28B.105.090, 28B.105.100,
6 28B.105.110, 28B.116.005, 28B.116.010, 28B.116.020, 28B.116.030,
7 28B.116.050, 28B.116.060, 28B.116.070, 28B.117.005, 28B.117.010,
8 28B.117.020, 28B.117.030, 28B.117.040, 28B.117.050, 28B.117.060,
9 28B.117.070, 28B.117.900, 28B.117.901, 28B.119.005, 28B.119.010,
10 28B.119.020, 28B.119.030, 28B.119.040, 28B.119.050, 28B.119.900,
11 28B.50.271, 28B.50.272, and 28B.95.160; and providing an effective
12 date.

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

14 **Sec. 1.** RCW 28B.92.030 and 2011 1st sp.s. c 11 s 159 are each
15 amended to read as follows:

16 As used in this chapter:

17 (1) "Disadvantaged student" means a posthigh school student who by
18 reason of adverse cultural, educational, environmental, experiential,
19 familial or other circumstances is unable to qualify for enrollment as

1 a full-time student in an institution of higher education, who would
2 otherwise qualify as a needy student, and who is attending an
3 institution of higher education under an established program designed
4 to qualify the student for enrollment as a full-time student, or a
5 student who is emancipated from foster care in accordance with chapter
6 13.34 RCW and who was receiving foster care in the state of Washington
7 when he or she reached his or her eighteenth birthday.

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

11 (3) "Institution" or "institutions of higher education" means:

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

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

33 (4) "Needy student" means a posthigh school student of an
34 institution of higher education who demonstrates to the ((board))
35 office the financial inability, either through the student's parents,
36 family and/or personally, to meet the total cost of board, room, books,
37 and tuition and incidental fees for any semester or quarter. "Needy

1 student" also means an opportunity internship graduate as defined by
2 RCW 28C.18.162 who enrolls in a postsecondary program of study as
3 defined in RCW 28C.18.162 within one year of high school graduation.

4 (5) "Office" means the office of student financial assistance.

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

10 **Sec. 2.** RCW 28B.92.060 and 2011 1st sp.s. c 11 s 162 and 2011 1st
11 sp.s. c 10 s 9 are each reenacted and amended to read as follows:

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

17 (1) The office shall annually select the financial aid award
18 recipients from among Washington residents applying for student
19 financial aid who have been ranked according to:

20 (a) Emancipation from foster care in accordance with chapter 13.34
21 RCW and who was receiving foster care in the state of Washington when
22 he or she reached his or her eighteenth birthday, regardless of
23 financial need;

24 (b) Financial need as determined by the amount of the family
25 contribution; and

26 ((+b+)) (c) Other considerations, such as whether the student is a
27 former foster youth, ((+e+)) is a placebound student who has completed
28 an associate of arts or associate of science degree or its equivalent,
29 or is a student who is enrolled or has committed to enroll in a high-
30 demand field of study identified by the college board or established in
31 RCW 28B.50.273.

32 (2) The financial need of the highest ranked students shall be met
33 by grants depending upon the evaluation of financial need until the
34 total allocation has been disbursed. Funds from grants which are
35 declined, forfeited or otherwise unused shall be reawarded until
36 disbursed, except that eligible former foster youth shall be assured
37 receipt of a grant. The ((board)) office, in consultation with four-

1 year institutions of higher education, and the state board for
2 community and technical colleges, shall develop award criteria and
3 methods of disbursement based on level of need, and not solely rely on
4 a first-come, first-served basis.

5 (3) A student shall be eligible to receive a state need grant for
6 up to five years, or the credit or clock hour equivalent of five years,
7 or up to one hundred twenty-five percent of the published length of
8 time of the student's program. A student may not start a new associate
9 degree program as a state need grant recipient until at least five
10 years have elapsed since earning an associate degree as a need grant
11 recipient, except that a student may earn two associate degrees
12 concurrently. Qualifications for renewal will include maintaining
13 satisfactory academic progress toward completion of an eligible program
14 as determined by the office. Should the recipient terminate his or her
15 enrollment for any reason during the academic year, the unused portion
16 of the grant shall be returned to the state educational grant fund by
17 the institution according to the institution's own policy for issuing
18 refunds, except as provided in RCW 28B.92.070.

19 (4) In computing financial need, the office shall determine a
20 maximum student expense budget allowance, not to exceed an amount equal
21 to the total maximum student expense budget at the public institutions
22 plus the current average state appropriation per student for operating
23 expense in the public institutions. Any child support payments
24 received by students who are parents attending less than half-time
25 shall not be used in computing financial need.

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

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

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

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

1 (ii) The student completes the required free application for
2 federal student aid;

3 (iii) The institution has reviewed the student's financial
4 condition, and the financial condition of the student's family if the
5 student is a dependent student, and has determined that the student is
6 likely eligible for a state need grant; and

7 (iv) The student has signed a document attesting to the fact that
8 the financial information provided on the free application for federal
9 student aid and any additional financial information provided directly
10 to the institution is accurate and complete, and that the student
11 agrees to repay the institution for the grant amount if the student
12 submitted false or incomplete information.

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

17 **Sec. 3.** RCW 28B.76.526 and 2010 1st sp.s. c 27 s 2 are each
18 amended to read as follows:

19 The Washington opportunity pathways account is created in the state
20 treasury. Expenditures from the account may be used only for programs
21 in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW
22 (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW
23 28B.76.670 (Washington award for vocational excellence), chapter 28B.92
24 RCW (state need grant program), (~~chapter 28B.101 RCW (educational~~
25 ~~opportunity grant), chapter 28B.105 RCW (GET ready for math and science~~
26 ~~scholarship), chapter 28B.117 RCW (passport to college promise),~~)
27 chapter 28B.118 RCW (college bound scholarship), (~~chapter 28B.119 RCW~~
28 ~~(Washington promise scholarship),~~) chapter 43.215 RCW (early childhood
29 education and assistance program), and RCW 43.330.280 (recruitment of
30 entrepreneurial researchers, innovation partnership zones and research
31 teams).

32 **Sec. 4.** RCW 28B.76.540 and 2011 1st sp.s. c 11 s 111 are each
33 amended to read as follows:

34 In addition to administrative responsibilities assigned in this
35 chapter, the office shall administer the programs set forth in the
36 following statutes: RCW 28A.600.100 through 28A.600.150 (Washington

1 scholars); chapter 28B.85 RCW (degree-granting institutions); chapter
2 28B.92 RCW (state need grant); chapter 28B.12 RCW (work study); RCW
3 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760
4 through 28B.15.766 (math and science loans); RCW 28B.15.100
5 (reciprocity agreement); RCW 28B.15.730 through 28B.15.734 (Oregon
6 reciprocity); RCW 28B.15.750 and 28B.15.752 (Idaho reciprocity); RCW
7 28B.15.756 (British Columbia reciprocity); (~~chapter 28B.101 RCW~~
8 ~~(educational opportunity grant);~~) chapter 28B.102 RCW (future teachers
9 conditional scholarship); chapter 28B.108 RCW (American Indian endowed
10 scholarship); chapter 28B.109 RCW (Washington international exchange
11 scholarship); chapter 28B.115 RCW (health professional conditional
12 scholarship); (~~chapter 28B.119 RCW (Washington promise scholarship);~~)
13 and chapter 28B.133 RCW (gaining independence for students with
14 dependents).

15 **Sec. 5.** RCW 28B.95.060 and 2011 1st sp.s. c 11 s 172 are each
16 amended to read as follows:

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

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

1 and account management; and other general costs of conducting the
2 business of the program.

3 ~~((b) All money received by the program from the office for the GET
4 ready for math and science scholarship program shall be deposited in
5 the GET ready for math and science scholarship account created in RCW
6 28B.105.110.))~~

7 (3) The assets of the account may be spent without appropriation
8 for the purpose of making payments to institutions of higher education
9 on behalf of the qualified beneficiaries, making refunds, transfers, or
10 direct payments upon the termination of the Washington advanced college
11 tuition payment program. Disbursements from the account shall be made
12 only on the authorization of the governing body.

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

17 **Sec. 6.** RCW 43.79A.040 and 2011 1st sp.s. c 37 s 603 are each
18 amended to read as follows:

19 (1) Money in the treasurer's trust fund may be deposited, invested,
20 and reinvested by the state treasurer in accordance with RCW 43.84.080
21 in the same manner and to the same extent as if the money were in the
22 state treasury, and may be commingled with moneys in the state treasury
23 for cash management and cash balance purposes.

24 (2) All income received from investment of the treasurer's trust
25 fund must be set aside in an account in the treasury trust fund to be
26 known as the investment income account.

27 (3) The investment income account may be utilized for the payment
28 of purchased banking services on behalf of treasurer's trust funds
29 including, but not limited to, depository, safekeeping, and
30 disbursement functions for the state treasurer or affected state
31 agencies. The investment income account is subject in all respects to
32 chapter 43.88 RCW, but no appropriation is required for payments to
33 financial institutions. Payments must occur prior to distribution of
34 earnings set forth in subsection (4) of this section.

35 (4)(a) Monthly, the state treasurer must distribute the earnings
36 credited to the investment income account to the state general fund
37 except under (b), (c), and (d) of this subsection.

1 (b) The following accounts and funds must receive their
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period: The (~~Washington promise~~
4 ~~scholarship account, the~~) college savings program account, the
5 Washington advanced college tuition payment program account, the
6 accessible communities account, the community and technical college
7 innovation account, the agricultural local fund, the American Indian
8 scholarship endowment fund, (~~the foster care scholarship endowment~~
9 ~~fund, the foster care endowed scholarship trust fund,~~) the students
10 with dependents grant account, the basic health plan self-insurance
11 reserve account, the contract harvesting revolving account, the
12 Washington state combined fund drive account, the commemorative works
13 account, the county enhanced 911 excise tax account, the Washington
14 international exchange scholarship endowment fund, the toll collection
15 account, the developmental disabilities endowment trust fund, the
16 energy account, the fair fund, the family leave insurance account, the
17 food animal veterinarian conditional scholarship account, the fruit and
18 vegetable inspection account, the future teachers conditional
19 scholarship account, the game farm alternative account, (~~the GET ready~~
20 ~~for math and science scholarship account,~~) the Washington global
21 health technologies and product development account, the grain
22 inspection revolving fund, the industrial insurance rainy day fund, the
23 juvenile accountability incentive account, the law enforcement
24 officers' and firefighters' plan 2 expense fund, the local tourism
25 promotion account, the pilotage account, the produce railcar pool
26 account, the regional transportation investment district account, the
27 rural rehabilitation account, the stadium and exhibition center
28 account, the youth athletic facility account, the self-insurance
29 revolving fund, the sulfur dioxide abatement account, the children's
30 trust fund, the Washington horse racing commission Washington bred
31 owners' bonus fund and breeder awards account, the Washington horse
32 racing commission class C purse fund account, the individual
33 development account program account, the Washington horse racing
34 commission operating account (earnings from the Washington horse racing
35 commission operating account must be credited to the Washington horse
36 racing commission class C purse fund account), the life sciences
37 discovery fund, the Washington state heritage center account, the

1 reduced cigarette ignition propensity account, and the reading
2 achievement account.

3 (c) The following accounts and funds must receive eighty percent of
4 their proportionate share of earnings based upon each account's or
5 fund's average daily balance for the period: The advanced right-of-way
6 revolving fund, the advanced environmental mitigation revolving
7 account, the federal narcotics asset forfeitures account, the high
8 occupancy vehicle account, the local rail service assistance account,
9 and the miscellaneous transportation programs account.

10 (d) Any state agency that has independent authority over accounts
11 or funds not statutorily required to be held in the custody of the
12 state treasurer that deposits funds into a fund or account in the
13 custody of the state treasurer pursuant to an agreement with the office
14 of the state treasurer shall receive its proportionate share of
15 earnings based upon each account's or fund's average daily balance for
16 the period.

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

20 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
21 repealed:

22 (1) RCW 28B.105.010 (GET ready for math and science scholarship
23 program--Purpose--Awards) and 2007 c 214 s 1;

24 (2) RCW 28B.105.020 (Definitions) and 2011 1st sp.s. c 11 s 183 &
25 2007 c 214 s 2;

26 (3) RCW 28B.105.030 (Eligibility) and 2007 c 214 s 3;

27 (4) RCW 28B.105.040 (Changes in eligibility--Consequences) and 2011
28 1st sp.s. c 11 s 184 & 2007 c 214 s 4;

29 (5) RCW 28B.105.050 (Repayment obligation--Conditions) and 2011 1st
30 sp.s. c 11 s 185 & 2007 c 214 s 5;

31 (6) RCW 28B.105.060 (Office of the superintendent of public
32 instruction--Duties) and 2007 c 214 s 6;

33 (7) RCW 28B.105.070 (Office of student financial assistance--
34 Duties) and 2011 1st sp.s. c 11 s 186 & 2007 c 214 s 7;

35 (8) RCW 28B.105.080 (School districts--Duties) and 2007 c 214 s 8;

36 (9) RCW 28B.105.090 (Program administrator--Duties) and 2007 c 214
37 s 9;

1 (10) RCW 28B.105.100 (Office of student financial assistance and
2 program administrator--Joint duties) and 2011 1st sp.s. c 11 s 187 &
3 2007 c 214 s 10;

4 (11) RCW 28B.105.110 (GET ready for math and science scholarship
5 account) and 2011 1st sp.s. c 11 s 188 & 2010 1st sp.s. c 37 s 918;

6 (12) RCW 28B.116.005 (Findings) and 2005 c 215 s 1;

7 (13) RCW 28B.116.010 (Definitions) and 2011 1st sp.s. c 11 s 214 &
8 2005 c 215 s 2;

9 (14) RCW 28B.116.020 (Program created--Duties of the office of
10 student financial assistance) and 2011 1st sp.s. c 11 s 215, 2009 c 560
11 s 20, & 2005 c 215 s 3;

12 (15) RCW 28B.116.030 (Award of scholarships) and 2011 1st sp.s. c
13 11 s 216 & 2005 c 215 s 4;

14 (16) RCW 28B.116.050 (Foster care endowed scholarship trust fund)
15 and 2011 1st sp.s. c 50 s 929, 2011 1st sp.s. c 11 s 217, & 2005 c 215
16 s 6;

17 (17) RCW 28B.116.060 (Foster care scholarship endowment fund) and
18 2011 1st sp.s. c 11 s 218, 2007 c 73 s 3, & 2005 c 215 s 7;

19 (18) RCW 28B.116.070 (State matching funds--Transfer of funds from
20 trust fund to endowment fund) and 2011 1st sp.s. c 11 s 219 & 2005 c
21 215 s 8;

22 (19) RCW 28B.117.005 (Findings--Intent) and 2007 c 314 s 1;

23 (20) RCW 28B.117.010 (Program created--Purpose) and 2007 c 314 s 3;

24 (21) RCW 28B.117.020 (Definitions) and 2011 1st sp.s. c 11 s 220 &
25 2007 c 314 s 2;

26 (22) RCW 28B.117.030 (Program design and implementation--Student
27 eligibility--Scholarships) and 2011 1st sp.s. c 11 s 221 & 2007 c 314
28 s 4;

29 (23) RCW 28B.117.040 (Identification of eligible students and
30 applicants--Duties of institutions of higher education--Duties of the
31 department of social and health services) and 2011 1st sp.s. c 11 s 222
32 & 2007 c 314 s 5;

33 (24) RCW 28B.117.050 (Internet web site and outreach program) and
34 2011 1st sp.s. c 11 s 223 & 2007 c 314 s 6;

35 (25) RCW 28B.117.060 (Program of supplemental educational
36 transition planning for youth in foster care--Contract with
37 nongovernmental entity) and 2011 1st sp.s. c 11 s 224 & 2007 c 314 s 7;

- 1 (26) RCW 28B.117.070 (Reports--Recommendations) and 2011 1st sp.s.
2 c 11 s 225 & 2007 c 314 s 8;
- 3 (27) RCW 28B.117.900 (Construction--2007 c 314) and 2007 c 314 s 9;
- 4 (28) RCW 28B.117.901 (Expiration of chapter) and 2007 c 314 s 10;
- 5 (29) RCW 28B.119.005 (Intent--Finding) and 2002 c 204 s 1;
- 6 (30) RCW 28B.119.010 (Program design--Parameters) and 2011 1st
7 sp.s. c 11 s 231, 2004 c 275 s 60, 2003 c 233 s 5, & 2002 c 204 s 2;
- 8 (31) RCW 28B.119.020 (Implementation and administration) and 2011
9 1st sp.s. c 11 s 232 & 2002 c 204 s 3;
- 10 (32) RCW 28B.119.030 (Funding for state need grant program not
11 impaired) and 2011 1st sp.s. c 11 s 233, 2004 c 275 s 71, & 2002 c 204
12 s 4;
- 13 (33) RCW 28B.119.040 (Requirements for students receiving home-
14 based instruction not affected) and 2002 c 204 s 5;
- 15 (34) RCW 28B.119.050 (Washington promise scholarship account) and
16 2011 1st sp.s. c 11 s 234 & 2002 c 204 s 6;
- 17 (35) RCW 28B.119.900 (Effective date--2002 c 204) and 2002 c 204 s
18 9;
- 19 (36) RCW 28B.50.271 (Opportunity grant program) and 2007 c 277 s
20 101;
- 21 (37) RCW 28B.50.272 (Opportunity grant program--Student
22 eligibility--Funding--Performance measures--Documentation--Annual
23 summary) and 2011 1st sp.s. c 11 s 157 & 2007 c 277 s 102; and
- 24 (38) RCW 28B.95.160 (GET ready for math and science scholarship
25 program--Tuition units--Ownership and redemption) and 2011 1st sp.s. c
26 11 s 173 & 2007 c 214 s 12.

27 NEW SECTION. **Sec. 8.** This act takes effect July 1, 2012.

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