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HOUSE BILL 2301

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State of Washington                      64th Legislature                      2016 Regular Session

By Representatives Hargrove, Reykdal, Sells, Zeiger, Haler, Magendanz, and Tharinger

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1            AN ACT Relating to increasing the number of state need grant  
2 recipients by awarding the community and technical college rate in  
3 certain financial aid programs for a student's first two years of  
4 postsecondary credit; amending RCW 28B.92.020, 28B.92.060, and  
5 28B.118.010; and creating a new section.

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

7            NEW SECTION.    **Sec. 1.**    The legislature finds that more than  
8 thirty-three thousand students are eligible for the state need grant  
9 but do not receive an award. The burden of student loan debt  
10 continues to have a significant impact on middle-income families. By  
11 restructuring the state need grant and college bound scholarship  
12 programs as they are currently funded the state need grant program  
13 could serve more students.

14            **Sec. 2.**    RCW 28B.92.020 and 2011 1st sp.s. c 11 s 158 are each  
15 amended to read as follows:

16            (1)    The legislature finds that the higher education  
17 community((~~r~~)) has completed a review of the state need grant  
18 program. It is the intent of the legislature to endorse the proposed  
19 changes to the state need grant program, including:

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

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

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

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

13 (e) Institutional aid administrators be allowed to determine  
14 whether a student eligible for a state need grant in a given academic  
15 year may remain eligible for the ensuing year if the student's family  
16 income increases by no more than a marginal amount except for funds  
17 provided through the educational assistance grant program for  
18 students with dependents.

19 (2) The legislature further finds that the changes in subsection  
20 (1) of this section((7)) should ((~~do so~~)) occur in a timely manner.

21 (3) The legislature also finds that:

22 (a) In most circumstances, need grant eligibility should not  
23 extend beyond five years or one hundred twenty-five percent of the  
24 published length of the program in which the student is enrolled or  
25 the credit or clock-hour equivalent; ((and))

26 (b) State financial aid programs should continue to adhere to the  
27 principle that funding follows resident students to their choice of  
28 institution of higher education; and

29 (c) Students who are eligible to receive state need grants and  
30 college bound scholarships are encouraged to complete their first two  
31 years of postsecondary education at a community or technical college  
32 before using state aid to enroll in a four-year institution of higher  
33 education.

34 **Sec. 3.** RCW 28B.92.060 and 2012 c 229 s 558 are each amended to  
35 read as follows:

36 In awarding need grants, the office shall proceed substantially  
37 as follows: PROVIDED, That nothing contained herein shall be  
38 construed to prevent the office, in the exercise of its sound

1 discretion, from following another procedure when the best interest  
2 of the program so dictates:

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

6 (a) Financial need as determined by the amount of the family  
7 contribution; and

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

11 (2) The financial need of the highest ranked students shall be  
12 met by grants depending upon the evaluation of financial need until  
13 the total allocation has been disbursed. Funds from grants which are  
14 declined, forfeited or otherwise unused shall be reawarded until  
15 disbursed, except that eligible former foster youth shall be assured  
16 receipt of a grant. The office, in consultation with four-year  
17 institutions of higher education, the council, and the state board  
18 for community and technical colleges, shall develop award criteria  
19 and methods of disbursement based on level of need, and not solely  
20 rely on a first-come, first-served basis.

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  
23 years, or up to one hundred twenty-five percent of the published  
24 length of time of the student's program. A student may not start a  
25 new associate degree program as a state need grant recipient until at  
26 least five years have elapsed since earning an associate degree as a  
27 need grant recipient, except that a student may earn two associate  
28 degrees concurrently. Qualifications for renewal will include  
29 maintaining satisfactory academic progress toward completion of an  
30 eligible program as determined by the office. Should the recipient  
31 terminate his or her enrollment for any reason during the academic  
32 year, the unused portion of the grant shall be returned to the state  
33 educational grant fund by the institution according to the  
34 institution's own policy for issuing refunds, except as provided in  
35 RCW 28B.92.070.

36 (4) In computing financial need, the office shall determine a  
37 maximum student expense budget allowance, not to exceed an amount  
38 equal to the total maximum student expense budget at the public  
39 institutions plus the current average state appropriation per student  
40 for operating expense in the public institutions. Any child support

1 payments received by students who are parents attending less than  
2 half-time shall not be used in computing financial need.

3 (5) Beginning with the fall 2016 disbursements, a student  
4 enrolled in an institution of higher education who has never received  
5 a state need grant award and who has fewer than ninety quarter credit  
6 hours or sixty semester credit hours must receive a grant award  
7 amount equivalent to that used for the community or technical college  
8 sector.

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

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

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

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

23 (ii) The student completes the required free application for  
24 federal student aid;

25 (iii) The institution has reviewed the student's financial  
26 condition, and the financial condition of the student's family if the  
27 student is a dependent student, and has determined that the student  
28 is likely eligible for a state need grant; and

29 (iv) The student has signed a document attesting to the fact that  
30 the financial information provided on the free application for  
31 federal student aid and any additional financial information provided  
32 directly to the institution is accurate and complete, and that the  
33 student agrees to repay the institution for the grant amount if the  
34 student submitted false or incomplete information.

35 ~~((+6))~~ (7) As used in this section, "former foster youth" means  
36 a person who is at least eighteen years of age, but not more than  
37 twenty-four years of age, who was a dependent of the department of  
38 social and health services at the time he or she attained the age of  
39 eighteen.

1       **Sec. 4.** RCW 28B.118.010 and 2015 3rd sp.s. c 36 s 8 are each  
2 amended to read as follows:

3       The office of student financial assistance shall design the  
4 Washington college bound scholarship program in accordance with this  
5 section and in alignment with the state need grant program in chapter  
6 28B.92 RCW unless otherwise provided in this section.

7       (1) "Eligible students" are those students who:

8       (a) Qualify for free or reduced-price lunches. If a student  
9 qualifies in the seventh grade, the student remains eligible even if  
10 the student does not receive free or reduced-price lunches  
11 thereafter; or

12       (b) Are dependent pursuant to chapter 13.34 RCW and:

13       (i) In grade seven through twelve; or

14       (ii) Are between the ages of eighteen and twenty-one and have not  
15 graduated from high school.

16       (2) Eligible students shall be notified of their eligibility for  
17 the Washington college bound scholarship program beginning in their  
18 seventh grade year. Students shall also be notified of the  
19 requirements for award of the scholarship.

20       (3)(a) To be eligible for a Washington college bound scholarship,  
21 a student eligible under subsection (1)(a) of this section must sign  
22 a pledge during seventh or eighth grade that includes a commitment to  
23 graduate from high school with at least a C average and with no  
24 felony convictions. The pledge must be witnessed by a parent or  
25 guardian and forwarded to the office of student financial assistance  
26 by mail or electronically, as indicated on the pledge form.

27       (b) A student eligible under subsection (1)(b) of this section  
28 shall be automatically enrolled, with no action necessary by the  
29 student or the student's family, and the enrollment form must be  
30 forwarded by the department of social and health services to the  
31 (~~higher education coordinating board or its successor~~) office of  
32 student financial assistance by mail or electronically, as indicated  
33 on the form.

34       (4)(a) Scholarships shall be awarded to eligible students  
35 graduating from public high schools, approved private high schools  
36 under chapter 28A.195 RCW, or who received home-based instruction  
37 under chapter 28A.200 RCW.

38       (b)(i) To receive the Washington college bound scholarship, a  
39 student must graduate with at least a "C" average from a public high  
40 school or an approved private high school under chapter 28A.195 RCW

1 in Washington or have received home-based instruction under chapter  
2 28A.200 RCW, must have no felony convictions, and must be a resident  
3 student as defined in RCW 28B.15.012(2) (a) through (d).

4 (ii) For a student who does not meet the "C" average requirement,  
5 and who completes fewer than two quarters in the running start  
6 program, under chapter 28A.600 RCW, the student's first quarter of  
7 running start course grades must be excluded from the student's  
8 overall grade point average for purposes of determining their  
9 eligibility to receive the scholarship.

10 (5) A student's family income will be assessed upon graduation  
11 before awarding the scholarship.

12 (6) If at graduation from high school the student's family income  
13 does not exceed sixty-five percent of the state median family income,  
14 scholarship award amounts shall be as provided in this section.

15 (a) Students who enroll in the college bound scholarship program  
16 by June 30, 2016, or students who enroll in the college bound  
17 scholarship program on or after June 30, 2016, who have completed at  
18 least ninety quarter credit hours or sixty semester credit hours, are  
19 eligible to receive an award amount as follows:

20 (i) For students attending two or four-year institutions of  
21 higher education as defined in RCW 28B.10.016, the value of the award  
22 shall be ~~((i) the difference between)~~ the student's tuition and  
23 required fees ~~((τ))~~; less the value of any state-funded grant,  
24 scholarship, or waiver assistance the student receives; ~~((+ii))~~ plus  
25 five hundred dollars for books and materials.

26 ~~((+b))~~ (ii) For students attending private four-year  
27 institutions of higher education in Washington, the award amount  
28 shall be the representative average of awards granted to students in  
29 public research universities in Washington or the representative  
30 average of awards granted to students in public research universities  
31 in Washington in the 2014-15 academic year, whichever is greater.

32 ~~((+e))~~ (iii) For students attending private vocational schools  
33 in Washington, the award amount shall be the representative average  
34 of awards granted to students in public community and technical  
35 colleges in Washington or the representative average of awards  
36 granted to students in public community and technical colleges in  
37 Washington in the 2014-15 academic year, whichever is greater.

38 (b) Students who enroll in the college bound scholarship program  
39 on or after June 30, 2016, who have completed fewer than ninety  
40 quarter credit hours or sixty semester credit hours are eligible to

1 receive an award amount equal to the amount provided to students  
2 attending public two-year institutions of higher education as  
3 described in (a)(i) of this subsection, or the representative average  
4 of awards granted to students in public two-year institutions of  
5 higher education as described in (a)(i) of this subsection.

6 (7) Recipients may receive no more than four full-time years'  
7 worth of scholarship awards.

8 (8) Institutions of higher education shall award the student all  
9 need-based and merit-based financial aid for which the student would  
10 otherwise qualify. The Washington college bound scholarship is  
11 intended to replace unmet need, loans, and, at the student's option,  
12 work-study award before any other grants or scholarships are reduced.

13 (9) The first scholarships shall be awarded to students  
14 graduating in 2012.

15 (10) The state of Washington retains legal ownership of tuition  
16 units awarded as scholarships under this chapter until the tuition  
17 units are redeemed. These tuition units shall remain separately held  
18 from any tuition units owned under chapter 28B.95 RCW by a Washington  
19 college bound scholarship recipient.

20 (11) The scholarship award must be used within five years of  
21 receipt. Any unused scholarship tuition units revert to the  
22 Washington college bound scholarship account.

23 (12) Should the recipient terminate his or her enrollment for any  
24 reason during the academic year, the unused portion of the  
25 scholarship tuition units shall revert to the Washington college  
26 bound scholarship account.

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