<u>**2SSB 6561**</u> - H COMM AMD
      By Committee on College & Workforce Development

                                    ADOPTED AS AMENDED 03/05/2020

1   Strike everything after the enacting clause and insert the
2   following:

3   "<u>NEW SECTION.</u>   **Sec. 1.**   (1) The legislature recognizes that
4   students seeking to attend an institution of higher education or to
5   receive training at a technical college have a variety of ways to
6   fund their education. Students who meet Washington state residency
7   requirements have access to state-funded financial aid programs such
8   as the Washington college grant, college bound, and running start.
9   While state residents have access to these state-sponsored financial
10 aid options, not all state residents are eligible to receive federal
11 financial aid such as the Pell grant or subsidized and unsubsidized
12 student loans. Students who rely solely on state financial aid or
13 scholarships might have difficulty in affording the remaining cost of
14 attendance that student loans could fund.

15   (2) Therefore, the legislature intends to increase access to
16 those students who are ineligible for federal financial aid by
17 creating a state-funded and state-administered student loan program.
18 The legislature intends for the undocumented student support loan
19 program to provide students loans that are competitive with federal
20 student loans and offer multiple options for repayment including
21 adjusted monthly payments based on income.

22   <u>NEW SECTION.</u> **Sec. 2.**   The definitions in this section apply
23 throughout this chapter unless the context clearly requires
24 otherwise.
25   (1) "Eligible student" means a student who:
26   (a) Is a resident student as defined in RCW 28B.15.012;
27   (b) Demonstrates financial need as defined in RCW 28B.92.030;
28   (c) Has indicated they will attend an institution of higher
29 education or is making satisfactory progress in a program, as defined
30 in rule by the office, at an institution of higher education;

1   (d) Fills out the Washington application for state financial aid;
2 and
3   (e) Does not qualify for federally funded student financial aid
4 because of their citizenship status.
5   (2) "Institution of higher education" has the same meaning as in
6 RCW 28B.92.030.
7   (3) "Office" means the office of student financial assistance
8 created in RCW 28B.76.090.
9   (4) "Participant" means an eligible student who has received an
10 undocumented student support loan.

11   NEW SECTION. **Sec. 3.** (1) The undocumented student support loan
12 program is established.
13   (2) The program shall be designed by the office, in consultation
14 with financial aid professionals at institutions of higher education,
15 state and nonprofit programs that work with eligible students, and
16 relevant student associations and stakeholders in the development of
17 the program.
18   (3) The program shall be administered by the office. In
19 administering the program, the office has the following powers and
20 duties:
21   (a) Screen and select, in coordination with representatives of
22 institutions of higher education, eligible students to receive an
23 undocumented student support loan;
24   (b) Consider an eligible student's financial inability to meet
25 the total cost of the participant's educational program in the
26 selection process;
27   (c) Issue low-interest student loans that are competitive with
28 federal student loan programs;
29   (d) Establish annual and lifetime loan limits equal to the cost
30 of attendance minus any other financial aid received as provided in
31 subsection (6) of this section;
32   (e) Define the terms of repayment, including applicable interest
33 rates, fees, and deferments;
34   (f) Collect and manage repayments from students who do not meet
35 their obligations under this chapter;
36   (g) Consider income-based repayment options;
37   (h) Solicit and accept grants and donations from public and
38 private sources for the program; and
39   (i) Adopt rules necessary to implement the program.

1   (4) The undocumented student support loan does not accrue
2 interest while a participant is enrolled in an institution of higher
3 education.
4   (5) The office may impose a loan origination fee up to, but not
5 to exceed, the current rate imposed by the federal government on
6 subsidized student loans.
7   (6) The maximum annual loan amount granted per student for the
8 undocumented student support loan program is:
9   (a)(i) The cost of tuition and required fees at the public
10 institution of higher education the student is attending; or
11   (ii) If the student is attending a private institution of higher
12 education, the tuition and required fees at an equivalent public
13 institution; and
14   (b) Less the value of any state-funded grant, scholarship, or
15 waiver assistance the student receives, plus five hundred dollars for
16 books and materials.
17   (7) Data collected by the program is private and confidential and
18 must only be used for statistical analysis, research, and evaluation
19 purposes. Data sharing by the office may be extended to include the
20 office of financial management and other state governmental entities
21 with oversight responsibility for the program, as long as personally
22 identifiable student information is removed.
23   (8) The office shall provide information to the appropriate
24 fiscal and relevant policy committees of the legislature by December
25 1, 2023, and every two years thereafter that includes the following:
26   (a) Dollar amount and number of private donations received;
27   (b) Number of applications received;
28   (c) Number of student loans provided to eligible students per
29 year;
30   (d) Average student loan amount provided per participant;
31   (e) Level of degree program participants are pursuing;
32   (f) Number of student loans in active repayment, deferment, and
33 default status; and
34   (g) Any other information the office deems relevant.

35   NEW SECTION. **Sec. 4.** (1) The undocumented student support loan
36 match account is created in the custody of the state treasurer as a
37 nonappropriated account to be used solely and exclusively for the
38 program created in section 3 of this act. The purpose of the account

1 is to provide state matching funds for the undocumented student
2 support loan program.

3   (2) Revenues to the account consist of appropriations by the
4 legislature into the account.

5   (3) The legislature must appropriate a state match, up to a
6 maximum of two million dollars per fiscal biennium, beginning January
7 1, 2022, and each January 1st following the end of the fiscal year
8 based on donations and pledges received by the office for the program
9 as of the date each official state caseload forecast is submitted by
10 the caseload forecast council to the legislative fiscal committees,
11 as provided under RCW 43.88C.020. Nothing in this subsection expands
12 or modifies the responsibilities of the caseload forecast council.

13   (4) Expenditures, in the form of matching funds, from the account
14 may be made only upon receipt of proof from the office of private
15 contributions to the program. Expenditures, in the form of matching
16 funds, may not exceed the total amount of private contributions.

17   (5) Only the executive director of the office or the executive
18 director's designee may authorize expenditures from the account. Such
19 authorization must be made as soon as practicable following receipt
20 of proof as required under subsection (4) of this section.

21   NEW SECTION. **Sec. 5.** This act takes effect July 1, 2021.

22   NEW SECTION. **Sec. 6.**   Sections 1 through 5 of this act
23 constitute a new chapter in Title 28B RCW."

24   Correct the title.

       EFFECT: The striking amendment makes the following changes to the
Undocumented Student Support Loan Program (Program):
       (1) Changes the maximum annual student loan amount by clarifying
that regardless of the institution the student attends, the loan must
be no more than the cost of tuition and required fees at a public
institution or the equivalent public institution, less the value of
any state funded grant, scholarship, or waiver assistance the student
receives, plus $500 for books and materials.
       (2) Removes the subject to appropriation requirement for the
Program.
       (3) Modifies the account language to make it a nonappropriated
account with the sole purpose of providing state matching funds for
the Program and requires the Legislature to appropriate a state
match, up to a maximum of $2 million per biennium, beginning January
1, 2022, and each January 1st following the end of the fiscal year
based on donations and pledges received for the Program as of the
date each official state caseload forecast is submitted.

(4) Clarifies that expenditures from the account may only be made upon receipt of proof from the Office of Student Financial Assistance (Office) of private contributions to the Program.

(5) Requires a student to file a Washington Application for State Financial Aid to be eligible for the Program.

(6) Strikes the requirement for the Office to adopt rules related to a Public Service Loan Forgiveness option.

(7) Adds that the Office shall establish lifetime loan limits, in addition to annual, for the Program.

(8) Adds that data collected by the Program is private and confidential and data may only be shared with state government entities if personally identifiable student information is removed.

(9) Merges subsection 3(6) with subsection 3(2) as both require the Office to consult with various stakeholders regarding Program design.

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