

2SSB 6561 - H COMM AMD

By Committee on College & Workforce Development

ADOPTED AND ENGROSSED 3/5/20

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

3 "NEW SECTION. **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 NEW SECTION. **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;

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 (5) Resident student means:
12 (a) A financially independent student who has had a domicile in
13 the state of Washington for the period of one year immediately prior
14 to the time of commencement of the first day of the semester or
15 quarter for which the student has registered at any institution and
16 has in fact established a bona fide domicile in this state primarily
17 for purposes other than educational;
18 (b) A dependent student, if one or both of the student's parents
19 or legal guardians have maintained a bona fide domicile in the state
20 of Washington for at least one year immediately prior to commencement
21 of the semester or quarter for which the student has registered at
22 any institution;
23 (c) Any student:
24 (i) Who has spent at least seventy-five percent of both his or
25 her junior and senior years in high schools in this state;
26 (ii) Whose parents or legal guardians have been domiciled in the
27 state for a period of at least one year within the five-year period
28 before the student graduates from high school; and
29 (iii) Who enrolls in a public institution of higher education
30 within six months of leaving high school, for as long as the student
31 remains continuously enrolled for three quarters or two semesters in
32 any calendar year; or
33 (d) Any person:
34 (i) Who has completed the full senior year of high school and
35 obtained a high school diploma, both at a Washington public high
36 school or private high school approved under chapter 28A.195 RCW, or
37 a person who has received the equivalent of a diploma;
38 (ii) Who has lived in Washington for at least three years
39 immediately prior to receiving the diploma or its equivalent;

1 (iii) Who has continuously lived in the state of Washington after
2 receiving the diploma or its equivalent and until such time as the
3 individual is admitted to an institution of higher education; and

4 (iv) Who provides to the institution an affidavit indicating that
5 the individual will file an application to become a permanent
6 resident at the earliest opportunity the individual is eligible to do
7 so and a willingness to engage in any other activities necessary to
8 acquire citizenship, including but not limited to citizenship or
9 civics review courses.

10 NEW SECTION. **Sec. 3.** (1) The undocumented student support loan
11 program is established.

12 (2) The program shall be designed by the office, in consultation
13 with financial aid professionals at institutions of higher education,
14 state and nonprofit programs that work with eligible students, and
15 relevant student associations and stakeholders in the development of
16 the program.

17 (3) The program shall be administered by the office. In
18 administering the program, the office has the following powers and
19 duties:

20 (a) Screen and select, in coordination with representatives of
21 institutions of higher education, eligible students to receive an
22 undocumented student support loan;

23 (b) Consider an eligible student's financial inability to meet
24 the total cost of the participant's educational program in the
25 selection process;

26 (c) Issue low-interest student loans that are competitive with
27 federal student loan programs;

28 (d) Establish annual and lifetime loan limits equal to the cost
29 of attendance minus any other financial aid received as provided in
30 subsection (6) of this section;

31 (e) Define the terms of repayment, including applicable interest
32 rates, fees, and deferments;

33 (f) Collect and manage repayments from students who do not meet
34 their obligations under this chapter;

35 (g) Consider income-based repayment options;

36 (h) Solicit and accept grants and donations from public and
37 private sources for the program; and

38 (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) Student loans issued under the program shall follow the
18 requirements under 11 U.S.C. Sec. 523 regarding dischargeability in
19 bankruptcy.

20 (8) Data collected by the program is private and confidential and
21 must only be used for statistical analysis, research, and evaluation
22 purposes. Data sharing by the office may be extended to include the
23 office of financial management and other state governmental entities
24 with oversight responsibility for the program, as long as personally
25 identifiable student information is removed.

26 (9) The office shall provide information to the appropriate
27 fiscal and relevant policy committees of the legislature by December
28 1, 2023, and every two years thereafter that includes the following:

29 (a) Dollar amount and number of private donations received;

30 (b) Number of applications received;

31 (c) Number of student loans provided to eligible students per
32 year;

33 (d) Average student loan amount provided per participant;

34 (e) Level of degree program participants are pursuing;

35 (f) Number of student loans in active repayment, deferment, and
36 default status; and

37 (g) Any other information the office deems relevant.

38 NEW SECTION. **Sec. 4.** (1) The undocumented student support loan
39 match account is created in the custody of the state treasurer as a

1 nonappropriated account to be used solely and exclusively for the
2 program created in section 3 of this act. The purpose of the account
3 is to provide state matching funds for the undocumented student
4 support loan program.

5 (2) Revenues to the account consist of appropriations by the
6 legislature into the account.

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

15 (b) In any year that the fund balance of the account is ten
16 million dollars or more on the last day of the fiscal year, no state
17 match shall be required the following year.

18 (4) Expenditures, in the form of matching funds, from the account
19 may be made only upon receipt of proof from the office of private
20 contributions to the program. Expenditures, in the form of matching
21 funds, may not exceed the total amount of private contributions.

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

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

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

29 Correct the title.

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