

FINAL BILL REPORT

2SSB 6561

C 326 L 20
Synopsis as Enacted

Brief Description: Creating the undocumented student support loan program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Lias, Saldaña, Das, Nguyen, Hasegawa, Stanford, Dhingra, Hunt, Kuderer, Wellman and Wilson, C.).

Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means
House Committee on College & Workforce Development
House Committee on Appropriations

Background: Financial Aid Options for Undocumented Students. Both U.S. citizens and non-citizens who meet certain residency criteria in Washington may qualify for state financial aid programs like the Washington College Grant, the College Bound Scholarship, and the Washington State Opportunity Scholarship. Students may use these financial aid programs at eligible public and private colleges and universities in Washington. Undocumented and Deferred Action for Childhood Arrivals (DACA) students may be eligible for some institutional scholarships, depending on donor criteria.

Undocumented, DACA, and non-resident students are not eligible for federal financial aid programs such as the Pell Grant and federal student loans.

Summary: Undocumented Student Support Loan Program. The Undocumented Student Support Loan Program, administered by the Office of Student Financial Assistance (Office) under the Washington Student Achievement Council (WSAC), is created to offer low-interest loans to resident students who would not otherwise be eligible for federal student loans because of their citizenship status. The program must be designed in consultation with financial aid professionals, relevant student associations, certain non-profit programs, and other stakeholders.

Resident student, as it pertains to this program, means:

- a financially independent student who has domiciled in the state for one year prior to the first day of attending a higher education institution for purposes other than educational;

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- a dependent student, if their parents have maintained a domicile in the state for one year prior to the first day of attending a higher education institution for purposes other than educational;
- a student that has spent 75 percent of their junior and senior years of high school in this state, whose parents have been domiciled in this state for at least one year in the last five years before the student's high school graduation, and who enrolls in a public higher education institution within six months of leaving high school and maintains enrollment for the equivalent of an academic year; or
- a person who completed a full senior year of high school, who lived in Washington three years prior to receiving a high school diploma or its equivalent, who has continuously lived in Washington since receiving their high school diploma or its equivalent, and who provides an affidavit that they will apply to become a permanent resident at the earliest opportunity and are willing to engage in the activities necessary to become a citizen.

The loan award amount at either a public or private institution cannot be more than the cost of attendance minus any other financial aid. The loans must be low-interest and be competitive with federal student loans. In developing the loan program, WSAC must establish annual and lifetime loan limits, define terms of repayment, collect and manage repayments from students, consider income-based repayment options, solicit and accept grants and donations from public and private sources for the program, and adopt rules as necessary. WSAC, with higher education institution representatives, must screen and select eligible student recipients of the loan using the student's financial need as a factor.

Data collected by the program is confidential and must only be used for statistical analysis, research, and evaluation purposes. Data sharing may be extended to include the Office of Financial Management, or other state governmental entities with oversight responsibility of the program, if personally identifiable information is removed.

WSAC's Office of Student Financial Assistance may impose a loan origination fee on the Undocumented Student Support Loan up to the current rate imposed by the federal government on subsidized student loans.

By December 1, 2023, and every two years thereafter, WSAC must provide the appropriate committees of the Legislature certain information on the loan program including the number of loans provided, private donations received, information on the degree programs of participants, status of loans, and other information deemed relevant.

Any deposit of state funds into the Undocumented Student Support Loan Account must have an equal amount of cash donations, to be deposited into the Undocumented Student Loan Match Account. State matching funds are limited to no more than \$2 million per biennium beginning January 1, 2020, and annually thereafter. In any year that the fund balance is more than \$10 million, no state match is required the following year. Only WSAC's executive director, or the executive director's designee, may authorize expenditures from the account.

Votes on Final Passage:

Senate	34	14	
House	82	15	(House amended)
Senate	37	11	(Senate concurred)

Effective: July 1, 2020