
SUBSTITUTE SENATE BILL 6561

State of Washington

66th Legislature

2020 Regular Session

By Senate Higher Education & Workforce Development (originally sponsored by Senators Lias, Saldaña, Das, Nguyen, Hasegawa, Stanford, Dhingra, Hunt, Kuderer, Wellman, and Wilson, C.)

READ FIRST TIME 02/06/20.

1 AN ACT Relating to higher education funding options for dreamers;
2 adding a new chapter to Title 28B RCW; and providing an effective
3 date.

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

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

17 (2) Therefore, the legislature intends to increase access to
18 those students who are ineligible for federal financial aid by
19 creating a state-funded and state-administered student loan program.
20 The legislature intends for the undocumented student support loan
21 program to provide students loans that are competitive with federal

1 student loans and offer multiple options for repayment including
2 adjusted monthly payments based on income and public student loan
3 forgiveness.

4 NEW SECTION. **Sec. 2.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Eligible student" means a student who:

8 (a) Is a resident student as defined in RCW 28B.15.012;

9 (b) Who demonstrates financial need as defined in RCW 28B.92.030;

10 (c) Has indicated they will attend an institution of higher
11 education or is making satisfactory progress in a program, as defined
12 in rule by the office, at an institution of higher education; and

13 (d) Does not qualify for federally funded student financial aid
14 because of their citizenship status.

15 (2) "Institution of higher education" has the same meaning as in
16 RCW 28B.92.030.

17 (3) "Office" means the office of student financial assistance
18 created in RCW 28B.76.090.

19 (4) "Participant" means an eligible student who has received an
20 undocumented student support loan.

21 NEW SECTION. **Sec. 3.** (1) Subject to amounts appropriated for
22 this specific purpose, the undocumented student support loan program
23 is established.

24 (2) The program shall be designed in consultation with financial
25 aid professionals at institutions of higher education and state and
26 nonprofit programs that work with eligible students.

27 (3) The program shall be administered by the office. In
28 administering the program, the office has the following powers and
29 duties to:

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

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

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

1 (d) Establish an annual loan limit equal to the cost of
2 attendance minus any other financial aid received as provided in
3 subsection (5) of this section;

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

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

8 (g) Consider income-based repayment options;

9 (h) Adopt program rules related to a public service loan
10 forgiveness option;

11 (i) Solicit and accept grants and donations from public and
12 private sources for the program; and

13 (j) Adopt rules necessary to implement the program.

14 (4) The undocumented student support loan does not accrue
15 interest while a participant is enrolled in an institution of higher
16 education.

17 (5) The maximum amount granted per student for the undocumented
18 student support loan program is as follows:

19 (a) For students attending a two-year or four-year institution of
20 higher education, the difference between the student's tuition and
21 required fees, less the value of any state-funded grant, scholarship,
22 or waiver assistance the student receives, plus five hundred dollars
23 for books and materials; and

24 (b) For students attending private four-year institutions of
25 higher education in Washington, the representative average of awards
26 granted to students in public research universities in Washington or
27 the representative average of awards granted to students in public
28 research universities in Washington in the year of high school
29 graduation, whichever is greater.

30 (6) The office shall consult with relevant student associations
31 and stakeholders in the development of the program.

32 (7) Data collected by the program must only be used for
33 statistical analysis, research, and evaluation purposes. Data sharing
34 by the office may be extended to include the office of financial
35 management and other state governmental entities with oversight
36 responsibility for this program.

37 NEW SECTION. **Sec. 4.** The undocumented student support loan
38 account is created in the custody of the state treasurer. All
39 receipts from undocumented student support loans must be deposited in

1 the account. Expenditures from the account may be used only for the
2 undocumented student support loan program created in section 3 of
3 this act. Only the director of the office or the director's designee
4 may authorize expenditures from the account. The account is subject
5 to the allotment procedures under chapter 43.88 RCW, but an
6 appropriation is not required for expenditures.

7 NEW SECTION. **Sec. 5.** The office shall request that the state
8 treasurer deposit state matching funds into the undocumented student
9 support loan account created in section 4 of this act when the office
10 can match the state funds with an equal amount of private cash
11 donations. State matching funds are limited to no more than two
12 million dollars per biennium.

13 NEW SECTION. **Sec. 6.** Sections 1 through 5 and 7 of this act
14 constitute a new chapter in Title 28B RCW.

15 NEW SECTION. **Sec. 7.** This act takes effect July 1, 2021.

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