
SUBSTITUTE SENATE BILL 5806

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Schoesler, Shin, Berkey, Delvin, Murray and Kohl-Welles)

READ FIRST TIME 02/20/07.

1 AN ACT Relating to higher education costs; amending RCW 28B.15.820
2 and 28B.92.080; reenacting and amending RCW 43.79A.040; adding new
3 sections to chapter 28B.15 RCW; adding new sections to chapter 28B.50
4 RCW; adding new chapters to Title 28B RCW; and creating new sections.

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

6 **PART 1**

7 **STATEWIDE TUITION POLICY**

8 NEW SECTION. **Sec. 101.** A new section is added to chapter 28B.15
9 RCW to read as follows:

10 TUITION--FUNDING LEVELS--LIMITATIONS. (1) Beginning with the
11 2007-08 academic year and ending with the 2016-17 academic year,
12 tuition fees charged to full-time resident undergraduate students may
13 increase no greater than seven percent over the previous academic year
14 in any institution of higher education. Annual reductions or increases
15 in full-time tuition fees for resident undergraduate students shall be
16 as provided in the omnibus appropriations act, within the seven percent
17 increase limit established in this section. To the extent that state
18 appropriations combined with tuition and fee revenues are insufficient

1 to achieve the total per-student funding goals established in
2 subsection (2) of this section, the legislature may revisit state
3 appropriations, authorized enrollment levels, and changes in tuition
4 fees for any given fiscal year.

5 (2) The state shall adopt as its goal total per-student funding
6 levels, from state appropriations plus tuition and fees, of at least
7 the sixtieth percentile of total per-student funding at similar public
8 institutions of higher education in the global challenge states. The
9 office of financial management shall develop a funding trajectory for
10 each four-year institution of higher education and for the community
11 and technical college system as a whole that when combined with tuition
12 and fees revenue allows the state to achieve its funding goal for each
13 four-year institution and the community and technical college system as
14 a whole no later than fiscal year 2017. The state shall not reduce
15 enrollment levels below fiscal year 2007 budgeted levels in order to
16 improve or alter the per-student funding amount at any four-year
17 institution of higher education or the community and technical college
18 system as a whole. The state recognizes that each four-year
19 institution of higher education and the community and technical college
20 system as a whole have different funding requirements to achieve
21 desired performance levels, and that increases to the total per-student
22 funding amount may need to exceed the minimum funding goal.

23 (3) By September 1st of each year beginning 2008, the office of
24 financial management shall report to the governor, the higher education
25 coordinating board, and appropriate committees of the legislature with
26 updated estimates of the total per-student funding level that
27 represents the sixtieth percentile of funding for comparable
28 institutions of higher education in the global challenge states, and
29 the progress toward that goal that was made for each of the public
30 institutions of higher education.

31 (4) As used in this section, "global challenge states" are the top
32 performing states on the new economy index published by the progressive
33 policy institute as of the effective date of this section. The new
34 economy index ranks states on indicators of their potential to compete
35 in the new economy. At least once every five years, the office of
36 financial management shall determine if changes to the list of global
37 challenge states are appropriate. The office of financial management
38 shall report its findings to the governor and the legislature.

1 upon receipt of a baccalaureate degree or five calendar years after
2 college enrollment.

3 NEW SECTION. **Sec. 202.** ELIGIBILITY. (1) To be eligible to apply
4 for a Washington learns scholarship established in section 201 of this
5 act, a student must be enrolled in the Washington learns scholarship
6 program.

7 (a) To be enrolled, a student must sign a pledge during seventh or
8 eighth grade that includes a commitment to graduate from high school
9 with at least a "C" average and no felony convictions. The pledge must
10 be witnessed by a parent or guardian and forwarded to the higher
11 education coordinating board by mail or electronically, as indicated on
12 the pledge form.

13 (b) At the time the pledge is signed, the student must be eligible
14 for free or reduced-price lunches, or will be a first generation
15 college student, meaning that neither parent has attained a
16 baccalaureate degree.

17 (c) The student must be a member of the high school graduating
18 class of 2012 or later.

19 (d) The student must complete the application for the scholarship
20 while in high school.

21 (2) To receive and maintain scholarship eligibility, a student
22 must:

23 (a) Be eligible for resident tuition and fee rates as defined in
24 RCW 28B.15.012 and 28B.15.013;

25 (b) Have fulfilled the terms and conditions of the pledge described
26 in this section;

27 (c) Have a family income that is at or below the state median
28 family income in the calendar year preceding college attendance;

29 (d) Enter a public or private institution of higher education in
30 Washington that is accredited by an accrediting agency recognized by
31 rule of the higher education coordinating board. The student must
32 enroll in an institution of higher education within one calendar year
33 of high school graduation, with exceptions made for illness, military
34 service, or other extenuating circumstances;

35 (e) Maintain satisfactory academic progress as defined by the
36 institution of higher education in which the student is enrolled; and

1 (f) File for state and federal financial aid by completing and
2 submitting the free application for federal student aid (FAFSA) in a
3 timely manner. The higher education coordinating board shall set and
4 publicize annual deadlines.

5 NEW SECTION. **Sec. 203.** ADMINISTRATION. (1) The office of the
6 superintendent of public instruction shall:

7 (a) Notify elementary, middle, and junior high school students,
8 parents, teachers, counselors, principals, and the children's
9 administration of the department of social and health services about
10 the Washington learns scholarship program; and

11 (b) Work with the higher education coordinating board to develop
12 application collection and student tracking procedures.

13 (2) The higher education coordinating board shall:

14 (a) Establish administrative rules and policies to carry out the
15 Washington learns scholarship program;

16 (b) Develop and distribute, to all schools with students enrolled
17 in grade seven or eight, a pledge form that can be completed and
18 returned electronically or by mail by the student or the school to the
19 higher education coordinating board;

20 (c) Provide information to all middle and junior high schools to
21 inform them about the program and the eligibility and application
22 requirements;

23 (d) Develop and implement a student application, selection, and
24 notification process for scholarships;

25 (e) Track scholarship recipients to ensure continued eligibility
26 and determine student compliance for awarding of scholarships;

27 (f) Subject to appropriation, deposit funds into the state
28 educational trust fund;

29 (g) Purchase tuition units under the advanced college tuition
30 payment program in chapter 28B.95 RCW to be owned and held in trust by
31 the board, for the purpose of scholarship awards as provided for in
32 this subsection (2); and

33 (h) Distribute scholarship funds, in the form of tuition units
34 purchased under the advanced college tuition payment program in chapter
35 28B.95 RCW or through direct payments from the state educational trust
36 fund, to institutions of higher education on behalf of scholarship

1 recipients identified by the board, as long as recipients maintain
2 satisfactory academic progress.

3 **PART 3**

4 **GET READY FOR MATH AND SCIENCE SCHOLARSHIP PROGRAM**

5 NEW SECTION. **Sec. 301.** GET READY FOR MATH AND SCIENCE
6 SCHOLARSHIP--PUBLIC-PRIVATE PARTNERSHIP. (1) The GET ready for math
7 and science scholarship program is established. Scholarship recipients
8 may enroll in any public or private institution of higher education in
9 Washington that is accredited by an accrediting agency recognized by
10 rule of the board. The scholarship may be awarded to eligible students
11 who achieve level four on the mathematics or science Washington
12 assessment of student learning in the tenth grade and who enter
13 qualified programs at a qualified institution of higher education as
14 defined in section 302 of this act. The scholarship award amount may
15 not exceed the cost of tuition and mandatory fees for up to one hundred
16 eighty quarter credits, or the semester equivalent, in a public
17 research university in Washington.

18 (2) A public-private partnership shall be developed to administer
19 the scholarship, with the private partner being a private nonprofit
20 foundation.

21 NEW SECTION. **Sec. 302.** DEFINITIONS. The definitions in this
22 section apply throughout this chapter unless the context clearly
23 requires otherwise.

- 24 (1) "Board" means the higher education coordinating board.
25 (2) "GET units" means tuition units under the advanced college
26 tuition payment program in chapter 28B.95 RCW.
27 (3) "Program administrator" means the private nonprofit foundation
28 that is the private partner in the public-private partnership under
29 this chapter.
30 (4) "Qualified program" means the qualified mathematics or science-
31 related degree program determined by the board and the program
32 administrator under section 307 of this act.

33 NEW SECTION. **Sec. 303.** ELIGIBILITY. (1) To be eligible to apply

1 for a GET ready for math and science scholarship under this chapter, a
2 student must:

3 (a) Be eligible for resident tuition and fee rates as defined in
4 RCW 28B.15.012 and 28B.15.013;

5 (b) Have achieved level four on the mathematics or science
6 Washington assessment of student learning in the tenth grade;

7 (c) Declare the intent to enter a qualified program at an
8 institution of higher education in Washington;

9 (d) Declare the intent to work in Washington state for at least
10 three years after graduation from college in an occupation related to
11 the college program from which the student will graduate; and

12 (e) Have a family income that is at or below one hundred twenty-
13 five percent of the state median family income at the time the
14 application is submitted and for up to the previous two years.

15 (2) In order to receive and maintain scholarship eligibility, a
16 student must:

17 (a) Enter a qualified institution of higher education in Washington
18 state within one calendar year of high school graduation;

19 (b) Maintain satisfactory academic progress as defined by the
20 institution of higher education in which the student is enrolled;

21 (c) Take at least one college-level mathematics or science course
22 each term before being accepted into a qualified program; and

23 (d) Enter a qualified program as soon as practicable after program
24 admission prerequisites are fulfilled but not later than the first
25 semester of the junior year in college.

26 NEW SECTION. **Sec. 304.** OFFICE OF THE SUPERINTENDENT OF PUBLIC
27 INSTRUCTION--DUTIES. The office of the superintendent of public
28 instruction shall:

29 (1) Notify elementary, middle, junior high, and high school
30 students, parents, teachers, counselors, and principals about the GET
31 ready for math and science scholarship program;

32 (2) Notify students who achieve level four of the mathematics or
33 science Washington assessment of student learning in tenth grade that
34 they may be eligible to apply for a GET ready for math and science
35 scholarship and provide them with contact information for the program
36 administrator; and

1 (3) Notify the program administrator and the board, as early as
2 possible during the fall of the students' junior year in high school,
3 of the names and contact information of all students who achieved level
4 four on the mathematics or science Washington assessment of student
5 learning during tenth grade so that the program administrator may
6 provide them with scholarship information.

7 NEW SECTION. **Sec. 305.** HIGHER EDUCATION COORDINATING BOARD--
8 DUTIES. The board shall:

9 (1) Purchase GET units to be owned and held in trust by the board,
10 for the purpose of scholarship awards as provided for in this section;

11 (2) Distribute scholarship funds, in the form of GET units or
12 through direct payments from the GET ready for math and science
13 scholarship account, to institutions of higher education on behalf of
14 scholarship recipients identified by the program administrator, as long
15 as recipients continue to meet the requirements of section 303(2) of
16 this act;

17 (3) Provide the program administrator with annual reports of
18 enrollment, contact, and graduation information of scholars, provided
19 they have given permission for the board to do so;

20 (4) Track program graduates to ensure that they work in Washington
21 state in a mathematics or science-related occupation for at least three
22 years after college graduation, or pay back the scholarship, prorated
23 based on the length of time worked in a mathematics or science-related
24 occupation in Washington. Students may postpone their in-state work
25 requirement in order to attend graduate school in a qualified program
26 for up to three years after completion of an undergraduate qualified
27 program.

28 NEW SECTION. **Sec. 306.** PROGRAM ADMINISTRATOR--DUTIES. The
29 program administrator shall:

30 (1) Raise funds from the private and nonprofit sectors to match
31 state funds appropriated for the GET ready for math and science
32 scholarship program;

33 (2) Develop and implement a student application, selection, and
34 notification process for scholarships;

35 (3) Notify institutions of higher education of scholarship

1 recipients who will attend their institutions and inform them of the
2 terms of the students' eligibility;

3 (4) Report to private donors on the program outcomes and facilitate
4 contact between students and donors, if students have given the
5 foundation permission to do so, in order for donors to offer summer
6 employment opportunities, internships, career information and job
7 opportunities after graduation; and

8 (5) Establish rules for scholarship repayment, approved leaves of
9 absence, deferments, and exceptions to recognize extenuating
10 circumstances that may impact students.

11 NEW SECTION. **Sec. 307.** QUALIFIED PROGRAMS. The board and the
12 program administrator shall determine criteria for qualified
13 mathematics and science-related college degree programs, majors, and
14 courses for this scholarship program. The list of eligible programs
15 shall be updated biennially. However, once a student has been accepted
16 into an eligible mathematics or science degree program, the student may
17 continue in that program, even if it is subsequently removed from the
18 list of qualified programs.

19 NEW SECTION. **Sec. 308.** GET READY FOR MATH AND SCIENCE SCHOLARSHIP
20 ACCOUNT. (1) The GET ready for math and science scholarship account is
21 created in the custody of the state treasurer.

22 (2) The board shall deposit into the account all money received for
23 the GET ready for math and science scholarship program from
24 appropriations and private sources. The account shall be
25 self-sustaining.

26 (3) Expenditures from the account shall be used for scholarships to
27 eligible students and for purchases of GET units. Purchased GET units
28 shall be owned and held in trust by the board. Expenditures from the
29 account shall be an equal match of state appropriations and private
30 funds raised by the program administrator.

31 (4) With the exception of the operating costs associated with the
32 management of the account by the treasurer's office as authorized in
33 chapter 43.79A RCW, the account shall be credited with all investment
34 income earned by the account.

35 (5) Disbursements from the account are exempt from appropriations
36 and the allotment provisions of chapter 43.88 RCW.

1 (6) Disbursements from the account shall be made only on the
2 authorization of the board.

3 **Sec. 309.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2
4 are each reenacted and amended to read as follows:

5 (1) Money in the treasurer's trust fund may be deposited, invested,
6 and reinvested by the state treasurer in accordance with RCW 43.84.080
7 in the same manner and to the same extent as if the money were in the
8 state treasury.

9 (2) All income received from investment of the treasurer's trust
10 fund shall be set aside in an account in the treasury trust fund to be
11 known as the investment income account.

12 (3) The investment income account may be utilized for the payment
13 of purchased banking services on behalf of treasurer's trust funds
14 including, but not limited to, depository, safekeeping, and
15 disbursement functions for the state treasurer or affected state
16 agencies. The investment income account is subject in all respects to
17 chapter 43.88 RCW, but no appropriation is required for payments to
18 financial institutions. Payments shall occur prior to distribution of
19 earnings set forth in subsection (4) of this section.

20 (4)(a) Monthly, the state treasurer shall distribute the earnings
21 credited to the investment income account to the state general fund
22 except under (b) and (c) of this subsection.

23 (b) The following accounts and funds shall receive their
24 proportionate share of earnings based upon each account's or fund's
25 average daily balance for the period: The Washington promise
26 scholarship account, the college savings program account, the
27 Washington advanced college tuition payment program account, the
28 agricultural local fund, the American Indian scholarship endowment
29 fund, the foster care scholarship endowment fund, the foster care
30 endowed scholarship trust fund, the students with dependents grant
31 account, the basic health plan self-insurance reserve account, the
32 contract harvesting revolving account, the Washington state combined
33 fund drive account, the commemorative works account, the Washington
34 international exchange scholarship endowment fund, the developmental
35 disabilities endowment trust fund, the energy account, the fair fund,
36 the fruit and vegetable inspection account, the future teachers
37 conditional scholarship account, the game farm alternative account, the

1 GET ready for math and science scholarship account, the grain
2 inspection revolving fund, the juvenile accountability incentive
3 account, the law enforcement officers' and fire fighters' plan 2
4 expense fund, the local tourism promotion account, the produce railcar
5 pool account, the regional transportation investment district account,
6 the rural rehabilitation account, the stadium and exhibition center
7 account, the youth athletic facility account, the self-insurance
8 revolving fund, the sulfur dioxide abatement account, the children's
9 trust fund, the Washington horse racing commission Washington bred
10 owners' bonus fund account, the Washington horse racing commission
11 class C purse fund account, the individual development account program
12 account, the Washington horse racing commission operating account
13 (earnings from the Washington horse racing commission operating account
14 must be credited to the Washington horse racing commission class C
15 purse fund account), the life sciences discovery fund, and the reading
16 achievement account. However, the earnings to be distributed shall
17 first be reduced by the allocation to the state treasurer's service
18 fund pursuant to RCW 43.08.190.

19 (c) The following accounts and funds shall receive eighty percent
20 of their proportionate share of earnings based upon each account's or
21 fund's average daily balance for the period: The advanced right of way
22 revolving fund, the advanced environmental mitigation revolving
23 account, the city and county advance right-of-way revolving fund, the
24 federal narcotics asset forfeitures account, the high occupancy vehicle
25 account, the local rail service assistance account, and the
26 miscellaneous transportation programs account.

27 (5) In conformance with Article II, section 37 of the state
28 Constitution, no trust accounts or funds shall be allocated earnings
29 without the specific affirmative directive of this section.

30 PART 4

31 REGIONAL OPPORTUNITY GRANT PROGRAM

32 NEW SECTION. **Sec. 401.** REGIONAL OPPORTUNITY GRANT PROGRAM--
33 INTENT. The legislature finds that:

34 (1) The economic trends of globalization and technological change
35 are increasing the demand for higher and differently skilled workers
36 than in the past;

1 (2) Increasing Washington's economic competitiveness requires
2 increasing the supply of skilled workers in the state;

3 (3) Improving the labor market competitiveness of all Washington
4 residents requires that all residents have access to postsecondary
5 education; and

6 (4) Community and technical college workforce training programs and
7 Washington state apprenticeship and training council-approved
8 apprenticeship programs provide effective and efficient pathways for
9 people to enter high-wage, high-skilled careers while also meeting the
10 needs of the economy.

11 NEW SECTION. **Sec. 402.** A new section is added to chapter 28B.50
12 RCW to read as follows:

13 REGIONAL OPPORTUNITY GRANT PROGRAM. (1) The college board shall
14 develop and implement a workforce education program known as the
15 regional opportunity grant program to provide funding for students
16 enrolled at public community and technical colleges in regional
17 opportunity grant-eligible programs of study determined through the
18 process described in section 403 of this act. Students enrolled in the
19 regional opportunity grant program are eligible for:

20 (a) Funding for tuition and mandatory fees at the public community
21 and technical college rate, prorated if the credit load is less than
22 full time, paid directly to the educational institution; and

23 (b) An additional allowance for books, tools, and supplies.

24 (2) Funding under this section is limited to a maximum forty-five
25 credits in a regional opportunity grant-eligible program of study,
26 including required related courses. No student may receive regional
27 opportunity grant funding for more than forty-five credits or for more
28 than three years from initial receipt of grant funds in one or a
29 combination of programs.

30 NEW SECTION. **Sec. 403.** A new section is added to chapter 28B.50
31 RCW to read as follows:

32 REGIONAL OPPORTUNITY GRANT PROGRAM--ELIGIBILITY--GOALS--
33 COLLABORATION WITH THE HIGHER EDUCATION COORDINATING BOARD. (1) To be
34 eligible for participation in the regional opportunity grant program
35 established in section 402 of this act, a student must be eligible for
36 resident tuition and fee rates as defined in RCW 28B.15.012 and

1 28B.15.013, be enrolled in a vocational program of study, and have a
2 family income that is at or below the state median family income using
3 the state need grant schedule for the same academic year.

4 (2) The college board shall develop goals for student retention and
5 completion. It shall set annual performance measures and targets and
6 monitor the performance at all public community and technical colleges.

7 (3) The college board and the higher education coordinating board
8 shall work together to ensure that students participating in the
9 regional opportunity grant program receive all other state and federal
10 financial aid to which they are entitled while receiving a regional
11 opportunity grant.

12 (4) The college board and the higher education coordinating board
13 shall document the amount of regional opportunity grant assistance and
14 the types and amounts of other sources of financial aid received by
15 participating students. Annually, they shall produce a summary of the
16 data.

17 (5) The college board shall:

18 (a) Develop the program and begin enrolling students no later than
19 January 2008; and

20 (b) Submit a progress report to appropriate committees of the
21 legislature by December 1, 2008.

22 NEW SECTION. **Sec. 404.** A new section is added to chapter 28B.50
23 RCW to read as follows:

24 REGIONAL OPPORTUNITY GRANT PROGRAM--COLLEGE BOARD DUTIES. The
25 college board, in partnership with business, labor, and the workforce
26 training and education coordinating board, shall:

27 (1) Identify job specific training programs offered by qualified
28 postsecondary institutions that lead to a credential, certificate, or
29 degree in high-demand occupations, which are occupations where employer
30 demand for workers exceeds the supply of qualified job applicants
31 throughout the state or in a specific region;

32 (2) Designate recognized credentials, certificates, and degrees as
33 "regional opportunity grant-eligible programs of study"; and

34 (3) Market the credentials, certificates, and degrees to potential
35 students, businesses, and apprenticeship programs as a way for
36 individuals to advance in their careers and to better meet the needs of
37 industry.

1 PART 5

2 EXPANDING ELIGIBILITY FOR THE STATE NEED GRANT PROGRAM

3 NEW SECTION. **Sec. 501.** The legislature finds that many adults who
4 wish to improve their skills or complete a college degree also have to
5 work full time to support a family or are single parents, and are able
6 to attend only one class per term. This should not disqualify them
7 from the state's primary financial aid program if they would otherwise
8 be eligible based on their income.

9 **Sec. 502.** RCW 28B.15.820 and 2004 c 275 s 66 are each amended to
10 read as follows:

11 (1) Each institution of higher education, including technical
12 colleges, shall deposit a minimum of three and one-half percent of
13 revenues collected from tuition and services and activities fees in an
14 institutional financial aid fund that is hereby created and which shall
15 be held locally. Moneys in the fund shall be used only for the
16 following purposes: (a) To make guaranteed long-term loans to eligible
17 students as provided in subsections (3) through (8) of this section;
18 (b) to make short-term loans as provided in subsection (9) of this
19 section; or (c) to provide financial aid to needy students as provided
20 in subsection (10) of this section.

21 (2) An "eligible student" for the purposes of subsections (3)
22 through (8) and (10) of this section is a student registered for at
23 least (~~six~~) three credit hours or the equivalent, who is eligible for
24 resident tuition and fee rates as defined in RCW 28B.15.012 and
25 28B.15.013, and who is a "needy student" as defined in RCW 28B.92.030.

26 (3) The amount of the guaranteed long-term loans made under this
27 section shall not exceed the demonstrated financial need of the
28 student. Each institution shall establish loan terms and conditions
29 which shall be consistent with the terms of the guaranteed loan program
30 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
31 amended. All loans made shall be guaranteed by the Washington student
32 loan guaranty association or its successor agency. Institutions are
33 hereby granted full authority to operate as an eligible lender under
34 the guaranteed loan program.

35 (4) Before approving a guaranteed long-term loan, each institution
36 shall analyze the ability of the student to repay the loan based on
37 factors which include, but are not limited to, the student's

1 accumulated total education loan burdens and the employment
2 opportunities and average starting salary characteristics of the
3 student's chosen fields of study. The institution shall counsel the
4 student on the advisability of acquiring additional debt, and on the
5 availability of other forms of financial aid.

6 (5) Each institution is responsible for collection of guaranteed
7 long-term loans made under this section and shall exercise due
8 diligence in such collection, maintaining all necessary records to
9 insure that maximum repayments are made. Institutions shall cooperate
10 with other lenders and the Washington student loan guaranty
11 association, or its successor agency, in the coordinated collection of
12 guaranteed loans, and shall assure that the guarantability of the loans
13 is not violated. Collection and servicing of guaranteed long-term
14 loans under this section shall be performed by entities approved for
15 such servicing by the Washington student loan guaranty association or
16 its successor agency: PROVIDED, That institutions be permitted to
17 perform such servicing if specifically recognized to do so by the
18 Washington student loan guaranty association or its successor agency.
19 Collection and servicing of guaranteed long-term loans made by
20 community colleges under subsection (1) of this section shall be
21 coordinated by the state board for community and technical colleges and
22 shall be conducted under procedures adopted by the state board.

23 (6) Receipts from payment of interest or principal or any other
24 subsidies to which institutions as lenders are entitled, that are paid
25 by or on behalf of borrowers of funds under subsections (3) through (8)
26 of this section, shall be deposited in each institution's financial aid
27 fund and shall be used to cover the costs of making the guaranteed
28 long-term loans under this section and maintaining necessary records
29 and making collections under subsection (5) of this section: PROVIDED,
30 That such costs shall not exceed five percent of aggregate outstanding
31 loan principal. Institutions shall maintain accurate records of such
32 costs, and all receipts beyond those necessary to pay such costs, shall
33 be deposited in the institution's financial aid fund.

34 (7) The governing boards of the state universities, the regional
35 universities, and The Evergreen State College, and the state board for
36 community and technical colleges, on behalf of the community colleges
37 and technical colleges, shall each adopt necessary rules and
38 regulations to implement this section.

1 (8) First priority for any guaranteed long-term loans made under
2 this section shall be directed toward students who would not normally
3 have access to educational loans from private financial institutions in
4 Washington state, and maximum use shall be made of secondary markets in
5 the support of loan consolidation.

6 (9) Short-term loans, not to exceed one year, may be made from the
7 institutional financial aid fund to students enrolled in the
8 institution. No such loan shall be made to any student who is known by
9 the institution to be in default or delinquent in the payment of any
10 outstanding student loan. A short-term loan may be made only if the
11 institution has ample evidence that the student has the capability of
12 repaying the loan within the time frame specified by the institution
13 for repayment.

14 (10) Any moneys deposited in the institutional financial aid fund
15 that are not used in making long-term or short-term loans may be used
16 by the institution for locally-administered financial aid programs for
17 needy students, such as need-based institutional employment programs or
18 need-based tuition and fee scholarship or grant programs. These funds
19 shall be used in addition to and not to replace institutional funds
20 that would otherwise support these locally-administered financial aid
21 programs. First priority in the use of these funds shall be given to
22 needy students who have accumulated excessive educational loan burdens.
23 An excessive educational loan burden is a burden that will be difficult
24 to repay given employment opportunities and average starting salaries
25 in the student's chosen fields of study. Second priority in the use of
26 these funds shall be given to needy single parents, to assist these
27 students with their educational expenses, including expenses associated
28 with child care and transportation.

29 **Sec. 503.** RCW 28B.92.080 and 2004 c 275 s 39 are each amended to
30 read as follows:

31 For a student to be eligible for a state need grant a student must:

32 (1) Be a "needy student" or "disadvantaged student" as determined
33 by the board in accordance with RCW 28B.92.030 (3) and (4).

34 (2) Have been domiciled within the state of Washington for at least
35 one year.

36 (3) Be enrolled or accepted for enrollment (~~on at least a half-~~

1 ~~time basis~~) in at least three credits at an institution of higher
2 education in Washington as defined in RCW 28B.92.030(1).

3 (4) Have complied with all the rules (~~and regulations~~) adopted by
4 the board for the administration of this chapter.

5 **PART 6**

6 **MISCELLANEOUS PROVISIONS**

7 NEW SECTION. Sec. 601. PART HEADINGS AND CAPTIONS NOT LAW. Part
8 headings and captions used in this act are not any part of the law.

9 NEW SECTION. Sec. 602. Sections 201 through 203 of this act
10 constitute a new chapter in Title 28B RCW.

11 NEW SECTION. Sec. 603. Sections 301 through 308 of this act
12 constitute a new chapter in Title 28B RCW.

--- END ---