Chapter 250-20 WAC

STATE STUDENT FINANCIAL AID PROGRAM—NEED GRANT AND THE FEDERAL PROGRAM FOR STATE STUDENT INCENTIVE GRANT PROGRAM TITLE 45, CODE OF FEDERAL REGULATIONS CHAPTER 1, PART 192

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DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

250-20-025 Program definitions. [Emergency and Permanent Order 1-72, § 250-20-025, filed 3/23/72.] Repealed by Order 1-73, filed 7/2/73.
250-20-040 Grant renewal. [Emergency and Permanent Order 1-72, § 250-20-040, filed 3/23/72; Order 2-70, § 250-20-040, filed 2/17/70.] Repealed by Order 1-73, filed 7/2/73.
250-20-050 Refunds. [Emergency and Permanent Order 1-72, § 250-20-050, filed 3/23/72; Order 2-70, § 250-20-050, filed 2/17/70.] Repealed by Order 1-73, filed 7/2/73.
250-20-060 Student transfer. [Order 2-70, § 250-20-060, filed 2/17/70.] Repealed by Order 1-73, filed 7/2/73.
250-20-090 Voluntary repayment pledge. [Emergency and Permanent Order 1-72, § 250-20-090, filed 3/23/72; Order 2-70, § 250-20-090, filed 2/17/70.] Repealed by Order 1-73, filed 7/2/73.
250-20-100 Application and award procedures. [Order 1-70, § 250-20-100, filed 7/14/72; Emergency and Permanent Order 1-72, § 250-20-100, filed 3/23/72; Order 2-70, § 250-20-100, filed 2/17/70.] Repealed by Order 1-73, filed 7/2/73.
250-20-110 Field audits. [Emergency and Permanent Order 1-72, § 250-20-110, filed 3/23/72.] Repealed by Order 1-73, filed 7/2/73.

WAC 250-20-001 Applicability of rules. Unless specified, the term "state need grant" applies to both the state need grant program and the federal leveraging educational assistance partnership program. Institutions participating in the state need grant program must comply with the regulations specified in chapter 250-20 WAC and conform to all requirements of the leveraging educational assistance partnership program as specified in 34 Code of Federal Regulations, Part 692.


WAC 250-20-011 Student eligibility. For a student to be eligible for a state need grant he or she must:
(1) Be a "needy student" as determined by the higher education coordinating board in accordance with RCW 28B.10.802. These students must also meet the "income cutoff," be a "former foster youth", be a "disadvantaged student or an opportunity internship graduate."
(2) Be a resident of the state of Washington in accordance with RCW 28B.15.012 (2)(a) through (d).
(3) Be enrolled or accepted for enrollment as an undergraduate student at a participating postsecondary institution. A student is not eligible if he or she has received a bachelor's degree or its foreign equivalent.
(a) For purposes of need grant eligibility, the student must be enrolled, at time of disbursement, in a course load of at least six credits per quarter or semester (except as specified in WAC 250-20-011 less-than-half-time pilot project and opportunity internship graduates).
(b) A student enrolled less than half time may not receive this grant for the term in question (except as specified in WAC 250-20-011 less-than-half-time pilot project and opportunity internship graduates), but is eligible for reinstatement or reapplication for a grant upon return to at least a half-time status. Correspondence courses may not comprise more than one-half of the student's minimum credit load for which aid is being considered.
(c) Have a high school diploma or its equivalent. Equivalent standards include a general education development certificate or a certificate of completion of a home study program recognized by the student's home state. For a student without a high school diploma or its equivalent, a school may accept a recognized ability-to-benefit test as defined by federal financial aid regulations.
(4) Maintain satisfactory progress as defined in WAC 250-20-021(19).
(5) Not be pursuing a degree in theology.
(6) Have submitted the Free Application for Federal Student Aid to receive consideration for a Pell grant (except as specified in WAC 250-20-021 less-than-half-time pilot project and opportunity internship graduates).

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(7) Certify that he or she does not owe a refund or repayment on a state or federal grant, and is not in default on a loan made, insured, or guaranteed under the Federal Family Education Loan Program, the Federal Perkins Loan Program, or the Federal Direct Student Loan Program.

(8) Not exceed the following state need grant usage limits:

(a) The equivalent of ten full-time semesters or fifteen full-time quarters or equivalent combination of these two.
(b) One hundred twenty-five percent of the school's published program length.

(c) A new associate degree or certificate program as a state need grant recipient within five years of earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. A student shall be deemed to have received an associate degree as a state need grant recipient if the student received grant payments in more than three quarters, two semesters, or equivalent clock hours while pursuing an associate degree.
(d) For an individual qualifying for the state need grant as an opportunity internship graduate, the equivalent of two full-time semesters or three full-time quarters.

(1) Be a postsecondary institution as defined in WAC 250-20-013.
(2) Have the authority to provide educational services including tuitions and books.
(3) Have a written statement of the student's rights and responsibilities.
(4) Have a written statement of the institution's policies and procedures.
(5) Have a written statement of the institution's financial assistance programs.
(6) Have a written statement of the institution's policies and procedures.
(7) Certify that he or she does not owe a refund or repayment on a state or federal grant, and is not in default on a loan made, insured, or guaranteed under the Federal Family Education Loan Program, the Federal Perkins Loan Program, or the Federal Direct Student Loan Program.

(3) That it is capable of properly administering the state need grant program. In making this determination, the board will consider such factors as the institution's:
   (i) Adequacy of staffing levels.
   (ii) Staff training and experience in administering student financial aid programs and turnover in key personnel.
   (iii) Compliance with the standards of administrative capability specified for purposes of federal Title IV program eligibility.
   (iv) Pending legal regulatory issues.
   (v) Written student complaints.
   (vi) Compliance with state aid program regulations and guidelines.
   (vii) Ability to maintain electronic systems to support state aid program tracking, payment requests and reporting obligations.
   (c) That it is maintaining acceptable performance levels. In making this determination the board will consider such factors as the institution's:
      (i) Student completion rate.
      (ii) Student placement rate.
      (iii) Student loan cohort default rate.

In evaluating completion and placement standards, the board will rely on the standards of the institution's accrediting agency or the standards established between the board and the institution at the time the participation agreement is signed. Multiple year averages will be considered in evaluating these standards. Each participating institution will submit its annual accreditation report to the board.

(d) That it is financially stable and has adequate financial resources to provide the services described in its official publications and statements. Institutions must meet the administrative and financial standards for participation in the federal Title IV programs. In making this determination, the board will consider such factors as:
   (i) The school's annual financial statements. The board will not retain copies of confidential financial statements that cannot be exempted from the Public Disclosure Act, chapter 42.56 RCW.
   (ii) The Department of Education's composite financial score.
   (iii) Federal program review findings.
   (iv) State reauthorization or relicensing reports.
   (v) Accrediting agency show cause or other findings.
   (vi) Enrollments by program and intent to terminate an existing program.
   (vii) Enrollment trends.
   (e) If evaluation of an institution's administrative capability, performance level, or financial strength results in concerns about the institution's participation in the state aid programs, the board may:
      (i) Request additional information as well as give the school the opportunity to provide additional clarifying information.
      (ii) Place an institution in a probationary status and specify the corrective actions which need to occur.
      (iii) Require a letter of credit or bond.
      (iv) Limit, suspend, or terminate an institution's participation in accordance with WAC 250-20-081.
(3) "Probation" indicates the board has determined that the school has one or more significant deficiencies for which corrective action is required within a specified time period.

(4) The school must renew its eligibility each year under these standards or as requested by the board. A school that has lost eligibility to participate must complete a new application for reconsideration.

(5) Nothing in this section shall prevent the board, in the exercise of its sound discretion, from denying eligibility or terminating the participation of an institution which the board determines is unable to properly administer the program or provide advertised services to its students.

(6) If an institution disagrees with actions taken by the board, the institution can appeal the action per the procedure outlined in WAC 250-20-081.

WAC 250-20-015 Application and agreement to participate. A postsecondary institution which wishes to participate in the state need grant program must apply and be approved each year. As a part of the application process, the institution must provide all requested information, in the format specified by the board. Such information will include, but may not be limited to, the following: Name and address of school (including central office and all campus sites), name and address of owner(s), or if a corporation the name and addresses of stockholders holding more than twenty-five percent of the stock and percentage of stock held, the date on which the school officially began instruction if in the last five years, type and date of last accreditation, enrollment information (unless reported to the state of Washington or in the integrated postsecondary education data system), evidence of certification and participation in the Federal Pell Grant program and any other information requested by the board as needed to determine the institution's eligibility. The institutions must also submit each year, for approval, a copy of its aging policy and its satisfactory progress policy for state need grant recipients and such other information as may be required to assure proper administration of the program and financial stability. In addition the "agreement to participate" will also indicate the institution's agreement to abide by all program rules, regulations, and guidelines, to maintain and deliver on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington; and delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington; and

(4) The term "approved accrediting association" shall mean the following organizations:

(a) Northwest Commission on Colleges and Universities;
(b) Middle States Association of Colleges and Schools, Commission on Higher Education;
(c) New England Association of Schools and Colleges;
(d) North Central Association of Colleges and Schools;
(e) Southern Association of Colleges and Schools;
(f) Western Association of Schools and Colleges;
(g) Accrediting Bureau of Health Education Schools;
(h) Accrediting Council for Continuing Education and Training;
(i) Accrediting Commission of Career Schools and Colleges of Technology;
(j) Accrediting Council for Independent Colleges and Schools;
(k) National Accrediting Commission of Cosmetology Arts and Sciences.

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"Washington resident" shall be defined as an individual who satisfies the requirements of RCW 28B.15.012 (2)(a) through (d) and board-adopted rules and regulations pertaining to the determination of residency.

(6) "Dependent student" shall mean any post-high school student who does not qualify as an independent student in accordance with WAC 250-20-021(7).

(7) "Independent student" shall mean any student who qualifies as an independent student for the receipt of federal aid. These qualifications include a student who has either:
   (a) Reached his or her twenty-fourth birthday before January 1st of the aid year; or
   (b) Is a veteran of the U.S. Armed Forces; or
   (c) Is an orphan or ward of the court; or
   (d) Has legal dependents other than a spouse; or
   (e) Is a married student or a graduate/professional student; or
   (f) Is determined to be independent for the receipt of federal aid on the basis of the professional judgment of the aid administrator.

(8) "Placebound student" means a student who:
   (a) Is unable to complete a college program because of family or employment commitments, health concerns, exceptional monetary needs, or similar factors; and
   (b) Has completed the associate of arts or the associate of science degree, or its equivalent; and
   (c) May be influenced by the receipt of an enhanced student financial aid award to complete a baccalaureate degree at an eligible institution.

(9) Definitions of "undergraduate students" will be in accord with definitions adopted for institutional use by the board.

(10) "Student budgets" are determined by institutions and approved by the board. The student budget consists of that amount required to support an individual as a student for nine months and may take into consideration cost factors for maintaining the student's dependents. This should be the amount used to calculate the student's total need for all state and federal funds.

(11) "State need grant cost-of-attendance."
   (a) The costs-of-attendance for each sector are calculated by adding together a standard maintenance allowance for books and supplies including tools, room, board, transportation and personal items, for all undergraduate students statewide as developed by the Washington Financial Aid Association, and the sector's regular tuition and fees for full-time, resident, undergraduate students.
   (b) In no case may the costs-of-attendance exceed the statutory ceiling established by RCW 28B.92.060(4). The ceiling is calculated by adding together the same standard maintenance allowance used in determining the state need grant cost-of-attendance, plus the regular tuition and fees charged for a full-time resident undergraduate student at a research university, plus the current average state appropriation per student for operating expenses in all public institutions of $2,274, plus the current average state appropriation per student for operating expenses in all public institutions of $4,545.
   (d) The value of each element used in the construction of the statutory ceiling will be updated annually.
   (e) The higher education coordinating board will consult with appropriate advisory committees and the representative association of student financial aid administrators, to annually review and adjust the costs-of-attendance. The costs-of-attendance for each sector will be published concurrent with annual guidelines for program administration.

(12) "Family income" is the student's family income for the calendar year prior to the academic year for which aid is being requested.
   (a) Income means adjusted gross income and nontaxable income as reported on the federally prescribed application for federal student aid.
   (b) For the dependent student family income means parental income.
   (c) For the independent student family income means the income of the student and any other adult, if any, reported as part of the student's family.
   (d) The institutional aid administrator may adjust the family's income up or down to more accurately reflect the family's financial situation during the academic year. When such adjustments are made they shall be consistent with guidelines for making changes to determine federal student aid eligibility.

(13) "Income cutoff" means the amount of family income below which a student is determined to be eligible for the state need grant.
   (a) The cutoff shall be expressed as a percent of the state's median family income. The exact point of cutoff shall be determined each year by the board based on available funding.
   (b) The board will endeavor to award students, in order, from the lowest income to the highest income, within the limits of available funding.
   (c) At the discretion of the institution's aid administrator, a student who is eligible for a state need grant in a given academic year may be deemed eligible for the ensuing academic year if his or her family income increases by no more than three percent, even if the stated median family income cutoff for grant eligibility is lower than that amount.

(14) "Median family income" is the median income for Washington state, adjusted by family size and reported annually in the federal register.

(15) "Base grant" is the state need grant award for each sector before the addition of a dependent care allowance. The base grant per student will be no less than the published base grant in 1998-1999. The base grant may be further adjusted according to the student's family income level and rate of enrollment as described in WAC 250-20-041.

(16) "Dependent care allowance" is a flat grant amount, to be determined by the board, which is in addition to the eligible student's base grant.
   (a) The allowance is awarded to those students who have dependents in need of care. The dependent must be someone (other than a spouse) living with the student.
(b) Care must be that assistance provided to the dependent by someone outside of the student's household and not paid by another agency.

(c) Eligible grant recipients must document their need for the dependent care allowance.

(17) "State need grant award" is the base grant adjusted according to level of family income, plus a dependent care allowance, if applicable.

(18) "Academic year" is that period of time between July 1 and the following June 30 during which a full-time student would normally be expected to complete the equivalent of two semesters or three quarters of instruction.

(19) "Clock hours" means a period of time which is the equivalent of either:

(a) A 50 to 60 minute class, lecture, or recitation; or

(b) A 50 to 60 minute period of faculty-supervised laboratory shop training or internship.

(20) "Gift equity packaging policy" is the institution's policy for assigning gift aid to all needy, eligible students.

(21) "Satisfactory progress" is the student's successful completion of a minimum number of credit or clock hours for each term in which the grant was received. Each school's policy for measuring progress of state need grant recipients must define satisfactory as the student's completion of the minimum number of credit or clock hours for which the aid was disbursed.

(a) The minimum satisfactory progress standard for full-time students is twelve credits per term or 300 clock hours per term. Satisfactory progress for three-quarter time students is nine credits per term or 225 clock hours per term. Satisfactory progress for half-time students is six credits per term or 150 clock hours per term. Satisfactory progress for less than half-time program students is three credits or 75 hours per term.

(b) Each school's policy must deny further disbursements of the need grant at the conclusion of any term in which he or she fails to complete at least one-half of the minimum number of credits or clock hours for which the aid was disbursed or otherwise fails to fulfill the conditions of the institution's satisfactory progress policy.

(c) The school may make disbursements to a student who is in a probationary status. "Probation" is defined as completion of at least one-half, but less than all of the minimum number of credits for which the aid was calculated and disbursed. The school must have a probation policy, approved by the board, which limits the number of terms in which a student may receive the need grant while in a probationary status.

(d) The school's aid administrator may at any time, using professional judgment exercised on a case-by-case basis, reinstate a student back into a satisfactory progress status, in response to an individual student's extenuating circumstances.

(22) The term "full institutional accreditation" shall mean the status of public recognition that an accrediting agency recognized by the U.S. Department of Education grants to an educational institution that meets the agency's established standards and requirements. Institutional accreditation applies to the entire institution, indicating that each of the institution's parts is contributing to the achievement of the institution's objectives.

(23) The term "eligible program" for a public or private nonprofit educational institution, shall mean:

(a) A certificate, associate or baccalaureate degree program; at least a two-year program that is acceptable for full credit toward a bachelor's degree; or

(b) A program that provides at least a 15-week undergraduate program of 600 clock hours, 16 semester hours, or 24 quarter hours that leads to a degree or certificate and prepares the student for gainful employment in a recognized occupation; and

(c) A program encompassed within the institution's accreditation and be an eligible program for purposes of the federal Title IV student financial aid programs;

(d) Apprenticeships qualifying as eligible programs for opportunity internship graduates. Apprenticeships must be associated with participating state need grant institutions.

(24) The three "public sectors of higher education" are the research universities, comprehensive universities, and the community and technical colleges.

(25) A "for-profit institution" is a postsecondary educational institution other than a public or private nonprofit institution which provides training for gainful employment in a recognized profession.

(26) A "postsecondary vocational institution" is a public or private nonprofit institution which provides training for gainful employment in a recognized profession.

(27) The "less-than-half-time pilot project" is defined as follows:

(a) The pilot project is authorized for 2007-2011 in chapter 404, Laws of 2007 and is meant to test the feasibility of providing state need grant awards to students who enroll in three, four or five credits.

(b) All rules and guidelines that govern student and school participation in the state need grant program shall apply to pilot project except the following:

(i) The student may enroll for three, four or five credits per term.

(ii) The grant award is equal to one-quarter of the regular base grant amount.

(iii) Students otherwise enrolled in credit bearing course work may receive the grant for up to one academic year before being accepted into a program that leads to a degree or certificate.

(28) The term "former foster youth" means a person who is at least eighteen years of age, but no more than twenty-four years of age, who was a dependent of the department of social and health services at the time he or she attained the age of eighteen.

(29) An "opportunity internship graduate" means a low-income high school student who successfully completes an opportunity internship program (as defined in RCW 28C.18.-162) and graduates from high school.


(7/23/10)

WAC 250-20-031 Student application procedure. (1) Application for a state grant must be made each year.

(2) All applications will be ranked anew each year.

(3) Application for a state need grant is accomplished through a student's application for admission to, and financial aid from, the institution of his or her choice.

(4) Financial data must be generated in accordance with the method set forth by the higher education coordinating board to assure that information will be consistent on a statewide basis.

The board shall annually specify the student data elements essential for determining state need grant eligibility and shall authorize the forms and processes for collecting and analyzing such data.

(5) The burden of proof of a grant recipient's eligibility is with the institution. At a minimum:

(a) The institution must be able, on request of the board, to reconstruct the calculations and rationale for the student's grant eligibility and award amounts.

(b) The financial aid form or comparable financial status documents, with the resulting financial need analysis must be on record in the financial aid office for all grant recipients.

(c) The institution must also have on record justification for reawarding a need grant to any student who failed to make satisfactory progress.

(6) The board shall establish annual criteria by which the eligible student is to be identified, ranked, and awarded. Those criteria shall include the maximum award for each sector and the income cutoff level.

(7) The institution shall examine the student's aid application to determine overall need and specific state need grant eligibility and the appropriate award, using the board-approved criteria.

(8) The board will make available to all participating institutions, a list of all students who owe state need grant repayments or have otherwise exhausted their state need grant eligibility. It is the institution's responsibility to ensure that no ineligible student receives a state need grant.

(9) The financial aid administrator at each institution will be required to sign a statement attesting to the fact that all eligible financial aid applicants within state need grant parameters will be identified and served to the extent funds are available and that financial information will be determined in strict adherence to program guidelines.

(10) No group of students, such as single parents or part-time students, may be advantaged or disadvantaged in its access to the state need grant by any institutional awarding policy.

(11) The board will provide institutions with a list of eligible opportunity internship graduates.

WAC 250-20-037 Reserve of funds. (1) The board shall annually reserve funds for the body of students at each institution. The percentage of state need grant funds to be reserved equals the proportion of grant dollars needed to fund the eligible students who are enrolled, as reported on the interim/reconciliation report, at each school compared to the dollars needed to fund all state need grant eligible students enrolled in all participating schools.

(2) The board shall establish methods to reserve state need grant funds for:

(a) Former foster youth;

(b) Transfer students; and

(c) New institutions.

WAC 250-20-041 Award procedure. (1) The institution shall annually provide grants to eligible students from funds reserved by the board. It is the institution's responsibility to ensure that the reserve is not over expended within each academic year.

(2) The state need grant award for an individual student shall be the base grant, appropriate for the sector attended and a dependent care allowance, if applicable, adjusted for the student's family income and rate of enrollment. Each eligible student receiving a grant must receive the maximum grant award for which he or she is eligible, unless such award should exceed the student's overall need or the institution's approved gift equity packaging policy.

(3) The grant amount for students shall be established as follows:

(a) The award shall be based on the representative average tuition, service, and activity fees charged within each public sector of higher education. The average is to be determined annually by the higher education coordinating board.

(b) The base grant award shall not exceed the actual tuition and fees charged to the eligible student on an annualized basis by more than one hundred dollars. The one hundred dollar variance is only applicable in circumstances where changes to a student's credit or enrollment level after

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the initial disbursement would require a state need grant award adjustment to ensure that the award does not exceed the cost of tuition.

(c) The base grant award for students attending independent four-year institutions shall be equal to that authorized for students attending the public four-year research institutions. The base grant for students attending private vocational institutions shall be equal to that authorized for students attending the public community and technical colleges.

(4) The total state need grant award shall be reduced for students with family incomes greater than fifty percent of the state's median and for less than full-time enrollment.

(a) Students whose incomes are equal to fifty-one percent to seventy-five percent of the state's median family income shall receive seventy-five percent of the maximum award. Students whose incomes are equal to seventy-six percent to one hundred percent of the state's median family income shall receive fifty percent of the maximum award. Students whose incomes are equal to one hundred one percent to one hundred twenty-five percent of the state's median family income shall receive twenty-five percent of the maximum award.

(b) Eligible students shall receive a prorated portion of their state need grant for any academic period in which they are enrolled at least half-time, as long as funds are available. Students enrolled at a three-quarter time rate, at the time of disbursement, will receive seventy-five percent of their grant. Students enrolled half-time at the time of disbursement will receive fifty percent of their grant.

(c) Less-than-half-time pilot project students and opportunity internship program graduates enrolled at a less-than-half-time rate will receive twenty-five percent of their grant.

(5) Placebound students may receive enhanced grants to the extent funds are appropriated for this purpose. The value of the enhanced grant will be determined by the board.

(6) Depending on the availability of funds, students may receive the need grant for summer session attendance.

(7) The institution will be expected, insofar as possible, to match the state need grant with other funds sufficient to meet the student's need. Matching moneys may consist of student financial aid funds and/or student self-help.

(8) All financial resources available to a state need grant recipient, when combined, may not exceed the amount calculated annually by the board. The calculation is based on an assessment of the minimum amount that a typical student could reasonably earn while in school.

(a) The self-help amount calculated annually by the board shall be determined by multiplying the net value of minimum wage (wage less employer taxes and medical aid), multiplied by twelve hours per week, and further multiplied by a representative thirty-three week academic year.

(b) The school's aid administrator may exercise professional judgment and reduce the self-help requirement on a case-by-case basis. These cases should recognize exceptional individual student circumstances where a minimum self-help requirement would present a significant barrier to the student's educational success. These circumstances shall be documented in the student's file.

(c) In counting self-help sources of aid, the aid administrator may include all loans, employment, work-study, and those scholarships or grants that were earned based on the student's substantial efforts over time, as well as family contribution, and unmet need.

(10) The institution will notify the student of receipt of the state need grant.

(11) Any student who has received at least one disbursement and chooses to transfer to another participating institution within the same academic year may request that the receiving institution apply to the board for funds to continue receipt of the grant.


WAC 250-20-051 Grants disbursement and repayment. (1) At intervals designated by the executive director, financial aid administrators from participating independent colleges and proprietary institutions will submit the appropriate cash request or reimbursement form to the higher education coordinating board for each state need grant recipient certifying enrollment and grant eligibility.

(a) Upon receipt of the cash request or reimbursement forms, the higher education coordinating board will forward payments to the appropriate institution for each recipient or directly to the school as reimbursement.

(b) At private and proprietary schools, as long as the student remains eligible for the grant, the payment must be given directly to the student without the institution placing any other condition on receipt of the payment. Institutions which participate in the electronic funds transfer reimbursement program, must follow the requirements of the student directives. The student directive is a board-approved document used to direct the schools in the student's choice of payment method, either a direct deposit or school issued warrant.

(c) All signed receipts and student directives for state need grants are to be retained by the institution. They must be made available for inspection upon request of the board. All unclaimed payments must be returned to the board on or before the date specified by the board each term.
A student-by-student reconciliation must be completed by the institution at the end of each term.

(2) All other institutions may request funds as necessary to make disbursements to students.

(a) Interim report requests must be filed with the board as requested.

(b) A student-by-student reconciliation must be filed with the board at the end of each academic year.

(3) No institution may disburse nor claim more funds than that amount reserved by the board for the body of students at each institution.

(4) Should a student recipient withdraw prior to or on fifty percent of the term or prior to completing fifty percent of the scheduled clock hours during the term in which he or she received a state need grant, the student shall be required to repay a portion of the grant amount according to the board-approved repayment policy. This policy is separate and distinct from the federal repayment policy and computation. Beginning in 2009-2010 the board-approved repayment policy shall incorporate the following repayment principles.

(a) The repayment calculation is based on the portion of the term not completed or the percent of scheduled clock hours not completed.

(b) A fifty percent reduction is applied to the final repayment calculation for relief of irretrievable costs of attendance. This adjustment is only available to students who officially or unofficially withdraw when the last date of attendance is known.

(c) If the last known date of attendance occurs after fifty percent of the term, the state need grant award is considered one hundred percent earned and no repayment is due.

(d) If a state need grant recipient attends a portion of a term and withdraws with no verified last date of attendance, the repayment will be fifty percent of the grant amount with no additional adjustments.

(e) If a state need grant recipient never attends courses in the term for which they received a state need grant award, the repayment is one hundred percent of the grant amount.

The institution shall advise the student and the board of amounts to be repaid.

(5) The board reserves the right, if funds are available, to pay to public institutions an administrative expense allowance for the shared responsibility of administering the program on the board's behalf. The allowance shall be calculated annually as a percentage of the need grant funds disbursed by the institution.

(6) Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until disbursed.

(7) The foster youth assurance is intended for unserved foster youth that were not identified during routine state need grant awarding processes and only after the institution has depleted its SNG reserve.

WAC 250-20-081  Suspension or termination of institutional participation. Upon receipt of a complaint or other evidence that an institution has failed or is failing to comply with program rules and regulations, the board staff shall notify the institution by mail of the nature of such allegations and conduct a review of the alleged violations.

If preliminary findings indicate that a violation or violations may have occurred or are occurring, the board staff shall attempt, through mediation and conciliation, to effect corrections and/or secure reimbursement from the institution in event any funds were expended out of compliance with the provisions of WAC 250-20-061(2).

If no agreement is reached through the mediation and conciliation process, the executive director shall file a formal complaint with the board and notify the institution of the conduct which warrants the complaint. Based upon a finding pursuant to RCW 34.04.170, the complaint may include an order for a summary suspension pending proceedings for termination, suspension, reimbursement or other action.

The executive director or a designated hearing officer shall conduct a hearing and make findings and conclusions in accordance with the Administrative Procedure Act, chapter 34.04 RCW. The findings, conclusions and any recommendations for action shall be submitted to the board for final action pursuant to RCW 34.04.110. The board may accept or reject, in whole or in part, any recommendations made by the hearing officer, may remand for further findings and/or take any other action the board deems appropriate under the circumstances.

WAC 250-20-091  Eligibility of reciprocity students.

State need grant eligibility of students attending an out-of-state institution under a reciprocity agreement is covered by the following regulations, which are authorized by chapter 13, Laws of 1980.

1. A student who meets all state need grant eligibility criteria and who has been accepted at an eligible out-of-state institution, as defined in WAC 250-20-091(2) may receive a state need grant as long as that student continues attendance under the reciprocity program.

2. "Eligible out-of-state institution" shall mean any non-profit college or university in another state which has a reciprocity agreement with the state of Washington if the institution is specifically encompassed within or directly affected by such reciprocity agreement so long as it is accredited by the Northwest Association of Schools and Colleges, and agrees to participate in the state need grant program in accordance with all applicable rules and regulations.

3. An out-of-state institution can be determined to be directly affected by a reciprocity agreement if:
   a. The institution is located within twenty-five miles of an institution specifically encompassed within a reciprocity agreement;