

WAC 250-65-060 Control of funds. The higher education coordinating board may award conditional scholarships to eligible students from the funds appropriated to the board for this purpose, or from any private donations, or any funds given to the board for this program.

(1) Scholarship amounts:

The amount of the conditional scholarship awarded an individual shall not exceed three thousand dollars per academic year. Students are eligible to receive conditional scholarships for a maximum of five years. The total amount of such scholarships to an eligible student shall not exceed fifteen thousand dollars. The duration of service obligation shall be two years for each year of scholarship received.

(2) The scholarship recipient shall enter into an agreement with the higher education coordinating board agreeing to comply with the rules, regulations, and guidelines of the conditional scholarship program. The agreement shall serve as the legal document verifying the recipient's understanding of the obligation to repay the conditional scholarship if teaching service is not fulfilled.

(3) Repayment terms:

(a) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest, unless they teach for two years in an approved education program for each year of scholarship received, under rules adopted by the board.

(b) The interest rate shall be eight percent for the first four years of repayment and ten percent beginning with the fifth year of repayment.

(c) The period for repayment shall be ten years, with payments of principal and interest accruing quarterly commencing nine months from the date the participant completes or discontinues the course of study. Provisions for deferral of payment shall be determined by the board.

(d) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in an approved education program until the entire repayment obligation is satisfied or the borrower ceases to teach in an approved education program. Should the participant cease to teach in an approved education program before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(4) Collection of repayments:

(a) The board is responsible for collection of repayments made and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made.

(b) The board is responsible to forgive all or parts of such repayments under the criteria established by the board and shall maintain all necessary records of forgiven payments.

(5) Receipts:

Receipts from the payment of the principal or interest or any other subsidies to which the board as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the board and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records and making collections. The board shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

[Statutory Authority: 1996 c 53. WSR 96-18-023, § 250-65-060, filed 8/27/96, effective 9/27/96. Statutory Authority: Chapters 28B.80 and 28B.102 RCW. WSR 93-19-022, § 250-65-060, filed 9/3/93, effective 10/4/93. Statutory Authority: Chapter 28B.102 RCW. WSR 88-03-008 (Order 1/88, Resolution No. 87-81), § 250-65-060, filed 1/8/88.]