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**SUBSTITUTE HOUSE BILL 1725**

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**State of Washington**

**63rd Legislature**

**2013 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Tarleton, Haler, Pollet, Haigh, Wylie, Roberts, Farrell, Riccelli, Sawyer, Fitzgibbon, Sells, Ryu, Zeiger, and Tharinger)

READ FIRST TIME 02/22/13.

1       AN ACT Relating to creating the tuition support fund program; and  
2 adding a new chapter to Title 28B RCW.

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

4       NEW SECTION.   **Sec. 1.** (1) The legislature recognizes that the  
5 affordability of all higher education programs has decreased in recent  
6 years due to increases in tuition, and that affordability is the major  
7 barrier to access. Some students are deterred by the price of  
8 postsecondary education and do not apply, while others, already  
9 enrolled, face unexpected increases in tuition that may be beyond their  
10 ability to pay and they may be forced to drop out.

11       (2) The legislature intends to create greater affordability and  
12 predictability for students enrolling in postsecondary programs in  
13 order to reduce the burden of tuition increases.

14       (3) The legislature recognizes that the value of programs that help  
15 low-income and middle-income students and their families save for and  
16 pay for higher education such as the advanced tuition payment program  
17 and the state need grant. It is the intent of the legislature to build  
18 on the success of these programs by engaging the employer and

1 foundation communities to offer tuition support and to partner in the  
2 postsecondary preparation needs of the future workforce and a  
3 prosperous economy.

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

6 (1) "Fund administrator" means the private nonprofit corporation  
7 that is registered under Title 24 RCW and qualified as a tax-exempt  
8 entity under section 501(c)(3) of the federal internal revenue code,  
9 that will serve as the private partner in the public-private  
10 partnership under this chapter.

11 (2) "GET units" means tuition units under the advanced college  
12 tuition payment program in chapter 28B.95 RCW.

13 (3) "Institution of higher education" has the same meaning as in  
14 RCW 28B.92.030.

15 (4) "Office" means the office of student financial assistance.

16 (5) "Postsecondary program" means any certificate, degree,  
17 apprenticeship, or college preparatory program offered at an  
18 institution of higher education.

19 (6) "Program administrator" means the office of student financial  
20 assistance.

21 NEW SECTION. **Sec. 3.** (1) The tuition support fund program is  
22 established and shall be known as the tuition assistance program for  
23 Washingtonians' education or the tuition assistance program. The  
24 purpose of the program is to provide financial support to students who,  
25 due to lack of financial means, cannot afford to enroll in, or continue  
26 their postsecondary program. Students may receive tuition assistance  
27 program awards if they are enrolled in a qualified program and can  
28 demonstrate financial need.

29 (2) The program shall be administered by the office.

30 (3) The fund administrator shall solicit contributions to the  
31 tuition assistance program account in section 8 of this act.

32 (4) The total annual amount of each tuition assistance program  
33 award may vary, but shall not exceed the annual cost of resident  
34 undergraduate tuition fees and mandatory fees at the University of  
35 Washington. An eligible recipient may receive a tuition assistance

1 program award for up to one hundred eighty quarter credits, or the  
2 semester equivalent, or for up to five years, whichever comes first.

3 (5) Scholarships shall be awarded only to the extent that funds are  
4 available for that purpose in the tuition assistance program account.

5 NEW SECTION. **Sec. 4.** (1) An eligible student is a student who:

6 (a) Is eligible for resident tuition and fee rates as defined in  
7 RCW 28B.15.012;

8 (b) Can demonstrate financial need based on family contribution or  
9 is at risk of withdrawal due to lack of financial means as determined  
10 by the institution of higher education;

11 (c) Has declared an intention to complete a postsecondary program  
12 at an institution of higher education; and

13 (d) Attends an institution of higher education as defined in RCW  
14 28B.92.030 that participates in the state need grant program.

15 (2) An eligible recipient is an eligible student who:

16 (a) Has been awarded a tuition assistance program award in  
17 accordance with the selection criteria and process established by the  
18 program administrator; and

19 (b) Maintains satisfactory academic progress, as defined by the  
20 institution of higher education where the student is enrolled.

21 NEW SECTION. **Sec. 5.** If a student who received a tuition  
22 assistance program award ceases to be enrolled in an institution of  
23 higher education, withdraws, or is no longer enrolled in a qualified  
24 program, or otherwise is no longer eligible to receive a tuition  
25 assistance program award, the student must notify the program  
26 administrator as soon as practicable and is not eligible for further  
27 tuition assistance program awards.

28 NEW SECTION. **Sec. 6.** The office must:

29 (1) Purchase GET units from the tuition assistance program account  
30 to be owned and held in trust by the office, for the purpose of tuition  
31 assistance program awards as provided for in this chapter;

32 (2) Distribute tuition assistance program awards. In order to  
33 ensure the purchaser does not lose value, these GET units shall not be  
34 distributed before the purchase value exceeds the payout value;

1 (3) Distribute tuition assistance program grants as they become  
2 available as provided in section 8 of this act through direct payments  
3 from the tuition assistance program account, to institutions of higher  
4 education;

5 (4) Administer the process for awarding tuition assistance program  
6 awards so that the institutions of higher education select the  
7 participants;

8 (5) Establish rules for award repayment, approved leaves of  
9 absence, deferments, and exceptions to recognize extenuating  
10 circumstances that may impact students similar to the state need grant  
11 program in RCW 28B.92.060;

12 (6) Contract with a fund administrator, outlining expected  
13 deliverables and due dates. Deliverables must include a comprehensive  
14 strategy to solicit funds, development of goals for enlarging the  
15 tuition assistance program account, a plan for developing relationships  
16 with potential employers, businesses, and foundation contributors, and  
17 methods for assessing progress in meeting goals;

18 (7) Provide information to institutions of higher education, at  
19 least once per year, to provide training on the tuition assistance  
20 program and tools for administering the program alongside other state  
21 financial aid programs; and

22 (8) Report to the governor and the legislature on tuition  
23 assistance program awards and recipient outcomes, including any  
24 recommendations for improvement of administration or program design.

25 NEW SECTION. **Sec. 7.** The fund administrator shall:

26 (1) Solicit grants and donations from private sources such as  
27 employers, businesses, and foundations to support the tuition  
28 assistance program;

29 (2) Coordinate with the program administrator to deposit solicited  
30 funds in the tuition assistance program account; and

31 (3) Report to the program administrator on progress in meeting  
32 deliverables at least four times per year.

33 NEW SECTION. **Sec. 8.** (1) The tuition assistance program account  
34 is created in the custody of the state treasurer.

35 (2) The office shall deposit into the account all moneys received

1 for the tuition assistance program account. The account must be self-  
2 sustaining.

3 (3)(a) Expenditures from the account must be used for tuition  
4 assistance program awards, which shall be paid directly to institutions  
5 of higher education on behalf of recipients.

6 (b) Twenty percent of the contributions must be held in the account  
7 to accrue interest.

8 (c) Forty percent of the contributions shall be for tuition  
9 assistance program grants and forty percent of the contributions shall  
10 be for the purposes of purchasing GET units.

11 (d) Purchased GET units shall be owned and held in trust by the  
12 office.

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

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

19 (6) Disbursements from the account shall be made only on the  
20 authorization of the office.

21 NEW SECTION. **Sec. 9.** This chapter shall be known and cited as the  
22 tuition assistance program for Washingtonians' education act.

23 NEW SECTION. **Sec. 10.** Sections 1 through 9 of this act constitute  
24 a new chapter in Title 28B RCW.

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