
SECOND SUBSTITUTE HOUSE BILL 1909

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Carlson, Jacobsen, Goldsmith, Mulliken, Mason, Mastin, Delvin and Blanton)

Read first time 03/24/95.

1 AN ACT Relating to higher education fiscal matters; amending RCW
2 28B.15.005, 28B.15.041, 28B.15.066, 28B.15.067, 28B.15.070, 28B.15.076,
3 28B.15.740, and 28B.50.095; reenacting and amending RCW 28B.15.031 and
4 28B.15.820; adding new sections to chapter 28B.15 RCW; creating new
5 sections; repealing RCW 28B.15.202, 28B.15.402, and 28B.15.502;
6 providing effective dates; and declaring an emergency.

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

8 **PART 1 - TUITION AND FEES**

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

11 The legislature finds that Washington faces a challenge of
12 increasingly daunting proportions as the state attempts to preserve
13 enrollment opportunities for current and future students at the state's
14 colleges and universities. The need to expand access is virtually
15 unquestioned. The state's economy is undergoing a fundamental
16 restructuring from one that was heavily dependent on natural resource-
17 based industries to one that is more dependent on emerging
18 technologies, international trade, and entrepreneurial enterprises.

1 Washington residents need additional education and work force training
2 opportunities to be competitive in this new world. Yet, in the twenty
3 years from the middle 1970's to the middle 1990's, higher education's
4 share of the state budget has declined from about twenty-one percent to
5 about ten and one-half percent of the state general fund. During that
6 same era, enrollments in Washington's public baccalaureate institutions
7 have been strictly controlled, and enrollments in community colleges
8 declined for a time. Currently, Washington ranks second to last
9 nationally in the percentage of its citizens who have an opportunity to
10 attend a public baccalaureate college or university in the state. As
11 the children of the baby boom generation mature, high school graduates
12 will increase fifty percent above the numbers of students graduating in
13 1995. The members of the baby boom echo generation will begin applying
14 to college in about 1997. Their numbers are expected to peak in the
15 year 2010. Failure to provide postsecondary education and training
16 opportunities for the members of the baby boom echo generation may well
17 restrict their future earning power and constrict the state's
18 opportunity to compete in a technologically complex world.

19 The legislature intends to preserve enrollment opportunities for
20 current students and create additional opportunities for future
21 students by restructuring the state's tuition and financial aid
22 systems, working with institutions to decrease the amount of time it
23 takes students to obtain a degree, and removing state laws that impede
24 institutional effectiveness.

25 NEW SECTION. **Sec. 102.** TUITION FEES--UNIVERSITY OF WASHINGTON AND
26 WASHINGTON STATE UNIVERSITY--BUILDING FEES. Total tuition fees for
27 full-time students at the University of Washington and Washington State
28 University for other than the summer term shall be as follows:

29 (1) Base tuition. Except as provided in subsection (2) of this
30 section, base tuition fees shall be calculated as a percent of the per
31 student undergraduate or graduate educational costs at the state
32 universities as set forth in (a) through (f) of this subsection.
33 However, if educational costs decrease, or increase at a rate less than
34 four percent over the previous year's educational costs, base tuition
35 fees shall increase a minimum of four percent each year above the
36 tuition fees rate charged the previous year. If educational costs
37 increase at a rate greater than six percent over the previous academic
38 year's educational costs, base tuition fees shall increase a maximum of

1 six percent each academic year above the tuition fees rate charged the
2 previous year. The following calculations shall be used to determine
3 base tuition under this section:

4 (a) For resident undergraduate students and all other resident
5 students not in first professional, graduate, or law programs: Forty-
6 one percent of undergraduate educational costs;

7 (b) For nonresident undergraduate students and all other
8 nonresident students not in graduate or law programs: One hundred
9 twenty-three percent of undergraduate educational costs;

10 (c) For resident graduate and law students: Twenty-eight and one-
11 half of one percent of graduate educational costs;

12 (d) For nonresident graduate and law students: Seventy-four
13 percent of graduate educational costs;

14 (e) For resident first professional students: One hundred sixty-
15 seven percent of the tuition fees charged to resident graduate and law
16 students; and

17 (f) For nonresident first professional students: One hundred
18 sixty-seven percent of the tuition fees charged to nonresident graduate
19 and law students.

20 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
21 for resident undergraduate students and all other resident students not
22 enrolled in first professional, graduate, or law programs shall
23 increase five percent each year above the rate charged during the
24 previous academic year. For the 1995-96 and 1996-97 academic years,
25 base tuition fees for all other students shall increase five percent
26 each year above the rate charged during the previous academic year to
27 students in the same tuition categories.

28 (3) Surcharge tuition. State universities may annually assess a
29 surcharge in addition to base tuition fees. The amount of the
30 surcharge assessed in any year shall not be included in base tuition
31 fees in the next academic year. In any academic year, the maximum
32 percentage surcharge levied on base tuition shall be as follows:

33 (a) For full-time resident undergraduate students and other full-
34 time resident students not in first professional, graduate, or law
35 programs, a maximum of ten percent. A surcharge under this subsection
36 (3)(a) shall not be levied before the 1997-98 academic year;

37 (b) For full-time resident first professional, graduate, and law
38 students, a maximum of twenty percent in each tuition category; and

1 (c) For full-time nonresident students, a maximum of thirty percent
2 in each tuition category.

3 (4) Building fees. The building fees for each academic year shall
4 be based on the percent, as set forth in (a) through (f) of this
5 subsection, of tuition fees specified in subsections (1) and (2) of
6 this section:

7 (a) Resident undergraduate students and all other resident students
8 not in graduate study or law programs or enrolled in programs leading
9 to a first professional degree: Five percent;

10 (b) Nonresident undergraduate students and all other nonresident
11 students not in graduate study or law programs or enrolled in programs
12 leading to a first professional degree: Four and one-half of one
13 percent;

14 (c) Resident graduate and law students not enrolled in a first
15 professional degree program: Three percent;

16 (d) Nonresident graduate and law students not enrolled in a first
17 professional degree program: Three and one-half of one percent;

18 (e) Resident first professional students: Five percent; and

19 (f) Nonresident first professional students: Three percent.

20 (5) As used in this section, "tuition category" means the separate
21 tuition fees categories established in subsection (1) (a) through (f)
22 of this section.

23 NEW SECTION. **Sec. 103.** TUITION FEES--REGIONAL UNIVERSITIES--
24 BUILDING FEES. Tuition fees charged to all full-time students at the
25 regional universities for other than the summer term shall be as
26 follows:

27 (1) Base tuition. Except as provided in subsection (2) of this
28 section, base tuition fees shall be calculated as a percent of the per
29 student undergraduate or graduate educational costs at the regional
30 universities as set forth in (a) through (d) of this subsection.
31 However, if educational costs decrease, or increase at a rate less than
32 four percent over the previous year's educational costs, base tuition
33 fees shall increase a minimum of four percent each year above the
34 tuition fees rate charged the previous year. If educational costs
35 increase at a rate greater than six percent over the previous academic
36 year's educational costs, base tuition fees shall increase a maximum of
37 six percent each academic year above the tuition fees rate charged the

1 previous year. The following calculations shall be used to determine
2 base tuition under this section:

3 (a) Resident undergraduate students and all other resident students
4 not in graduate study programs: Thirty-one and one-half of one percent
5 of undergraduate educational costs;

6 (b) Nonresident undergraduate students and all other nonresident
7 students not in graduate study programs: One hundred twenty-three
8 percent of undergraduate educational costs;

9 (c) Resident graduate students: Twenty-nine percent of graduate
10 educational costs; and

11 (d) Nonresident graduate students: Ninety-two percent of graduate
12 educational costs.

13 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
14 for resident undergraduate students and all other resident students not
15 enrolled in graduate programs shall increase five percent each year
16 above the rate charged during the previous academic year. For the
17 1995-96 and 1996-97 academic years, base tuition fees for all other
18 students shall increase five percent each year above the rate charged
19 during the previous academic year to students in the same tuition
20 categories.

21 (3) Surcharge tuition. The regional universities may annually
22 assess a surcharge in addition to base tuition fees. The amount of the
23 surcharge assessed in any year shall not be included in base tuition
24 fees in the next academic year. In any academic year, the maximum
25 percentage surcharge levied on base tuition shall be as follows:

26 (a) For full-time resident undergraduate students and other full-
27 time resident students not in graduate programs, a maximum of ten
28 percent. A surcharge under this subsection (3)(a) shall not be levied
29 before the 1997-98 academic year;

30 (b) For full-time resident graduate students, a maximum of twenty
31 percent; and

32 (c) For full-time nonresident students, a maximum of thirty percent
33 in each tuition category.

34 (4) Building fees. The building fees for each academic year shall
35 be based on the percent, as set forth in (a) through (d) of this
36 subsection, of base tuition fees specified in subsections (1) and (2)
37 of this section:

38 (a) Resident undergraduate students and all other resident students
39 not in graduate study programs: Four percent;

1 (b) Nonresident undergraduate students and all other nonresident
2 students not in graduate study programs: Four percent;

3 (c) Resident graduate students: Two and one-half of one percent;
4 and

5 (d) Nonresident graduate students: Three percent.

6 (5) As used in this section, "tuition category" means the separate
7 tuition fees categories established in subsection (1) (a) through (d)
8 of this section.

9 NEW SECTION. **Sec. 104.** TUITION FEES--THE EVERGREEN STATE
10 COLLEGE--BUILDING FEES. Tuition fees charged to all full-time students
11 at The Evergreen State College for other than the summer term shall be
12 as follows:

13 (1) Base tuition. Base tuition fees shall be calculated as a
14 percent of the per student undergraduate or graduate educational costs
15 at The Evergreen State College as set forth in (a) through (d) of this
16 subsection. However, beginning with the 1996-97 academic year, if
17 educational costs decrease, or increase at a rate less than four
18 percent over the previous year's educational costs, base tuition fees
19 shall increase a minimum of four percent each year above the tuition
20 fees rate charged the previous year. Beginning with the 1996-97
21 academic year, if educational costs increase at a rate greater than six
22 percent over the previous academic year's educational costs, base
23 tuition fees shall increase a maximum of six percent each academic year
24 above the tuition fees rate charged the previous year. The following
25 calculations shall be used to determine base tuition under this
26 section:

27 (a) Resident undergraduate students and all other resident students
28 not in graduate study programs: Thirty-two percent of undergraduate
29 educational costs;

30 (b) Nonresident undergraduate students and all other nonresident
31 students not in graduate study programs: One hundred sixteen percent
32 of undergraduate educational costs;

33 (c) Resident graduate students: Forty-five percent of graduate
34 educational costs; and

35 (d) Nonresident graduate students: One hundred forty-five and one-
36 half of one percent of graduate educational costs.

37 (2) Surcharge tuition. Beginning in the 1997-98 academic year, The
38 Evergreen State College may annually assess a surcharge in addition to

1 base tuition fees. The amount of the surcharge assessed in any year
2 shall not be included in base tuition fees the next year. In any
3 academic year, the maximum percentage surcharge levied on base tuition
4 shall be as follows:

5 (a) For full-time resident undergraduate students and other full-
6 time resident students not in graduate programs, a maximum of ten
7 percent;

8 (b) For full-time resident graduate students, a maximum of twenty
9 percent; and

10 (c) For full-time nonresident students, a maximum of thirty percent
11 in each tuition category.

12 (3) Building fees. The building fees for each academic year shall
13 be based on the percent, as set forth in (a) through (d) of this
14 subsection, of base tuition fees specified in subsection (1) of this
15 section:

16 (a) Resident undergraduate students and all other resident students
17 not in graduate study programs: Four percent;

18 (b) Nonresident undergraduate students and all other nonresident
19 students not in graduate study programs: Four percent;

20 (c) Resident graduate students: Two and one-half of one percent;
21 and

22 (d) Nonresident graduate students: Three percent.

23 (4) As used in this section, "tuition category" means the separate
24 tuition fees categories established in subsection (1) (a) through (d)
25 of this section.

26 NEW SECTION. Sec. 105. TUITION FEES--COMMUNITY COLLEGES--BUILDING
27 FEES. Total tuition fees at each community college for full-time
28 students for other than the summer term shall be set by the state board
29 for community and technical colleges as follows:

30 (1) Base tuition. Except as provided in subsection (2) of this
31 section, base tuition fees shall be calculated as a percent of the per
32 student undergraduate or graduate educational costs at the community
33 colleges as set forth in (a) and (b) of this subsection. However, if
34 educational costs decrease, or increase at a rate less than four
35 percent over the previous year's educational costs, base tuition fees
36 shall increase a minimum of four percent each year above the tuition
37 fees rate charged the previous year. If educational costs increase at
38 a rate greater than six percent over the previous academic year's

1 educational costs, base tuition fees shall increase a maximum of six
2 percent each academic year above the tuition fees rate charged the
3 previous year. The following calculations shall be used to determine
4 base tuition under this section:

5 (a) Resident students: Twenty-nine percent of undergraduate
6 educational costs; and

7 (b) Nonresident students: One hundred twenty-three percent of
8 undergraduate educational costs.

9 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
10 for resident students shall increase five percent each year above the
11 rate charged during the previous academic year. For the 1995-96 and
12 1996-97 academic years, base tuition fees for nonresident students
13 shall increase five percent each year above the rate charged during the
14 previous academic year.

15 (3) Surcharge tuition. The community colleges may annually assess
16 a surcharge in addition to base tuition fees. The amount of the
17 surcharge assessed in any year shall not be included in base tuition
18 fees in the next academic year. The amount of any surcharge is subject
19 to guidelines adopted by the state board for community and technical
20 colleges. In adopting its guidelines, the board shall consider the
21 special needs of individual colleges within the system as well as the
22 system as a whole. The board may permit surcharge amounts to vary
23 among colleges. In any academic year, the maximum percentage surcharge
24 levied on base tuition shall be as follows:

25 (a) For full-time resident students, a maximum of ten percent. A
26 surcharge under this subsection (3)(a) shall not be levied before the
27 1997-98 academic year; and

28 (b) For full-time nonresident students, a maximum of thirty
29 percent.

30 (4) Building fees. The building fees for each academic year shall
31 be based on the percent, as set forth in (a) and (b) of this
32 subsection, of tuition fees specified in subsections (1) and (2) of
33 this section:

34 (a) Resident students: Eleven percent; and

35 (b) Nonresident students: Eight and one-half of one percent.

36 NEW SECTION. **Sec. 106.** A new section is added to chapter 28B.15
37 RCW to read as follows:

1 Each state university, regional university, and state college may
2 charge a differential program fee in up to three degree programs. The
3 basis for determining the fee may be: Higher than average costs of
4 offering the program, differential tuition rates charged for that type
5 of program at peer institutions, or other unique characteristics
6 associated with the program.

7 NEW SECTION. **Sec. 107.** A new section is added to chapter 28B.15
8 RCW to read as follows:

9 It is the policy of the state of Washington that each state
10 university, regional university, and state college, and the community
11 and technical college system as a whole maintain or improve the
12 percentage that resident students comprised of total budgeted full-time
13 equivalent enrollments during the 1994-95 academic year. It is also
14 the policy of the state of Washington that state general fund support
15 for full-time equivalent students be used for resident students and for
16 only those nonresident students who are within the percentage that
17 nonresident students comprised of the budgeted full-time equivalent
18 enrollment at each institution during the 1994-95 academic year.
19 Additional nonresident students may be included above the budgeted
20 enrollment level, at the option of the institution.

21 NEW SECTION. **Sec. 108.** A new section is added to chapter 28B.15
22 RCW to read as follows:

23 (1) As used in this section, "excess credit" means any credit taken
24 by a resident undergraduate student or a resident student who is not
25 enrolled in a first professional, graduate, or law program and who is
26 attending a state university, regional university, or The Evergreen
27 State College, if the student:

28 (a) Does not meet the requirements of (b) or (c) of this subsection
29 but has accumulated more than one hundred fifteen percent of the number
30 of credits required to complete the student's baccalaureate degree
31 program; or

32 (b) Has an associate degree from a community college and has
33 accumulated more than one hundred twenty-five percent of the number of
34 credits required to complete the student's baccalaureate degree
35 program; or

36 (c) Has accumulated more than forty-five quarter credits or their
37 equivalent at a college or university other than a state university,

1 regional university, or state college, each as defined in RCW
2 28B.10.016 and has accumulated more than one hundred twenty-five
3 percent of the number of credits required to complete the student's
4 baccalaureate degree program.

5 (2)(a) Except as provided in (b) of this subsection, state
6 universities, regional universities, and The Evergreen State College
7 may collect a surcharge from any resident student who is enrolled for
8 excess credits. The amount of the surcharge may vary by credit or
9 percentage thresholds, or may be based on special circumstances, each
10 as established by the institution.

11 (b) Students who are required to take continuing education credits
12 as a condition of licensure or state law shall be exempted from the
13 excess credits surcharge for any credits taken as a result of the
14 requirements.

15 (c) With the exception of students who are required to take
16 continuing education credits as a condition of licensure or state law,
17 no state general fund support shall be provided at state universities,
18 regional universities, and The Evergreen State College for resident
19 undergraduate students and other resident students not enrolled in
20 first professional, graduate, or law programs if the students have
21 accumulated more than one hundred fifty percent of the number of
22 credits necessary to complete their baccalaureate degree programs.

23 **Sec. 109.** RCW 28B.15.005 and 1977 ex.s. c 169 s 33 are each
24 amended to read as follows:

25 (1) "Colleges and universities" for the purposes of this chapter
26 shall mean Central Washington University at Ellensburg, Eastern
27 Washington University at Cheney, Western Washington University at
28 Bellingham, The Evergreen State College in Thurston county, community
29 colleges as are provided for in chapter 28B.50 RCW, the University of
30 Washington, and Washington State University.

31 (2) "State universities" for the purposes of this chapter shall
32 mean the University of Washington and Washington State University.

33 (3) "Regional universities" for the purposes of this chapter shall
34 mean Central Washington University, Eastern Washington University and
35 Western Washington University.

36 (4) "State college" means The Evergreen State College.

1 (5) "First professional program" means a program leading to one of
2 the following degrees: Doctor of medicine, doctor of dental surgery,
3 or doctor of veterinary medicine.

4 **Sec. 110.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s
5 201 are each reenacted and amended to read as follows:

6 The term "operating fees" as used in this chapter shall include the
7 fees, other than building fees, charged all students registering at the
8 state's colleges and universities but shall not include fees surcharges
9 for excess credits under section 108 of this act, program fees under
10 section 106 of this act, or fees for short courses, self-supporting
11 degree credit programs and courses, marine station work, experimental
12 station work, correspondence or extension courses, and individual
13 instruction and student deposits or rentals, disciplinary and library
14 finances, which colleges and universities shall have the right to impose,
15 laboratory, gymnasium, health, and student activity fees, or fees,
16 charges, rentals, and other income derived from any or all revenue
17 producing lands, buildings and facilities of the colleges or
18 universities heretofore or hereafter acquired, constructed or
19 installed, including but not limited to income from rooms, dormitories,
20 dining rooms, hospitals, infirmaries, housing or student activity
21 buildings, vehicular parking facilities, land, or the appurtenances
22 thereon, or such other special fees as may be established by any
23 college or university board of trustees or regents from time to time.
24 All moneys received as operating fees at any institution of higher
25 education shall be deposited in a local account containing only
26 operating fees revenue and related interest(~~(: PROVIDED, That two and~~
27 ~~one half percent of operating fees shall be retained by the~~
28 ~~institutions, except the technical colleges, for the purposes of)),~~
29 except as provided in RCW 28B.15.820. Local operating fee accounts
30 shall not be subject to appropriation by the legislature or allotment
31 procedures under chapter 43.88 RCW.

32 **Sec. 111.** RCW 28B.15.041 and 1985 c 390 s 14 are each amended to
33 read as follows:

34 (1) The term "services and activities fees" as used in this chapter
35 is defined to mean fees, other than tuition fees, charged to all
36 students registering at the state's community colleges, regional
37 universities, The Evergreen State College, and state universities.

1 (2) Services and activities fees shall be used as otherwise
2 provided by law or by rule ((or regulation)) of the board of trustees
3 or regents of each of the state's community colleges, The Evergreen
4 State College, the regional universities, or the state universities for
5 the express purpose of funding student activities and programs of their
6 particular institution.

7 (3) Student activity fees, student use fees, student building use
8 fees, special student fees, or other similar fees charged to all full
9 time students, or to all students, as the case may be, registering at
10 the state's colleges or universities and pledged for the payment of
11 bonds heretofore or hereafter issued for, or other indebtedness
12 incurred to pay, all or part of the cost of acquiring, constructing or
13 installing any lands, buildings, or facilities of the nature described
14 in RCW 28B.10.300 as now or hereafter amended, shall be included within
15 and deemed to be services and activities fees.

16 (4) The governing boards of each of the colleges and universities
17 shall charge to and collect from each student a services and activities
18 fee. Each governing board may increase the existing fee annually,
19 consistent with budgeting procedures set forth in RCW 28B.15.045, by a
20 percentage increase not to exceed the percentage increase in resident
21 undergraduate tuition fees. The percentage increase shall not apply to
22 that portion of the services and activities fee previously committed to
23 the repayment of bonded debt. The services and activities fee
24 committee provided for in RCW 28B.15.045 may initiate a request to the
25 governing board for a fee increase.

26 (5) Services and activities fees consistent with subsection (4) of
27 this section shall be set by the state board for community and
28 technical colleges for summer school students unless the community
29 college charges fees in accordance with RCW 28B.15.515.

30 **Sec. 112.** RCW 28B.15.066 and 1993 c 379 s 205 are each amended to
31 read as follows:

32 It is the intent of the legislature that:

33 In making appropriations from the state's general fund to
34 institutions of higher education, each appropriation shall conform to
35 the following:

36 (1) The appropriation shall be reduced by the amount of operating
37 fees revenue estimated to be collected from students enrolled at the
38 state-funded enrollment level specified in the omnibus biennial

1 operating appropriations act and the estimated interest on operating
2 fees revenue, minus obligations under RCW 28B.15.820 and 43.99I.040,
3 minus any revenue an institution may have raised by assessing a tuition
4 fees surcharge as permitted in sections 102(3), 103(3), 104(2), and
5 105(3) of this act and minus the amount of waived operating fees
6 authorized under RCW 28B.15.910;

7 (2) The appropriation shall not be reduced by the amount of
8 operating fees revenue collected from students enrolled above the
9 state-funded level, but within the over-enrollment limitations,
10 specified in the omnibus biennial operating appropriations act; ~~((and))~~

11 (3) The general fund state appropriation shall not be reduced by
12 the amount of operating fees revenue collected as a result of waiving
13 less operating fees revenue than the amounts authorized under RCW
14 28B.15.910; and

15 (4) The general fund state appropriation shall not be reduced by
16 the amount of revenue collected from tuition fees surcharges authorized
17 under sections 102(3), 103(3), 104(2), and 105(3) of this act.

18 **Sec. 113.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to
19 read as follows:

20 (1) Base tuition fees shall be established and adjusted annually
21 under the provisions of this chapter beginning with the 1987-88
22 academic year. Such fees shall be identical, subject to other
23 provisions of this chapter, for students enrolled at either state
24 university, for students enrolled at the regional universities ~~((and))~~,
25 for students enrolled at The Evergreen State College, and for students
26 enrolled at any community college. Base tuition fees shall reflect the
27 undergraduate and graduate educational costs of the state universities,
28 the regional universities, The Evergreen State College, and the
29 community colleges, respectively, in ~~((the amounts prescribed in))~~
30 accordance with the provisions of this chapter.

31 (2) The total tuition fees established under this chapter shall not
32 apply to high school students enrolling in community colleges under RCW
33 28A.600.300 through 28A.600.395.

34 **Sec. 114.** RCW 28B.15.070 and 1992 c 231 s 5 are each amended to
35 read as follows:

36 (1) The higher education coordinating board, in consultation with
37 the house of representatives and senate committees responsible for

1 higher education, the respective fiscal committees of the house of
2 representatives and senate, the office of financial management, and the
3 state institutions of higher education, shall develop by December of
4 every fourth year beginning in 1989, definitions, criteria, and
5 procedures for determining the undergraduate and graduate educational
6 costs for the state universities, regional universities, state college,
7 and community colleges upon which tuition fees will be based.

8 (2) Every four years, the state institutions of higher education in
9 cooperation with the higher education coordinating board shall perform
10 an educational cost study pursuant to subsection (1) of this section.
11 The study shall be conducted based on every fourth academic year
12 beginning with 1989-90. Institutions shall complete the studies within
13 one year of the end of the study year and report the results to the
14 higher education coordinating board for consolidation, review, and
15 distribution.

16 (3) In order to conduct the study required by subsection (2) of
17 this section, the higher education coordinating board, in cooperation
18 with the institutions of higher education, shall develop a methodology
19 that requires the collection of comparable educational cost data, which
20 utilizes a faculty activity analysis or similar instrument.

21 **Sec. 115.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to
22 read as follows:

23 The higher education coordinating board shall determine and
24 transmit amounts constituting approved undergraduate and graduate
25 educational costs to the several boards of regents and trustees of the
26 state institutions of higher education by November 10 of each even-
27 numbered year except the year 1990 for which the transmittal shall be
28 made by December 17. Base tuition fees shall be based on such costs in
29 accordance with the provisions of this chapter.

30 NEW SECTION. **Sec. 116.** A new section is added to chapter 28B.15
31 RCW to read as follows:

32 Subject to the limitations of RCW 28B.15.910, the governing board
33 of each community college may charge such fees for ungraded courses,
34 noncredit courses, community service courses, and self-supporting
35 courses as it, in its discretion, determines, consistent with the rules
36 of the state board for community and technical colleges.

PART 2 - FINANCIAL AID

Sec. 201. RCW 28B.15.740 and 1993 sp.s. c 18 s 28 are each amended to read as follows:

(1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of tuition and fees (~~subject to the following restrictions:~~

~~(1) Except as provided in subsection (2) of this section, the total dollar amount of tuition and fee waivers awarded by the governing boards shall not exceed four percent, except for the community colleges considered as a whole, such amount shall not exceed three percent of an amount determined by estimating the total collections from tuition and services and activities fees had no such waivers been made, and deducting the portion of that total amount that is attributable to the difference between resident and nonresident fees: PROVIDED, That at least three-fourths of the dollars waived shall be)) for needy students who are eligible for resident tuition and fee rates pursuant to RCW 28B.15.012 and 28B.15.013((: PROVIDED FURTHER, That the remainder of the dollars waived, not to exceed one-fourth of the total, may be applied to)). Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of tuition and fees for other students at the discretion of the governing boards, except on the basis of participation in intercollegiate athletic programs((: PROVIDED FURTHER, That the waivers for undergraduate and graduate students of foreign nations under RCW 28B.15.556 are not subject to the limitation under this section)), not to exceed three-fourths of one percent of gross authorized operating fees revenue under RCW 28B.15.910 for the community colleges considered as a whole and not to exceed one percent of gross authorized operating fees revenue for the other institutions of higher education.~~

(2) In addition to the tuition and fee waivers provided in subsection (1) of this section and subject to the provisions of RCW 28B.15.455 ((and)), 28B.15.460, and 28B.15.910, a total dollar amount of tuition and fee waivers awarded by any state university, regional university, or state college under this chapter, not to exceed one percent, as calculated in subsection (1) of this section, may be used

1 for the purpose of achieving or maintaining gender equity in
2 intercollegiate athletic programs. At any institution that has an
3 underrepresented gender class in intercollegiate athletics, any such
4 waivers shall be awarded:

5 (a) First, to members of the underrepresented gender class who
6 participate in intercollegiate athletics, where such waivers result in
7 saved or displaced money that can be used for athletic programs for the
8 underrepresented gender class. Such saved or displaced money shall be
9 used for programs for the underrepresented gender class; and

10 (b) Second, (i) to nonmembers of the underrepresented gender class
11 who participate in intercollegiate athletics, where such waivers result
12 in saved or displaced money that can be used for athletic programs for
13 members of the underrepresented gender class. Such saved or displaced
14 money shall be used for programs for the underrepresented gender class;
15 or (ii) to members of the underrepresented gender class who participate
16 in intercollegiate athletics, where such waivers do not result in any
17 saved or displaced money that can be used for athletic programs for
18 members of the underrepresented gender class.

19 **Sec. 202.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are
20 each reenacted and amended to read as follows:

21 (1) Each institution of higher education, except technical
22 colleges, shall deposit a minimum of two and one-half percent of
23 revenues collected from tuition and services and activities fees in an
24 institutional financial aid fund that is hereby created and which shall
25 be held locally. Moneys in the fund shall be used only for the
26 following purposes: (a) To make guaranteed long-term loans to eligible
27 students as provided in subsections (3) through (8) of this section;
28 (b) to make short-term loans as provided in subsection (9) of this
29 section; or (c) to provide financial aid to needy students as provided
30 in subsection (10) of this section.

31 (2) An "eligible student" for the purposes of subsections (3)
32 through (8) and (10) of this section is a student registered for at
33 least six credit hours or the equivalent, who is eligible for resident
34 tuition and fee rates as defined in RCW 28B.15.012 through 28B.15.013,
35 and who is a "needy student" as defined in RCW 28B.10.802.

36 (3) The amount of the guaranteed long-term loans made under this
37 section shall not exceed the demonstrated financial need of the
38 student. Each institution shall establish loan terms and conditions

1 which shall be consistent with the terms of the guaranteed loan program
2 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
3 amended. All loans made shall be guaranteed by the Washington student
4 loan guaranty association or its successor agency. Institutions are
5 hereby granted full authority to operate as an eligible lender under
6 the guaranteed loan program.

7 (4) Before approving a guaranteed long-term loan, each institution
8 shall analyze the ability of the student to repay the loan based on
9 factors which include, but are not limited to, the student's
10 accumulated total education loan burdens and the employment
11 opportunities and average starting salary characteristics of the
12 student's chosen fields of study. The institution shall counsel the
13 student on the advisability of acquiring additional debt, and on the
14 availability of other forms of financial aid.

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

32 (6) Receipts from payment of interest or principal or any other
33 subsidies to which institutions as lenders are entitled, that are paid
34 by or on behalf of borrowers of funds under subsections (3) through (8)
35 of this section, shall be deposited in each institution's financial aid
36 fund and shall be used to cover the costs of making the guaranteed
37 long-term loans under this section and maintaining necessary records
38 and making collections under subsection (5) of this section: PROVIDED,
39 That such costs shall not exceed five percent of aggregate outstanding

1 loan principal. Institutions shall maintain accurate records of such
2 costs, and all receipts beyond those necessary to pay such costs, shall
3 be deposited in the institution's financial aid fund.

4 (7) The governing boards of the state universities, the regional
5 universities, and The Evergreen State College, and the state board for
6 community and technical colleges, on behalf of the community colleges,
7 shall each adopt necessary rules and regulations to implement this
8 section.

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

14 (9) Short-term loans, not to exceed one year, may be made from the
15 institutional financial aid fund to students enrolled in the
16 institution. No such loan shall be made to any student who is known by
17 the institution to be in default or delinquent in the payment of any
18 outstanding student loan. A short-term loan may be made only if the
19 institution has ample evidence that the student has the capability of
20 repaying the loan within the time frame specified by the institution
21 for repayment.

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

37 NEW SECTION. **Sec. 203.** It is the intent of the legislature to
38 restructure the state's system of financial aid. Funding levels for

1 the state's system of financial aid are subject to available funds.
2 The restructured financial aid system shall be known as college
3 promise. In designing college promise, the higher education
4 coordinating board shall follow these goals:

5 (1) For all need-based financial aid programs under RCW 28B.10.790
6 through 28B.10.824 and chapters 28B.12 and 28B.101 RCW:

7 (a) Through a mix of federal, state, and other resources:

8 (i) Limit the debt of an undergraduate student to no more than one-
9 half of a student's cost of attendance; and

10 (ii) Provide more self-help opportunities than grant aid to middle-
11 income students, and approximately equal amounts of self-help
12 opportunities and grant aid to low-income and lower middle-income
13 students. Self-help opportunities include work-study and loans;

14 (b) In determining eligibility for state financial aid programs,
15 shelter home equity on a family's principal place of residence, and
16 shelter a reasonable portion of savings and farm or business net worth,
17 each insofar as is permissible under state and federal law;

18 (c) Consistent with federal law, simplify the financial aid
19 application process;

20 (d) Strive to preserve a range of educational options for needy
21 students, including choice of institutions and programs;

22 (e) Recognize otherwise unfunded equipment and assistance needed to
23 reasonably accommodate students with disabilities; and

24 (f) Deliver clear and timely information to current and future
25 postsecondary students about the costs of attending college and
26 available financial aid.

27 (2) For the state need grant program under RCW 28B.10.790 through
28 28B.10.824: As funds are available, expand the program to include new
29 populations of resident students in the following priority order,
30 ensuring that undergraduate students with the most demonstrated
31 financial need receive full grants before less needy students receive
32 any grant:

33 (a) Low-income undergraduates;

34 (b) Lower middle-income undergraduates;

35 (c) Middle-income undergraduates; and

36 (d) Resident graduate and professional students, following the
37 income priorities established for undergraduate students.

1 (3) For the state work-study program under chapter 28B.12 RCW:
2 Increase employment opportunities including off-campus job
3 opportunities with off-campus community service employers.

4 NEW SECTION. **Sec. 204.** (1) By January 1, 1997, the higher
5 education coordinating board, in consultation with the house of
6 representatives and senate higher education and fiscal committees, and
7 the institutions of higher education, shall develop a detailed
8 implementation plan for college promise. In preparing the plan, the
9 board shall follow the goals and priorities set forth in section 203 of
10 this act. The plan shall include, but not be limited to:

11 (a) Specific program eligibility measures;

12 (b) Estimates of how many state residents would be eligible for
13 assistance in the state need grant and state work-study programs under
14 the goals adopted in section 203 of this act;

15 (c) Estimates of the costs for each state financial aid program,
16 including the state need grant program under RCW 28B.10.790 through
17 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
18 the educational opportunity grant program under chapter 28B.101 RCW to
19 accommodate any new aid applicants estimated under (b) of this
20 subsection, as offset by nonstate sources of aid.

21 (2) The plan shall be deemed approved on June 30, 1997, unless
22 legislation is enacted to alter the policies set forth in the plan.
23 The board shall also propose to the legislature any changes to the laws
24 governing state financial aid programs that it deems necessary to
25 accomplish the purposes of college promise.

26 **PART 3 - MISCELLANEOUS**

27 **Sec. 301.** RCW 28B.50.095 and 1991 c 238 s 36 are each amended to
28 read as follows:

29 In addition to other powers and duties, the college board may issue
30 rules (~~and regulations~~) permitting a student to register at more than
31 one community and technical college, provided that such student shall
32 pay tuition and fees as if the student were registered at a single
33 college, but not to exceed tuition and fees charged a full-time student
34 as established (~~by RCW 28B.15.502~~) under chapter 28B.15 RCW.

1 NEW SECTION. **Sec. 302.** The following acts or parts of acts are
2 each repealed:

3 (1) RCW 28B.15.202 and 1993 sp.s. c 18 s 8, 1993 c 379 s 202, 1992
4 c 231 s 7, 1985 c 390 s 19, 1982 1st ex.s. c 37 s 18, & 1981 c 257 s 6;

5 (2) RCW 28B.15.402 and 1993 sp.s. c 18 s 11, 1993 c 379 s 203, 1992
6 c 231 s 10, 1989 c 245 s 1, 1985 c 390 s 24, 1982 1st ex.s. c 37 s 19,
7 & 1981 c 257 s 7; and

8 (3) RCW 28B.15.502 and 1993 sp.s. c 18 s 12, 1993 c 379 s 204, 1992
9 c 231 s 11, 1991 c 353 s 2, 1985 c 390 s 25, 1982 1st ex.s. c 37 s 10,
10 & 1981 c 257 s 8.

11 NEW SECTION. **Sec. 303.** Captions and part headings used in this
12 act do not constitute any part of the law.

13 NEW SECTION. **Sec. 304.** Sections 101 through 116, 201, 202, 204,
14 and 301 through 303 of this act are necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and shall take
17 effect July 1, 1995.

18 NEW SECTION. **Sec. 305.** Section 203 of this act shall take effect
19 July 1, 1997.

20 NEW SECTION. **Sec. 306.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

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