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**SUBSTITUTE HOUSE BILL 1743**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representative Kenney; by request of Governor Locke)

Read first time . Referred to Committee on .

1 AN ACT Relating to tuition setting authority and the use of tuition  
2 in higher education; amending RCW 28B.15.067, 28B.15.031, and  
3 28B.15.066; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that, as a partner in  
6 financing public higher education, it is important to provide  
7 predictable state support, financial aid, and affordable tuition rates  
8 for students. To achieve permanent, predictable, and affordable  
9 tuition rates, the legislature intends that the maximum annual changes  
10 in tuition be based on the average per capita income in the state as  
11 predicted by the office of economic and revenue forecast. This policy  
12 extends tuition setting authority to institutions of higher education  
13 and the state board for community and technical colleges, within the  
14 limits of the percentage increase in per capita personal income as  
15 provided in RCW 28B.15.067(2), so they can respond to individual  
16 priority needs not addressed by the legislature. This policy also  
17 provides that state general fund support for higher education increase  
18 in accordance with the forecast of the state's average per capita

1 income. This policy further provides for continued state general fund  
2 support of the state need grant program.

3 **Sec. 2.** RCW 28B.15.067 and 1997 c 403 s 1 are each amended to read  
4 as follows:

5 (1) Tuition fees shall be established under the provisions of this  
6 chapter.

7 (2) ~~((Academic year tuition for full-time students at the state's  
8 institutions of higher education for the 1997-98 academic year, other  
9 than the summer term, shall be as provided in this subsection.~~

10 ~~(a) At the University of Washington and Washington State  
11 University:~~

12 ~~(i) For resident undergraduate students and other resident students  
13 not in graduate, law, or first professional programs, two thousand nine  
14 hundred eighty-eight dollars;~~

15 ~~(ii)(A) For nonresident undergraduate students and other  
16 nonresident students at the University of Washington not in graduate,  
17 law, or first professional programs, ten thousand two hundred seventy-  
18 eight dollars;~~

19 ~~(B) For nonresident undergraduate students and other nonresident  
20 students at Washington State University not in graduate or first  
21 professional programs, nine thousand eight hundred seventy dollars;~~

22 ~~(iii) For resident graduate students, four thousand eight hundred  
23 fifty-four dollars;~~

24 ~~(iv) For nonresident graduate students, twelve thousand five  
25 hundred eighty-eight dollars;~~

26 ~~(v) For resident law students, five thousand ten dollars;~~

27 ~~(vi) For nonresident law students, twelve thousand nine hundred  
28 fifteen dollars;~~

29 ~~(vii) For resident first professional students, eight thousand one  
30 hundred twelve dollars; and~~

31 ~~(viii) For nonresident first professional students, twenty-one  
32 thousand twenty-four dollars.~~

33 ~~(b) At the regional universities and The Evergreen State College:~~

34 ~~(i) For resident undergraduate and all other resident students not  
35 in graduate programs, two thousand two hundred eleven dollars;~~

36 ~~(ii) For nonresident undergraduate and all other nonresident  
37 students not in graduate programs, eight thousand six hundred forty-six  
38 dollars;~~

1       ~~(iii) For resident graduate students, three thousand seven hundred~~  
2 ~~twenty-six dollars; and~~

3       ~~(iv) For nonresident graduate students, eleven thousand nine~~  
4 ~~hundred seventy-six dollars.~~

5       ~~(c) At the community colleges:~~

6       ~~(i) For resident students, one thousand three hundred eleven~~  
7 ~~dollars; and~~

8       ~~(ii) For nonresident students, five thousand five hundred eighty-~~  
9 ~~six dollars.~~

10       ~~(3) Academic year tuition for full-time students at the state's~~  
11 ~~institutions of higher education beginning with the 1998-99 academic~~  
12 ~~year, other than the summer term, shall be as provided in this~~  
13 ~~subsection unless different rates are adopted in the omnibus~~  
14 ~~appropriations act.~~

15       ~~(a) At the University of Washington and Washington State~~  
16 ~~University:~~

17       ~~(i) For resident undergraduate students and other resident students~~  
18 ~~not in graduate, law, or first professional programs, three thousand~~  
19 ~~one hundred eight dollars;~~

20       ~~(ii)(A) For nonresident undergraduate students and other~~  
21 ~~nonresident students at the University of Washington not in graduate,~~  
22 ~~law, or first professional programs, eleven thousand one hundred thirty~~  
23 ~~dollars;~~

24       ~~(B) For nonresident undergraduate students and other nonresident~~  
25 ~~students at Washington State University not in graduate or first~~  
26 ~~professional programs, ten thousand two hundred sixty-six dollars;~~

27       ~~(iii) For resident graduate students, five thousand forty-six~~  
28 ~~dollars;~~

29       ~~(iv) For nonresident graduate students, thirteen thousand ninety-~~  
30 ~~two dollars;~~

31       ~~(v) For resident law students, five thousand three hundred seventy-~~  
32 ~~six dollars;~~

33       ~~(vi) For nonresident law students, thirteen thousand seven hundred~~  
34 ~~eighty-two dollars;~~

35       ~~(vii) For resident first professional students, eight thousand four~~  
36 ~~hundred thirty-six dollars; and~~

37       ~~(viii) For nonresident first professional students, twenty-one~~  
38 ~~thousand eight hundred sixty-four dollars.~~

39       ~~(b) At the regional universities and The Evergreen State College:~~

1       ~~(i) For resident undergraduate and all other resident students not~~  
2 ~~in graduate programs, two thousand two hundred ninety-eight dollars;~~

3       ~~(ii) For nonresident undergraduate and all other nonresident~~  
4 ~~students not in graduate programs, eight thousand nine hundred ninety-~~  
5 ~~one dollars;~~

6       ~~(iii) For resident graduate students, three thousand eight hundred~~  
7 ~~seventy-six dollars; and~~

8       ~~(iv) For nonresident graduate students, twelve thousand four~~  
9 ~~hundred fifty-six dollars.~~

10       ~~(c) At the community colleges:~~

11       ~~(i) For resident students, one thousand three hundred sixty-two~~  
12 ~~dollars; and~~

13       ~~(ii) For nonresident students, five thousand eight hundred eight~~  
14 ~~dollars.~~

15       ~~(4) For the 1997-98 and 1998-99 academic years, the University of~~  
16 ~~Washington shall use at least ten percent of the revenue received from~~  
17 ~~the difference between a four percent increase in tuition fees and the~~  
18 ~~actual increase charged to law students to assist needy low and middle-~~  
19 ~~income resident law students. For the 1997-98 and 1998-99 academic~~  
20 ~~years, the University of Washington shall use at least ten percent of~~  
21 ~~the revenue received from the difference between a four percent~~  
22 ~~increase in tuition fees and the actual increase charged to nonresident~~  
23 ~~undergraduate students and all other nonresident students not in~~  
24 ~~graduate, law, or first professional programs to assist needy low and~~  
25 ~~middle-income resident undergraduate students and all other resident~~  
26 ~~students not enrolled in graduate, law, or first professional programs.~~  
27 ~~This requirement is in addition to the deposit requirements of the~~  
28 ~~institutional aid fund under RCW 28B.15.820.~~

29       ~~(5))~~ Beginning with academic year 2001-02 and each year  
30 thereafter, tuition fees may be adjusted by the governing boards of the  
31 state universities, regional universities, The Evergreen State College,  
32 and the state board for community and technical colleges as provided in  
33 this section. Increases authorized under this subsection may be in  
34 excess of the fiscal growth factor. The amount of increase may not  
35 exceed the percentage increase in per capita income as determined by  
36 the higher education coordinating board based on a continuous three-  
37 year rolling average.

38       (3) For academic year 2001-02 and academic year 2002-03, each  
39 institution of higher education may impose a surcharge of up to two

1 percent beyond the per capita income level calculated for that fiscal  
2 year. The surcharge shall not become part of the tuition base for  
3 future calculation. Increases authorized under this subsection may be  
4 in excess of the fiscal growth factor. Any moneys received from  
5 surcharges collected at any institution of higher education shall be  
6 deposited directly into their respective local accounts containing  
7 operating fee revenue and related interest. This subsection does not  
8 apply after June 30, 2003.

9 (4) The governing boards and the state board for community and  
10 technical colleges may adjust full-time tuition fees or surcharge fees  
11 for factors that may include time of day and day of week, as well as  
12 delivery method and campus, to encourage full use of the state's  
13 educational facilities and resources. The tuition increases adopted  
14 under subsection (2) of this section need not apply uniformly across  
15 student categories as defined in this chapter so long as the tuition  
16 increase for each student category does not exceed the increase in per  
17 capita personal income as specified in this section. A surcharge  
18 adopted under subsection (3) of this section need not apply uniformly  
19 across student categories as defined in this chapter.

20 (5) As used in this section, "surcharge" means that amount equal to  
21 up to two percent beyond the per capita personal income calculation  
22 each year that may be imposed locally by each governing board for four-  
23 year institutions of higher education and by the state board for  
24 community and technical colleges for the community and technical  
25 colleges as a whole.

26 (6) Students receiving state need grants should not be deprived of  
27 access to higher education due to increases in tuition rates. The  
28 legislature retains the responsibility to appropriate funds to the  
29 state need grant program to support changes in overall program  
30 eligibility, increased enrollments, and tuition levels. The  
31 legislature shall continue to provide resources directly to the state  
32 need grant program for changes in program eligibility, increases in  
33 enrollments, and changes in tuition based on the per capita personal  
34 income calculation.

35 (7) To ensure that students receiving state need grants do not have  
36 the value of those grants diminished as a result of governing boards'  
37 actions under subsection (3) of this section, institutions of higher  
38 education shall provide from surcharge revenue collected under  
39 subsection (3) of this section financial aid grants to state need grant

1 recipients in an amount that is equal to the amount of the increase  
2 resulting from the surcharge imposed by the governing boards under  
3 subsection (3) of this section. Institutions of higher education may  
4 not reduce the proportion of state need grant recipients relative to  
5 the total number of resident undergraduates in the prior year as  
6 determined by the higher education coordinating board.

7 (8) Each institution of higher education shall report to the higher  
8 education coordinating board on the financial aid expended according to  
9 subsection (6) of this section in a manner determined by the board.

10 (9) The tuition fees established under this chapter shall not apply  
11 to high school students enrolling in participating institutions of  
12 higher education under RCW 28A.600.300 through ~~((28A.600.395))~~  
13 28A.600.390.

14 **Sec. 3.** RCW 28B.15.031 and 1996 c 142 s 2 are each amended to read  
15 as follows:

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

1 be subject to appropriation by the legislature or allotment procedures  
2 under chapter 43.88 RCW.

3 **Sec. 4.** RCW 28B.15.066 and 2000 c 152 s 2 are each amended to read  
4 as follows:

5 It is the intent of the legislature that:

6 In making appropriations from the state's general fund to  
7 institutions of higher education, each appropriation shall conform to  
8 the following:

9 (1) The appropriation shall not be reduced by the amount of  
10 operating fees revenue estimated to be collected from students enrolled  
11 at the state-funded enrollment level specified in the omnibus biennial  
12 operating appropriations act;

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

17 (3) The general fund state appropriation shall not be reduced by  
18 the amount of operating fees revenue collected as a result of waiving  
19 less operating fees revenue than the amounts authorized under RCW  
20 28B.15.910. State general fund appropriations shall not be provided  
21 for revenue foregone as a result of or for waivers granted under RCW  
22 28B.15.915.

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