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HOUSE BILL 2306

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State of Washington                      61st Legislature                      2009 Regular Session

By Representatives Carlyle, Ericks, Dunshee, Pedersen, and Kagi

Read first time 03/09/09. Referred to Committee on Higher Education.

1            AN ACT Relating to creating opportunity grant programs at four-year  
2 institutions of higher education; amending RCW 28B.15.067 and  
3 28B.15.068; adding a new section to chapter 28B.20 RCW; adding a new  
4 section to chapter 28B.30 RCW; adding a new section to chapter 28B.35  
5 RCW; adding a new section to chapter 28B.40 RCW; and creating new  
6 sections.

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

8            NEW SECTION.    **Sec. 1.** The legislature finds that providing access  
9 to a high-quality postsecondary education is a duty of the state and  
10 that providing and promoting that access is a shared responsibility  
11 among the state, students, and the public colleges and universities.  
12 However, access and affordability for middle-income students have  
13 eroded in recent years; therefore, the higher education system must  
14 fundamentally change and improve to better meet the needs of students.

15            The legislature finds that despite current financial aid programs,  
16 the rapid rise in the cost of textbooks, tuition, fees, living  
17 expenses, transportation, and other expenses combine to put the total  
18 cost of attendance out of reach for many middle and lower-income  
19 students and families.

1 The legislature further finds that under the current system middle-  
2 income families are running out of options and are forced to either  
3 shoulder these costs themselves or be priced out of higher education  
4 entirely. As a result, middle-income debt loads are surging, causing  
5 families to make painful career and family choices in order to ensure  
6 access to educational opportunity.

7 The legislature recognizes that states with higher tuition rates  
8 have been shown to effectively use those resources to provide  
9 substantial and incremental financial aid to lower and middle-income  
10 students.

11 State taxes currently subsidize all students attending Washington  
12 public colleges and universities. As a result, upper-income families  
13 view the institution as a relative bargain among premier public and  
14 private universities around the world. On the other hand, the total  
15 cost of attendance has become unaffordable in the context of middle-  
16 income families' means. Compounding this crisis is the lack of  
17 available financial aid outside of loans specifically targeted to the  
18 middle class.

19 It is for these reasons that the legislature intends to design a  
20 college affordability program that systemically addresses these issues  
21 for middle-income families to afford a college education. The  
22 legislature intends to empower the four-year institutions of higher  
23 education to raise tuition during a six-year period and target a  
24 portion of the new revenue to those middle-income students who would  
25 not otherwise qualify for state financial aid.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.20 RCW  
27 to read as follows:

28 (1) The University of Washington opportunity grant program is  
29 hereby established at the University of Washington.

30 (2) The program shall be administered by the University of  
31 Washington.

32 (3) Eligibility for the program shall be limited to resident  
33 undergraduate students with family incomes of up to one hundred twenty-  
34 five percent of the state median family income, adjusted for family  
35 size.

36 (4) The University of Washington opportunity grant program is  
37 supplemental to the state need grant program, as defined in chapter

1 28B.92 RCW, and intended to provide financial assistance to middle-  
2 income students with incomes up to one hundred twenty-five percent of  
3 state median family income adjusted for family size.

4 (5) In administering the program, the university shall:

5 (a) Adopt necessary rules and guidelines;

6 (b) Establish eligibility requirements and select program  
7 participants;

8 (c) Base award amounts on the assessment of the student's ability  
9 to pay the cost of attendance using the federal student financial aid  
10 needs assessment process and such other evaluation procedures and  
11 criteria the university may adopt. Award amounts shall be prorated as  
12 family income increases, based on a percentage of the maximum base  
13 grant award amount of the state need grant, as determined by the higher  
14 education coordinating board for the state universities.

15 (i) Students with a family income that exceeds the income  
16 eligibility criteria for state need grant and is less than or equal to  
17 one hundred percent of state median family income shall receive forty  
18 percent of the maximum state need grant award amount;

19 (ii) Students with a family income between one hundred one and one  
20 hundred twenty-five percent of state median family income shall receive  
21 twenty-five percent of the maximum state need grant award amount;

22 (d) Publicize the program; and

23 (e) Solicit and accept grants, gifts, and donations from public and  
24 private sources for the program.

25 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.30 RCW  
26 to read as follows:

27 (1) The Washington State University opportunity grant program is  
28 hereby established at Washington State University.

29 (2) The program shall be administered by Washington State  
30 University.

31 (3) Eligibility for the program shall be limited to resident  
32 undergraduate students with family incomes of up to one hundred twenty-  
33 five percent of the state median family income, adjusted for family  
34 size.

35 (4) The Washington State University opportunity grant program is  
36 supplemental to the state need grant program, as defined in chapter

1 28B.92 RCW, and intended to provide financial assistance to middle-  
2 income students with incomes up to one hundred twenty-five percent of  
3 state median family income adjusted for family size.

4 (5) In administering the program, the university shall:

5 (a) Adopt necessary rules and guidelines;

6 (b) Establish eligibility requirements and select program  
7 participants;

8 (c) Base award amounts on the assessment of the student's ability  
9 to pay the cost of attendance using the federal student financial aid  
10 needs assessment process and such other evaluation procedures and  
11 criteria the university may adopt. Award amounts shall be prorated as  
12 family income increases, based on a percentage of the maximum base  
13 grant award amount of the state need grant, as determined by the higher  
14 education coordinating board for the state universities.

15 (i) Students with a family income that exceeds the income  
16 eligibility criteria for state need grant and is less than or equal to  
17 one hundred percent of state median family income shall receive forty  
18 percent of the maximum state need grant award amount;

19 (ii) Students with a family income between one hundred one and one  
20 hundred twenty-five percent of state median family income shall receive  
21 twenty-five percent of the maximum state need grant award amount;

22 (d) Publicize the program; and

23 (e) Solicit and accept grants, gifts, and donations from public and  
24 private sources for the program.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.35 RCW  
26 to read as follows:

27 (1)(a) The Central Washington University opportunity grant program  
28 is hereby established at Central Washington University.

29 (b) The Eastern Washington University opportunity grant program is  
30 hereby established at Eastern Washington University.

31 (c) The Western Washington University opportunity grant program is  
32 hereby established at Western Washington University.

33 (2) The programs shall be administered by the respective  
34 universities.

35 (3) Eligibility for the programs shall be limited to resident  
36 undergraduate students with family incomes of up to one hundred twenty-

1 five percent of the state median family income, adjusted for family  
2 size.

3 (4) Each opportunity grant program is supplemental to the state  
4 need grant program, as defined in chapter 28B.92 RCW, and intended to  
5 provide financial assistance to middle-income students with incomes up  
6 to one hundred twenty-five percent of state median family income  
7 adjusted for family size.

8 (5) In administering the program, each university shall:

9 (a) Adopt necessary rules and guidelines;

10 (b) Establish eligibility requirements and select program  
11 participants;

12 (c) Base award amounts on the assessment of the student's ability  
13 to pay the cost of attendance using the federal student financial aid  
14 needs assessment process and such other evaluation procedures and  
15 criteria each university may adopt. Award amounts shall be prorated as  
16 family income increases, based on a percentage of the maximum base  
17 grant award amount of the state need grant, as determined by the higher  
18 education coordinating board for the regional institutions.

19 (i) Students with a family income that exceeds the income  
20 eligibility criteria for state need grant and is less than or equal to  
21 one hundred percent of state median family income shall receive forty  
22 percent of the maximum state need grant award amount;

23 (ii) Students with a family income between one hundred one and one  
24 hundred twenty-five percent of state median family income shall receive  
25 twenty-five percent of the maximum state need grant award amount;

26 (d) Publicize the program; and

27 (e) Solicit and accept grants, gifts, and donations from public and  
28 private sources for the program.

29 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.40 RCW  
30 to read as follows:

31 (1) The Evergreen State College opportunity grant program is hereby  
32 established at The Evergreen State College.

33 (2) The program shall be administered by The Evergreen State  
34 College.

35 (3) Eligibility for the program shall be limited to resident  
36 undergraduate students with family incomes of up to one hundred twenty-

1 five percent of the state median family income, adjusted for family  
2 size.

3 (4) The Evergreen State College opportunity grant program is  
4 supplemental to the state need grant program, as defined in chapter  
5 28B.92 RCW, and intended to provide financial assistance to middle-  
6 income students with incomes up to one hundred twenty-five percent of  
7 state median family income adjusted for family size.

8 (5) In administering the program, the college shall:

9 (a) Adopt necessary rules and guidelines;

10 (b) Establish eligibility requirements and select program  
11 participants;

12 (c) Base award amounts on the assessment of the student's ability  
13 to pay the cost of attendance using the federal student financial aid  
14 needs assessment process and such other evaluation procedures and  
15 criteria the college may adopt. Award amounts shall be prorated as  
16 family income increases, based on a percentage of the maximum base  
17 grant award amount of the state need grant, as determined by the higher  
18 education coordinating board for The Evergreen State College.

19 (i) Students with a family income that exceeds the income  
20 eligibility criteria for state need grant and is less than or equal to  
21 one hundred percent of state median family income shall receive forty  
22 percent of the maximum state need grant award amount;

23 (ii) Students with a family income between one hundred one and one  
24 hundred twenty-five percent of state median family income shall receive  
25 twenty-five percent of the maximum state need grant award amount;

26 (d) Publicize the program; and

27 (e) Solicit and accept grants, gifts, and donations from public and  
28 private sources for the program.

29 **Sec. 6.** RCW 28B.15.067 and 2007 c 355 s 7 are each amended to read  
30 as follows:

31 (1) Tuition fees shall be established under the provisions of this  
32 chapter.

33 (2) Beginning with the ((2003-04)) 2009-10 academic year and ending  
34 with the ((2008-09)) 2014-15 academic year, reductions or increases in  
35 full-time tuition fees for ((resident undergraduates)) all students  
36 shall be ((as provided in the omnibus appropriations act)) determined

1 by the governing boards of the state universities, the regional  
2 universities, and The Evergreen State College.

3 (3) Beginning with the 2009-10 academic year and ending with the  
4 2014-15 academic year, reductions or increases in full-time tuition  
5 fees for resident undergraduates attending community or technical  
6 colleges shall be as provided in the omnibus appropriations act.

7 (4) Beginning with the ~~((2003-04))~~ 2009-10 academic year and ending  
8 with the ~~((2008-09))~~ 2014-15 academic year, ~~((the governing boards of~~  
9 ~~the state universities, the regional universities, The Evergreen State~~  
10 ~~College, and))~~ the state board for community and technical colleges may  
11 reduce or increase full-time tuition fees for all students other than  
12 resident undergraduates, including summer school students and students  
13 in other self-supporting degree programs. Percentage increases in  
14 full-time tuition fees may exceed the fiscal growth factor. Reductions  
15 or increases may be made for all or portions of an institution's  
16 programs, campuses, courses, or students.

17 ~~((+4))~~ (5) Academic year tuition for full-time students at the  
18 state's institutions of higher education beginning with ~~((2009-10))~~  
19 2015-16, other than summer term, shall be as charged during the ~~((2008-~~  
20 ~~09))~~ 2014-15 academic year unless different rates are adopted by the  
21 legislature.

22 ~~((+5))~~ (6) The tuition fees established under this chapter shall  
23 not apply to high school students enrolling in participating  
24 institutions of higher education under RCW 28A.600.300 through  
25 28A.600.400.

26 ~~((+6))~~ (7) The tuition fees established under this chapter shall  
27 not apply to eligible students enrolling in a community or technical  
28 college under RCW 28C.04.610.

29 ~~((+7))~~ (8) The tuition fees established under this chapter shall  
30 not apply to eligible students enrolling in a community or technical  
31 college participating in the pilot program under RCW 28B.50.534 for the  
32 purpose of obtaining a high school diploma.

33 ~~((+8))~~ (9) For the academic years ~~((2003-04))~~ 2009-10 through  
34 ~~((2008-09))~~ 2014-15, the University of Washington shall use an amount  
35 equivalent to ten percent of all revenues received as a result of law  
36 school tuition increases beginning in academic year ~~((2000-01))~~ 2009-10  
37 through academic year ~~((2008-09))~~ 2014-15 to assist needy low and  
38 middle income resident law students.

1           (~~(+9)~~) (10) For the academic years (~~(2003-04)~~) 2009-10 through  
2 (~~(2008-09)~~) 2014-15, institutions of higher education shall use an  
3 amount equivalent to ten percent of all revenues received as a result  
4 of graduate academic school tuition increases beginning in academic  
5 year (~~(2003-04)~~) 2009-10 through academic year (~~(2008-09)~~) 2014-15 to  
6 assist needy low and middle-income resident graduate academic students.

7           **Sec. 7.** RCW 28B.15.068 and 2007 c 151 s 1 are each amended to read  
8 as follows:

9           (1) Beginning with the 2007-08 academic year and ending with the  
10 2016-17 academic year, tuition fees charged to full-time resident  
11 undergraduate students may increase no greater than (~~(seven)~~) twelve  
12 percent over the previous academic year in any institution of higher  
13 education. (~~(Annual reductions or increases in full-time tuition fees~~  
14 ~~for resident undergraduate students shall be as provided in the omnibus~~  
15 ~~appropriations act, within the seven percent increase limit established~~  
16 ~~in this section.)) To the extent that state appropriations combined  
17 with tuition and fee revenues are insufficient to achieve the total  
18 per-student funding goals established in subsection (2) of this  
19 section, the legislature may revisit state appropriations, authorized  
20 enrollment levels, and changes in tuition fees for any given fiscal  
21 year.~~

22           (2) The state shall adopt as its goal total per-student funding  
23 levels, from state appropriations plus tuition and fees, of at least  
24 the sixtieth percentile of total per-student funding at similar public  
25 institutions of higher education in the global challenge states. In  
26 defining comparable per-student funding levels, the office of financial  
27 management shall adjust for regional cost-of-living differences; for  
28 differences in program offerings and in the relative mix of lower  
29 division, upper division, and graduate students; and for accounting and  
30 reporting differences among the comparison institutions. The office of  
31 financial management shall develop a funding trajectory for each four-  
32 year institution of higher education and for the community and  
33 technical college system as a whole that when combined with tuition and  
34 fees revenue allows the state to achieve its funding goal for each  
35 four-year institution and the community and technical college system as  
36 a whole no later than fiscal year 2017. The state shall not reduce  
37 enrollment levels below fiscal year 2007 budgeted levels in order to

1 improve or alter the per-student funding amount at any four-year  
2 institution of higher education or the community and technical college  
3 system as a whole. The state recognizes that each four-year  
4 institution of higher education and the community and technical college  
5 system as a whole have different funding requirements to achieve  
6 desired performance levels, and that increases to the total per-student  
7 funding amount may need to exceed the minimum funding goal.

8 (3) By September 1st of each year beginning (~~(fin)~~) in 2008, the  
9 office of financial management shall report to the governor, the higher  
10 education coordinating board, and appropriate committees of the  
11 legislature with updated estimates of the total per-student funding  
12 level that represents the sixtieth percentile of funding for comparable  
13 institutions of higher education in the global challenge states, and  
14 the progress toward that goal that was made for each of the public  
15 institutions of higher education.

16 (4) As used in this section, "global challenge states" are the top  
17 performing states on the new economy index published by the progressive  
18 policy institute as of July 22, 2007. The new economy index ranks  
19 states on indicators of their potential to compete in the new economy.  
20 At least once every five years, the office of financial management  
21 shall determine if changes to the list of global challenge states are  
22 appropriate. The office of financial management shall report its  
23 findings to the governor and the legislature.

24 NEW SECTION. **Sec. 8.** The Washington state institute for public  
25 policy shall evaluate the effects of this change in tuition policy and  
26 financial aid created by this act, recommend alternatives for the  
27 guaranteed education tuition program, and deliver its findings to the  
28 governor and appropriate committees of the legislature by December  
29 2012.

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