
HOUSE BILL 1556

State of Washington

64th Legislature

2015 Regular Session

By Representatives Hargrove, Walkinshaw, Zeiger, Pollet, Van Werven, Bergquist, Ortiz-Self, and Parker

Read first time 01/22/15. Referred to Committee on Higher Education.

1 AN ACT Relating to strengthening the Washington advanced college
2 tuition payment program by setting new requirements on the purchase
3 and use of tuition units; reenacting and amending RCW 28B.95.030; and
4 creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to strengthen the
7 Washington advanced college tuition payment program by allowing
8 purchasers to buy more tuition units per beneficiary and allowing
9 beneficiaries with high tuition unit balances to use more units per
10 year.

11 **Sec. 2.** RCW 28B.95.030 and 2011 1st sp.s. c 12 s 2 and 2011 1st
12 sp.s. c 11 s 170 are each reenacted and amended to read as follows:

13 (1) The Washington advanced college tuition payment program shall
14 be administered by the committee on advanced tuition payment which
15 shall be chaired by the director of the office. The committee shall
16 be supported by staff of the office.

17 (2)(a) The Washington advanced college tuition payment program
18 shall consist of the sale of tuition units, which may be redeemed by
19 the beneficiary at a future date for an equal number of tuition units

1 regardless of any increase in the price of tuition, that may have
2 occurred in the interval.

3 (b) Each purchase shall be worth a specific number of or fraction
4 of tuition units at each state institution of higher education as
5 determined by the governing body.

6 (c) The number of tuition units necessary to pay for a full
7 year's, full-time undergraduate tuition and fee charges at a state
8 institution of higher education shall be set by the governing body at
9 the time a purchaser enters into a tuition unit contract.

10 (d) The governing body may limit the number of tuition units
11 purchased by any one purchaser or on behalf of any one beneficiary,
12 however, no limit may be imposed that is less than that necessary to
13 achieve four years of full-time, undergraduate tuition charges at a
14 state institution of higher education. In addition, for tuition units
15 purchased on behalf of any one beneficiary, the governing body shall
16 not set the limit at less than eight hundred units. The governing
17 body also may, at its discretion, limit the number of participants,
18 if needed, to ensure the actuarial soundness and integrity of the
19 program.

20 (e) While the Washington advanced college tuition payment program
21 is designed to help all citizens of the state of Washington, the
22 governing body may determine residency requirements for eligible
23 purchasers and eligible beneficiaries to ensure the actuarial
24 soundness and integrity of the program.

25 (3)(a) No tuition unit may be redeemed until two years after the
26 purchase of the unit. Units may be redeemed for enrollment at any
27 institution of higher education that is recognized by the internal
28 revenue service under chapter 529 of the internal revenue code.

29 (b) Units redeemed at a nonstate institution of higher education
30 or for graduate enrollment shall be redeemed at the rate for state
31 public institutions in effect at the time of redemption.

32 (4) The governing body shall determine the conditions under which
33 the tuition benefit may be transferred to another family member. In
34 permitting such transfers, the governing body may not allow the
35 tuition benefit to be bought, sold, bartered, or otherwise exchanged
36 for goods and services by either the beneficiary or the purchaser.

37 (5) The governing body shall administer the Washington advanced
38 college tuition payment program in a manner reasonably designed to be
39 actuarially sound, such that the assets of the trust will be
40 sufficient to defray the obligations of the trust including the costs

1 of administration. The governing body may, at its discretion,
2 discount the minimum purchase price for certain kinds of purchases
3 such as those from families with young children, as long as the
4 actuarial soundness of the account is not jeopardized.

5 (6) The governing body shall annually determine current value of
6 a tuition unit.

7 (7) The governing body shall promote, advertise, and publicize
8 the Washington advanced college tuition payment program.

9 (8) In addition to any other powers conferred by this chapter,
10 the governing body may:

11 (a) Impose reasonable limits on the number of tuition units or
12 units that may be used in any one year, including that: (i) A
13 beneficiary with five hundred credits or fewer must be allowed to use
14 at least one hundred twenty-five credits per year, and (ii) a
15 beneficiary with more than five hundred credits must be allowed to
16 use up to twenty-five percent of the beneficiary's high credit
17 balance per year;

18 (b) Determine and set any time limits, if necessary, for the use
19 of benefits under this chapter;

20 (c) Impose and collect administrative fees and charges in
21 connection with any transaction under this chapter;

22 (d) Appoint and use advisory committees and the state actuary as
23 needed to provide program direction and guidance;

24 (e) Formulate and adopt all other policies and rules necessary
25 for the efficient administration of the program;

26 (f) Consider the addition of an advanced payment program for room
27 and board contracts and also consider a college savings program;

28 (g) Purchase insurance from insurers licensed to do business in
29 the state, to provide for coverage against any loss in connection
30 with the account's property, assets, or activities or to further
31 insure the value of the tuition units;

32 (h) Make, execute, and deliver contracts, conveyances, and other
33 instruments necessary to the exercise and discharge of its powers and
34 duties under this chapter;

35 (i) Contract for the provision for all or part of the services
36 necessary for the management and operation of the program with other
37 state or nonstate entities authorized to do business in the state;

38 (j) Contract for other services or for goods needed by the
39 governing body in the conduct of its business under this chapter;

1 (k) Contract with financial consultants, actuaries, auditors, and
2 other consultants as necessary to carry out its responsibilities
3 under this chapter;

4 (l) Solicit and accept cash donations and grants from any person,
5 governmental agency, private business, or organization; and

6 (m) Perform all acts necessary and proper to carry out the duties
7 and responsibilities of this program under this chapter.

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