
SUBSTITUTE HOUSE BILL 2605

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Jacobsen, Brumsickle, Dorn, Bray, Ogden, Dunshee, Pruitt and J. Kohl)

Read first time 02/04/94.

1 AN ACT Relating to higher education; amending RCW 43.88.150,
2 41.06.380, 28B.15.013, 28B.15.067, 28B.15.076, 28B.15.556, 28B.15.725,
3 28B.15.740, and 28B.80.330; amending 1989 c 290 s 1 (uncodified);
4 reenacting and amending RCW 43.88.110, 28B.15.031, 28B.15.202,
5 28B.15.402, and 28B.15.820; adding a new section to chapter 28B.10 RCW;
6 adding a new section to chapter 41.06 RCW; adding new sections to
7 chapter 28B.15 RCW; adding a new section to chapter 28B.80 RCW; and
8 repealing RCW 41.06.382.

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

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW
11 to read as follows:

12 It is the policy of the state of Washington that:

13 (1) By the year 2002, Washington's system of higher education and
14 work force training will be among the five best in the country in
15 providing access and programs of the highest quality to the residents
16 of the state of Washington;

17 (2) By the year 2002, the level of state general fund
18 appropriations per student attending state universities, regional
19 universities, The Evergreen State College, and the community and

1 technical colleges will equal or exceed the ninetieth percentile of
2 state appropriations for students attending each institution's peers.
3 Any increased funding required to meet the goal may be phased over six
4 years, beginning in the 1995-1997 biennial budget;

5 (3) Peer institutions for each four-year institution of higher
6 education and the community and technical college system will be
7 determined by the higher education coordinating board, in consultation
8 with the institutions, the office of financial management, and the
9 house of representatives and senate higher education and fiscal
10 committees;

11 (4) Beginning with the 1995-1997 biennium, the legislature intends,
12 each biennium, to appropriate to each state university, regional
13 university, and The Evergreen State College, the same amount of state
14 general fund dollars appropriated the previous biennium, adjusted for
15 inflation, one-time costs, and other policy initiatives adopted by the
16 legislature. Most new enrollments will be reserved for resident
17 students;

18 (5) In the biennial budget for four-year institutions of higher
19 education, the legislature will adopt a minimal number of provisos, and
20 will not adopt salary restrictions for employees of state universities,
21 regional universities, or The Evergreen State College;

22 (6) In selecting institutions of higher education to provide
23 educational programs or services, the higher education coordinating
24 board will consider public and independent institutions that, through
25 a competitive process, commit to providing the most cost-effective,
26 high quality program or service for Washington residents, in addition
27 to other conditions that may be required by the board;

28 (7) Four-year institutions of higher education will be relieved
29 from laws and rules governing state agencies if those laws inhibit the
30 institutions from operating in the most effective manner, and the
31 institutions meet other accountability measures as adopted by law; and

32 (8) Washington residents who have prepared themselves for college
33 and who desire postsecondary education and training will not be denied
34 an education due to their financial status.

35 **Sec. 2.** RCW 43.88.150 and 1991 c 284 s 3 are each amended to read
36 as follows:

37 (1) For those agencies that make expenditures from both
38 appropriated and nonappropriated funds for the same purpose, the

1 governor shall direct such agencies to charge their expenditures in
2 such ratio, as between appropriated and nonappropriated funds, as will
3 conserve appropriated funds. This subsection does not apply to
4 institutions of higher education as defined in RCW 28B.10.016.

5 (2) Unless otherwise provided by law, if state moneys are
6 appropriated for a capital project and matching funds or other
7 contributions are required as a condition of the receipt of the state
8 moneys, the state moneys shall be disbursed in proportion to and only
9 to the extent that the matching funds or other contributions have been
10 received and are available for expenditure.

11 (3) The office of financial management shall adopt guidelines for
12 the implementation of this section. The guidelines may account for
13 federal matching requirements or other requirements to spend other
14 moneys in a particular manner.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.06 RCW
16 to read as follows:

17 (1) An institution of higher education may purchase services by
18 contract with individuals, businesses, or nonprofit entities.

19 (2) An institution of higher education's decision to contract out
20 that results in layoff of one or more employees classified under this
21 chapter shall be in accordance with the following criteria:

22 (a) The institution of higher education has conducted an analysis
23 to determine that contracting out will result in:

24 (i) Cost savings; or

25 (ii) Efficiencies; or

26 (iii) Increased revenue in self-sustaining operations.

27 (b) A contract to purchase services shall provide that the
28 contractor will pay to its employees performing the contract work wages
29 that are similar to those generally paid for such work in the locality
30 in which the work is to be performed and will provide health benefits
31 that are not less than the benefits provided for basic health care
32 services under chapter 70.47 RCW. Contractors with employees who have
33 health benefits from other sources are exempt from this subsection.

34 (c) An institution of higher education shall use a procurement
35 process consistent with chapter 43.19 RCW, and shall notify the
36 affected union representative of its plans not less than thirty
37 calendar days before initiating the procurement process. The certified
38 bargaining representative has the right to offer alternatives to the

1 proposed contract. Contracts must provide for efforts to meet or
2 exceed agency affirmative action employment goals as well as agency
3 established contract goals for participation by minority and women
4 business enterprises consistent with chapter 39.19 RCW.

5 (d) A contract to purchase services shall provide a hiring
6 preference to any employee laid off from a position that is contracted
7 out, for a period of one year following the layoff.

8 (3) Nothing in this section may be construed to modify, reduce, or
9 otherwise affect the purchase of services that were authorized to be
10 purchased by contract under this chapter before the effective date of
11 this section.

12 **Sec. 4.** RCW 41.06.380 and 1979 ex.s. c 46 s 2 are each amended to
13 read as follows:

14 Nothing contained in this chapter shall prohibit any department, as
15 defined in RCW 41.06.020, from purchasing services by contract with
16 individuals or business entities if such services were regularly
17 purchased by valid contract by such department prior to April 23, 1979:
18 PROVIDED, That no such contract may be executed or renewed by
19 departments other than institutions of higher education as defined in
20 RCW 28B.10.016 if it would have the effect of terminating classified
21 employees or classified employee positions existing at the time of the
22 execution or renewal of the contract.

23 **Sec. 5.** RCW 43.88.110 and 1991 sp.s. c 32 s 27 and 1991 c 358 s 2
24 are each reenacted and amended to read as follows:

25 This section sets forth the expenditure programs and the allotment
26 and reserve procedures to be followed by the executive branch for
27 public funds.

28 (1) Allotments of an appropriation for any fiscal period shall
29 conform to the terms, limits, or conditions of the appropriation.

30 (2) The director of financial management shall provide all agencies
31 with a complete set of operating and capital instructions for preparing
32 a statement of proposed expenditures at least thirty days before the
33 beginning of a fiscal period. The set of instructions need not include
34 specific appropriation amounts for the agency.

35 (3) Within forty-five days after the beginning of the fiscal period
36 or within forty-five days after the governor signs the omnibus biennial
37 appropriations act, whichever is later, all agencies shall submit to

1 the governor a statement of proposed expenditures at such times and in
2 such form as may be required by the governor.

3 (4) Except as provided in subsection (9) of this section, the
4 office of financial management shall develop a method for monitoring
5 capital appropriations and expenditures that will capture at least the
6 following elements:

7 (a) Appropriations made for capital projects including
8 transportation projects;

9 (b) Estimates of total project costs including past, current,
10 ensuing, and future biennial costs;

11 (c) Comparisons of actual costs to estimated costs;

12 (d) Comparisons of estimated construction start and completion
13 dates with actual dates;

14 (e) Documentation of fund shifts between projects.

15 This data may be incorporated into the existing accounting system
16 or into a separate project management system, as deemed appropriate by
17 the office of financial management.

18 (5) If at any time during the fiscal period the governor projects
19 a cash deficit in a particular fund or account as defined by RCW
20 43.88.050, the governor shall make across-the-board reductions in
21 allotments for that particular fund or account so as to prevent a cash
22 deficit, unless the legislature has directed the liquidation of the
23 cash deficit over one or more fiscal periods. Except for the
24 legislative and judicial branches and other agencies headed by elective
25 officials, the governor shall review the statement of proposed
26 operating expenditures for reasonableness and conformance with
27 legislative intent. Once the governor approves the statements of
28 proposed operating expenditures, further revisions shall be made only
29 at the beginning of the second fiscal year and must be initiated by the
30 governor. However, changes in appropriation level authorized by the
31 legislature, changes required by across-the-board reductions mandated
32 by the governor, changes caused by executive increases to spending
33 authority, and changes caused by executive decreases to spending
34 authority for failure to comply with the provisions of chapter 36.70A
35 RCW may require additional revisions. Revisions shall not be made
36 retroactively. Revisions caused by executive increases to spending
37 authority shall not be made after June 30, 1987. However, the governor
38 may assign to a reserve status any portion of an agency appropriation
39 withheld as part of across-the-board reductions made by the governor

1 and any portion of an agency appropriation conditioned on a contingent
2 event by the appropriations act. The governor may remove these amounts
3 from reserve status if the across-the-board reductions are subsequently
4 modified or if the contingent event occurs. The director of financial
5 management shall enter approved statements of proposed expenditures
6 into the state budgeting, accounting, and reporting system within
7 forty-five days after receipt of the proposed statements from the
8 agencies. If an agency or the director of financial management is
9 unable to meet these requirements, the director of financial management
10 shall provide a timely explanation in writing to the legislative fiscal
11 committees.

12 (6) Except as provided in subsection (9) of this section, it is
13 expressly provided that all agencies shall be required to maintain
14 accounting records and to report thereon in the manner prescribed in
15 this chapter and under the regulations issued pursuant to this chapter.
16 Within ninety days of the end of the fiscal year, all agencies shall
17 submit to the director of financial management their final adjustments
18 to close their books for the fiscal year. Prior to submitting fiscal
19 data, written or oral, to committees of the legislature, it is the
20 responsibility of the agency submitting the data to reconcile it with
21 the budget and accounting data reported by the agency to the director
22 of financial management.

23 (7) Except as provided in subsection (9) of this section, the
24 director of financial management shall monitor agency operating
25 expenditures against the approved statement of proposed expenditures
26 and shall provide the legislature with quarterly explanations of major
27 variances.

28 (8) The director of financial management may exempt certain public
29 funds from the allotment controls established under this chapter if it
30 is not practical or necessary to allot the funds. With the exception
31 of exemptions that may be granted to four-year institutions of higher
32 education, allotment control exemptions expire at the end of the fiscal
33 biennium for which they are granted. The director of financial
34 management shall report any exemptions granted under this subsection to
35 the legislative fiscal committees.

36 (9) In consultation with four-year institutions of higher
37 education, the higher education coordinating board, and the house of
38 representatives and senate fiscal committees, the director of the
39 office of financial management shall develop and implement a simplified

1 allotment and reporting procedure for the state universities, regional
2 universities, and The Evergreen State College. The procedure may
3 exempt the four-year institutions of higher education from allotment
4 controls required for public funds.

5 **Sec. 6.** RCW 28B.15.013 and 1989 c 175 s 79 are each amended to
6 read as follows:

7 (1) The establishment of a new domicile in the state of Washington
8 by a person formerly domiciled in another state has occurred if such
9 person is physically present in Washington primarily for purposes other
10 than educational and can show satisfactory proof that such person is
11 without a present intention to return to such other state or to acquire
12 a domicile at some other place outside of Washington.

13 (2) Unless proven to the contrary it shall be presumed that:

14 (a) The domicile of any person shall be determined according to the
15 individual's situation and circumstances rather than by marital status
16 or sex.

17 (b) A person does not lose a domicile in the state of Washington by
18 reason of residency in any state or country while a member or the
19 spouse or dependent of a member of the civil or military service of
20 this state or of the United States, nor while engaged in the navigation
21 of the waters of this state or of the United States or of the high seas
22 if that person returns to the state of Washington within one year of
23 discharge from said service with the intent to be domiciled in the
24 state of Washington; any resident dependent student who remains in this
25 state when such student's parents, having theretofore been domiciled in
26 this state for a period of one year immediately prior to the time of
27 commencement of the first day of the semester or quarter for which the
28 student has registered at any institution, remove from this state,
29 shall be entitled to continued classification as a resident student so
30 long as such student's attendance (except summer sessions) at an
31 institution in this state is continuous.

32 (3) To aid the institution in deciding whether a student, parent,
33 legally appointed guardian or the person having legal custody of a
34 student is domiciled in the state of Washington primarily for purposes
35 other than educational, the rules and regulations adopted by the higher
36 education coordinating board shall include but not be limited to the
37 following:

1 (a) Registration or payment of Washington taxes or fees on a motor
2 vehicle, mobile home, travel trailer, boat, or any other item of
3 personal property owned or used by the person for which state
4 registration or the payment of a state tax or fee is required will be
5 a factor in considering evidence of the establishment of a Washington
6 domicile.

7 (b) Permanent full time employment in Washington by a person will
8 be a factor in considering the establishment of a Washington domicile.

9 (c) Registration to vote for state officials in Washington will be
10 a factor in considering the establishment of a Washington domicile.

11 (4) After a student has registered at an institution such student's
12 classification shall remain unchanged in the absence of satisfactory
13 evidence to the contrary. A student wishing to apply for a change in
14 classification shall reduce such evidence to writing and file it with
15 the institution. In any case involving an application for a change
16 from nonresident to resident status, the burden of proof shall rest
17 with the applicant. Any change in classification, either nonresident
18 to resident, or the reverse, shall be based upon written evidence
19 maintained in the files of the institution and, if approved, shall take
20 effect the semester or quarter such evidence was filed with the
21 institution: PROVIDED, That applications for a change in
22 classification shall be accepted up to the thirtieth calendar day
23 following the first day of instruction of the quarter or semester for
24 which application is made.

25 **Sec. 7.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s
26 201 are each reenacted and amended to read as follows:

27 The term "operating fees" as used in this chapter shall include the
28 fees, other than building fees, charged all students registering at the
29 state's colleges and universities but shall not include fees for short
30 courses, self-supporting degree credit programs and courses, marine
31 station work, experimental station work, correspondence or extension
32 courses, and individual instruction and student deposits or rentals,
33 disciplinary and library fines, which colleges and universities shall
34 have the right to impose, laboratory, gymnasium, health, and student
35 activity fees, or fees, charges, rentals, and other income derived from
36 any or all revenue producing lands, buildings and facilities of the
37 colleges or universities heretofore or hereafter acquired, constructed
38 or installed, including but not limited to income from rooms,

1 dormitories, dining rooms, hospitals, infirmaries, housing or student
2 activity buildings, vehicular parking facilities, land, or the
3 appurtenances thereon, or such other special fees as may be established
4 by any college or university board of trustees or regents from time to
5 time. Program fees at the state universities, regional universities,
6 and The Evergreen State College are not included in operating fees.
7 All moneys received as operating fees at any institution of higher
8 education shall be deposited in a local account containing only
9 operating fees revenue and related interest: PROVIDED, That except as
10 provided in section 13 of this act, two and one-half percent of
11 operating fees shall be retained by the institutions, except the
12 technical colleges, for the purposes of RCW 28B.15.820. Local
13 operating fee accounts shall not be subject to appropriation by the
14 legislature or allotment procedures under chapter 43.88 RCW.

15 **Sec. 8.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to read
16 as follows:

17 (1) Tuition fees shall be established and adjusted annually under
18 the provisions of this chapter beginning with the 1987-88 academic
19 year. If an institution of higher education exercises its authority
20 under section 13 of this act, such fees ((shall be identical, subject
21 to other provisions of this chapter, for students enrolled at either
22 state university, for students enrolled at the regional universities
23 and The Evergreen State College and for students enrolled at any
24 community college)) may vary by term, by institution, and by campus for
25 students enrolled at state universities, regional universities, and The
26 Evergreen State College. Such fees shall be identical for students
27 enrolled at any community college. Except as provided in section 13 of
28 this act, tuition fees shall reflect the undergraduate and graduate
29 educational costs of the state universities, the regional universities
30 and the community colleges, respectively, in the amounts prescribed in
31 this chapter.

32 (2) The tuition fees established under this chapter shall not apply
33 to high school students enrolling in community colleges under RCW
34 28A.600.300 through 28A.600.395.

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

1 The governing boards of the state universities, regional
2 universities, and The Evergreen State College may charge program fees.
3 The fees may vary by program, by student category, and by campus.
4 These fees shall not be included in tuition fees.

5 **Sec. 10.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to
6 read as follows:

7 The higher education coordinating board shall determine and
8 transmit amounts constituting approved undergraduate and graduate
9 educational costs to the several boards of regents and trustees of the
10 state institutions of higher education by November 10 of each even-
11 numbered year except the year 1990 for which the transmittal shall be
12 made by December 17. Except as provided in section 13 of this act,
13 tuition fees shall be based on such costs in accordance with the
14 provisions of this chapter.

15 **Sec. 11.** RCW 28B.15.202 and 1993 sp.s. c 18 s 8 and 1993 c 379 s
16 202 are each reenacted and amended to read as follows:

17 Except as provided in section 13 of this act, tuition fees and
18 maximum services and activities fees at the University of Washington
19 and at Washington State University for other than the summer term shall
20 be as follows:

21 (1) For full time resident undergraduate students and all other
22 full time resident students not in graduate study programs or enrolled
23 in programs leading to the degrees of doctor of medicine, doctor of
24 dental surgery, and doctor of veterinary medicine, the total tuition
25 fees for the 1993-94 academic year shall be thirty-six and three-tenths
26 percent and thereafter total tuition fees shall be forty-one and one-
27 tenth percent of the per student undergraduate educational costs at the
28 state universities computed as provided in RCW 28B.15.067 and
29 28B.15.070: PROVIDED, That the building fees for each academic year
30 shall be one hundred and twenty dollars. Beginning with the 1995-96
31 academic year the building fee for each academic year shall ((be))
32 equal or exceed a percentage of total tuition fees. This percentage
33 shall be calculated by the higher education coordinating board and be
34 based on the actual percentage the building fee is of total tuition in
35 the 1994-95 academic year, rounded up to the nearest half percent.

36 (2) For full time resident graduate and law students not enrolled
37 in programs leading to the degrees of doctor of medicine, doctor of

1 dental surgery, and doctor of veterinary medicine, the total tuition
2 fees for the 1993-94 academic year shall be twenty-five and two-tenths
3 percent and thereafter total tuition fees shall be twenty-eight and
4 four-tenths percent of the per student graduate educational costs at
5 the state universities computed as provided in RCW 28B.15.067 and
6 28B.15.070: PROVIDED, That the building fees for each academic year
7 shall be one hundred and twenty dollars. Beginning with the 1995-96
8 academic year the building fee for each academic year shall ((be))
9 equal or exceed a percentage of total tuition fees. This percentage
10 shall be calculated by the higher education coordinating board and be
11 based on the actual percentage the building fee is of total tuition in
12 the 1994-95 academic year, rounded up to the nearest half percent.

13 (3) For full time resident students enrolled in programs leading to
14 the degrees of doctor of medicine, doctor of dental surgery, and doctor
15 of veterinary medicine, the total tuition fees shall be one hundred
16 sixty-seven percent of such fees charged in subsection (2) of this
17 section: PROVIDED, That the building fees for each academic year shall
18 be three hundred and forty-two dollars. Beginning with the 1995-96
19 academic year the building fee for each academic year shall ((be))
20 equal or exceed a percentage of total tuition fees. This percentage
21 shall be calculated by the higher education coordinating board and be
22 based on the actual percentage the building fee is of total tuition in
23 the 1994-95 academic year, rounded up to the nearest half percent.

24 (4) For full time nonresident undergraduate students and such other
25 full time nonresident students not in graduate study programs or
26 enrolled in programs leading to the degrees of doctor of medicine,
27 doctor of dental surgery, or doctor of veterinary medicine, the total
28 tuition fees for the 1993-94 academic year shall be one hundred nine
29 and three-tenths percent and thereafter total tuition fees shall be one
30 hundred twenty-two and nine-tenths percent of the per student
31 undergraduate educational costs at the state universities computed as
32 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
33 fees for each academic year shall be three hundred and fifty-four
34 dollars. Beginning with the 1995-96 academic year the building fee for
35 each academic year shall ((be)) equal or exceed a percentage of total
36 tuition fees. This percentage shall be calculated by the higher
37 education coordinating board and be based on the actual percentage the
38 building fee is of total tuition in the 1994-95 academic year, rounded
39 up to the nearest half percent.

1 (5) For full time nonresident graduate and law students not
2 enrolled in programs leading to the degrees of doctor of medicine,
3 doctor of dental surgery, and doctor of veterinary medicine, the total
4 tuition fees for the 1993-94 academic year shall be sixty-five and six-
5 tenths percent and thereafter total tuition fees shall be seventy-three
6 and six-tenths percent of the per student graduate educational costs at
7 the state universities computed as provided in RCW 28B.15.067 and
8 28B.15.070: PROVIDED, That the building fees for each academic year
9 shall be three hundred and fifty-four dollars. Beginning with the
10 1995-96 academic year the building fee for each academic year shall
11 ~~((be))~~ equal or exceed a percentage of total tuition fees. This
12 percentage shall be calculated by the higher education coordinating
13 board and be based on the actual percentage the building fee is of
14 total tuition in the 1994-95 academic year, rounded up to the nearest
15 half percent.

16 (6) For full time nonresident students enrolled in programs leading
17 to the degrees of doctor of medicine, doctor of dental surgery, and
18 doctor of veterinary medicine, the total tuition fees shall be one
19 hundred sixty-seven percent of such fees charged in subsection (5) of
20 this section: PROVIDED, That the building fees for each academic year
21 shall be five hundred and fifty-five dollars. Beginning with the 1995-
22 96 academic year the building fee for each academic year shall ~~((be))~~
23 equal or exceed a percentage of total tuition fees. This percentage
24 shall be calculated by the higher education coordinating board and be
25 based on the actual percentage the building fee is of total tuition in
26 the 1994-95 academic year, rounded up to the nearest half percent.

27 (7) The governing boards of the state universities shall charge to
28 and collect from each student, a services and activities fee. The
29 governing board may increase the existing fee annually, consistent with
30 budgeting procedures set forth in RCW 28B.15.045, by a percentage not
31 to exceed the annual percentage increase in resident undergraduate
32 tuition fees: PROVIDED, That such percentage increase shall not apply
33 to that portion of the services and activities fee previously committed
34 to the repayment of bonded debt. For the 1993-94 academic year,
35 services and activities fees shall not exceed two hundred forty-three
36 dollars per student. For the 1994-95 academic year, services and
37 activities fees shall not exceed two hundred forty-nine dollars per
38 student. The services and activities fee committee provided for in RCW

1 28B.15.045 may initiate a request to the governing board for a fee
2 increase.

3 **Sec. 12.** RCW 28B.15.402 and 1993 sp.s. c 18 s 11 and 1993 c 379 s
4 203 are each reenacted and amended to read as follows:

5 Except as provided in section 13 of this act, tuition fees and
6 maximum services and activities fees at the regional universities and
7 The Evergreen State College for other than the summer term shall be as
8 follows:

9 (1) For full time resident undergraduate students and all other
10 full time resident students not in graduate study programs, the total
11 tuition fees for the 1993-94 academic year shall be twenty-seven and
12 seven-tenths percent and thereafter total tuition fees shall be thirty-
13 one and five-tenths percent of the per student undergraduate
14 educational costs at the regional universities computed as provided in
15 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
16 each academic year shall be seventy-six dollars and fifty cents.
17 Beginning with the 1995-96 academic year the building fee for each
18 academic year shall ~~((be))~~ equal or exceed a percentage of total
19 tuition fees. This percentage shall be calculated by the higher
20 education coordinating board and be based on the actual percentage the
21 building fee is of total tuition in the 1994-95 academic year, rounded
22 up to the nearest half percent.

23 (2) For full time resident graduate students, the total tuition
24 fees for the 1993-94 academic year shall be twenty-five and three-
25 tenths percent and thereafter total tuition fees shall be twenty-eight
26 and six-tenths percent of the per student graduate educational costs at
27 the regional universities computed as provided in RCW 28B.15.067 and
28 28B.15.070: PROVIDED, That the building fees for each academic year
29 shall be seventy-six dollars and fifty cents. Beginning with the 1995-
30 96 academic year the building fee for each academic year shall ~~((be))~~
31 equal or exceed a percentage of total tuition fees. This percentage
32 shall be calculated by the higher education coordinating board and be
33 based on the actual percentage the building fee is of total tuition in
34 the 1994-95 academic year, rounded up to the nearest half percent.

35 (3) For full time nonresident undergraduate students and all other
36 full time nonresident students not in graduate study programs, the
37 total tuition fees for the 1993-94 academic year shall be one hundred
38 nine and four-tenths percent and thereafter total tuition fees shall be

1 one hundred twenty-three percent of the per student undergraduate
2 educational costs at the regional universities computed as provided in
3 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
4 each academic year shall be two hundred and ninety-five dollars and
5 fifty cents. Beginning with the 1995-96 academic year the building fee
6 for each academic year shall ~~((be))~~ equal or exceed a percentage of
7 total tuition fees. This percentage shall be calculated by the higher
8 education coordinating board and be based on the actual percentage the
9 building fee is of total tuition in the 1994-95 academic year, rounded
10 up to the nearest half percent.

11 (4) For full time nonresident graduate students, the total tuition
12 fees for the 1993-94 academic year shall be eighty-two percent and
13 thereafter total tuition fees shall be ninety-two percent of the per
14 student graduate educational costs at the regional universities
15 computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That
16 the building fees for each academic year shall be two hundred and
17 ninety-five dollars and fifty cents. Beginning with the 1995-96
18 academic year the building fee for each academic year shall ~~((be))~~
19 equal or exceed a percentage of total tuition fees. This percentage
20 shall be calculated by the higher education coordinating board and be
21 based on the actual percentage the building fee is of total tuition in
22 the 1994-95 academic year, rounded up to the nearest half percent.

23 (5) The governing boards of each of the regional universities and
24 The Evergreen State College shall charge to and collect from each
25 student, a services and activities fee. The governing board may
26 increase the existing fee annually, consistent with budgeting
27 procedures set forth in RCW 28B.15.045, by a percentage not to exceed
28 the annual percentage increase in resident undergraduate tuition fees:
29 PROVIDED, That such percentage increase shall not apply to that portion
30 of the services and activities fee previously committed to the
31 repayment of bonded debt. For the 1993-94 academic year, services and
32 activities fees shall not exceed two hundred ~~((eight-four-[eighty-
33 four]))~~ eighty-four dollars per student. For the 1994-95 academic
34 year, services and activities fees shall not exceed two hundred ninety
35 dollars per student. The services and activities fee committee
36 provided for in RCW 28B.15.045 may initiate a request to the governing
37 board for a fee increase.

1 NEW SECTION. **Sec. 13.** A new section is added to chapter 28B.15
2 RCW to read as follows:

3 The governing board of a state university, regional university, or
4 The Evergreen State College may adjust the level of tuition fees above
5 or below the levels prescribed in RCW 28B.15.202 and 28B.15.402, for
6 students in any category, under the following conditions:

7 (1) The board shall, through a process adopted in rule, consult
8 with students;

9 (2) The per student funding of estimated or actual state
10 appropriations shall be below a percentile of similar funding for the
11 institution's peers adopted under RCW 28B.80.330, as follows:

12 (a) During the 1995-96 academic year, the sixty-fifth percentile;

13 (b) During the 1996-97 academic year, the seventieth percentile;

14 (c) During the 1997-98 academic year, the seventy-fifth percentile;

15 (d) During the 1998-99 academic year, the eightieth percentile;

16 (e) During the 1999-2000 academic year, the eighty-fifth
17 percentile; and

18 (f) During the 2000-01 academic year and thereafter, the ninetieth
19 percentile;

20 (3) In any academic year, the total revenue collected from tuition
21 fees and program fees, when added to state appropriations, shall not
22 exceed the combined state appropriation and tuition and fee revenues
23 for that institution's peers at the percentiles described in subsection
24 (2) of this section; and

25 (4) If a governing board increases tuition fees under the authority
26 granted to it under this section, at least five percent of all revenue
27 collected from tuition fees shall be used for the purposes of RCW
28 28B.15.820.

29 **Sec. 14.** RCW 28B.15.556 and 1993 sp.s. c 18 s 21 are each amended
30 to read as follows:

31 Subject to the limitations of RCW 28B.15.910, the governing boards
32 of the state universities, the regional universities, and The Evergreen
33 State College may waive all or a portion of the tuition, and services
34 and activities fees for undergraduate or graduate students of foreign
35 nations subject to the following limitations:

36 (1) ~~((No more than the equivalent of one hundred waivers may be
37 awarded to undergraduate or graduate students of foreign nations at
38 each of the two state universities;~~

1 ~~(2) No more than the equivalent of twenty waivers may be awarded to~~
2 ~~undergraduate or graduate students of foreign nations at each of the~~
3 ~~regional universities and The Evergreen State College;~~

4 ~~(3)) Priority in the awarding of waivers shall be given to~~
5 ~~students on academic exchanges or academic special programs sponsored~~
6 ~~by recognized international educational organizations(~~~~and~~

7 ~~(4) An undergraduate or graduate student of a foreign nation~~
8 ~~receiving a waiver under this section is not eligible for any other~~
9 ~~waiver)).~~

10 (2) The waiver programs under this section, to the greatest extent
11 possible, shall promote reciprocal placements and waivers in foreign
12 nations for Washington residents. The number of waivers awarded by
13 each institution shall not exceed the number of that institution's own
14 students enrolled in approved study programs abroad during the same
15 period.

16 **Sec. 15.** RCW 28B.15.725 and 1993 sp.s. c 18 s 26 are each amended
17 to read as follows:

18 Subject to the limitations of RCW 28B.15.910, the governing boards
19 of the state universities, the regional universities, and The Evergreen
20 State College may enter into undergraduate (~~upper division~~) student
21 exchange agreements with (~~comparable public four-year~~) institutions
22 of higher education of other states and agree to exempt participating
23 undergraduate (~~upper division~~) students from payment of all or a
24 portion of the nonresident tuition fees differential subject to the
25 following restrictions:

26 (1) In any given academic year, the number of students receiving a
27 waiver at a state institution shall not exceed the number of that
28 institution's students receiving nonresident tuition waivers at
29 participating out-of-state institutions. Waiver imbalances that may
30 occur in one year shall be off-set in the year immediately following.

31 (2) Undergraduate (~~upper division~~) student participation in an
32 exchange program authorized by this section is limited to one academic
33 year.

34 **Sec. 16.** 1989 c 290 s 1 (uncodified) is amended to read as
35 follows:

36 The legislature recognizes that a unique educational experience can
37 result from an undergraduate (~~upper division~~) student attending an

1 out-of-state institution. It also recognizes that some Washington
2 residents may be unable to pursue such out-of-state enrollment owing to
3 their limited financial resources and the higher cost of nonresident
4 tuition. The legislature intends to facilitate expanded nonresident
5 undergraduate (~~(upper division)~~) enrollment opportunities for residents
6 of the state by authorizing the governing boards of the four-year
7 institutions of higher education to enter into exchange programs with
8 other states' (~~(comparable public four-year)~~) institutions with
9 comparable programs wherein the participating institutions agree that
10 visiting undergraduate (~~(upper division)~~) students will pay resident
11 tuition rates of the host institutions.

12 **Sec. 17.** RCW 28B.15.740 and 1993 sp.s. c 18 s 28 are each amended
13 to read as follows:

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

18 ~~(1) ((Except as provided in subsection (2) of this section,))~~ The
19 total dollar amount of tuition and fee waivers awarded by the governing
20 boards of community colleges considered as a whole shall not exceed
21 ~~((four percent, except for the community colleges considered as a
22 whole, such amount shall not exceed))~~ three percent of an amount
23 determined by estimating the total collections from tuition and
24 services and activities fees had no such waivers been made, and
25 deducting the portion of that total amount that is attributable to the
26 difference between resident and nonresident fees: PROVIDED, That at
27 least three-fourths of the dollars waived shall be for needy students
28 who are eligible for resident tuition and fee rates pursuant to RCW
29 28B.15.012 and 28B.15.013: PROVIDED FURTHER, That the remainder of the
30 dollars waived, not to exceed one-fourth of the total, may be applied
31 to other students at the discretion of the governing boards, except on
32 the basis of participation in intercollegiate athletic programs(~~(+
33 PROVIDED FURTHER, That the waivers for undergraduate and graduate
34 students of foreign nations under RCW 28B.15.556 are not subject to the
35 limitation under this section))~~).

36 (2) ~~((In addition to the tuition and fee waivers provided in
37 subsection (1) of this section and))~~ The governing boards of the state
38 universities, regional universities, and The Evergreen State College

1 may waive all or a portion of tuition and fees for needy students who
2 are eligible for resident tuition and fee rates pursuant to RCW
3 28B.15.012 and 28B.15.013, or for any other student, except on the
4 basis of intercollegiate athletics.

5 (3) Subject to the provisions of RCW 28B.15.455 and 28B.15.460, a
6 total dollar amount of tuition and fee waivers awarded by any state
7 university, regional university, or state college under this chapter,
8 not to exceed one percent, as calculated in subsection (1) of this
9 section, may be used for the purpose of achieving or maintaining gender
10 equity in intercollegiate athletic programs. At any institution that
11 has an underrepresented gender class in intercollegiate athletics, any
12 such waivers shall be awarded:

13 (a) First, to members of the underrepresented gender class who
14 participate in intercollegiate athletics, where such waivers result in
15 saved or displaced money that can be used for athletic programs for the
16 underrepresented gender class. Such saved or displaced money shall be
17 used for programs for the underrepresented gender class; and

18 (b) Second, (i) to nonmembers of the underrepresented gender class
19 who participate in intercollegiate athletics, where such waivers result
20 in saved or displaced money that can be used for athletic programs for
21 members of the underrepresented gender class. Such saved or displaced
22 money shall be used for programs for the underrepresented gender class;
23 or (ii) to members of the underrepresented gender class who participate
24 in intercollegiate athletics, where such waivers do not result in any
25 saved or displaced money that can be used for athletic programs for
26 members of the underrepresented gender class.

27 **Sec. 18.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are
28 each reenacted and amended to read as follows:

29 (1) Each (~~institution of higher education, except technical~~
30 ~~colleges,~~) community college shall deposit two and one-half percent of
31 revenues collected from tuition and services and activities fees in an
32 institutional financial aid fund that is hereby created and which shall
33 be held locally. Each state university, regional university, and The
34 Evergreen State College shall deposit a minimum of two and one-half
35 percent of revenue collected from tuition and services and activities
36 fees into the fund. Any institution that exercises the authority
37 granted in section 13 of this act shall deposit a minimum of five
38 percent of revenue collected from tuition and services and activities

1 fees into the fund. Moneys in the fund shall be used only for the
2 following purposes: (a) To make guaranteed long-term loans to eligible
3 students as provided in subsections (3) through (8) of this section;
4 (b) to make short-term loans as provided in subsection (9) of this
5 section; or (c) to provide financial aid to needy students as provided
6 in subsection (10) of this section.

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

12 (3) The amount of the guaranteed long-term loans made under this
13 section shall not exceed the demonstrated financial need of the
14 student. Each institution shall establish loan terms and conditions
15 which shall be consistent with the terms of the guaranteed loan program
16 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
17 amended. All loans made shall be guaranteed by the Washington student
18 loan guaranty association or its successor agency. Institutions are
19 hereby granted full authority to operate as an eligible lender under
20 the guaranteed loan program.

21 (4) Before approving a guaranteed long-term loan, each institution
22 shall analyze the ability of the student to repay the loan based on
23 factors which include, but are not limited to, the student's
24 accumulated total education loan burdens and the employment
25 opportunities and average starting salary characteristics of the
26 student's chosen fields of study. The institution shall counsel the
27 student on the advisability of acquiring additional debt, and on the
28 availability of other forms of financial aid.

29 (5) Each institution is responsible for collection of guaranteed
30 long-term loans made under this section and shall exercise due
31 diligence in such collection, maintaining all necessary records to
32 insure that maximum repayments are made. Institutions shall cooperate
33 with other lenders and the Washington student loan guaranty
34 association, or its successor agency, in the coordinated collection of
35 guaranteed loans, and shall assure that the guarantability of the loans
36 is not violated. Collection and servicing of guaranteed long-term
37 loans under this section shall be performed by entities approved for
38 such servicing by the Washington student loan guaranty association or
39 its successor agency: PROVIDED, That institutions be permitted to

1 perform such servicing if specifically recognized to do so by the
2 Washington student loan guaranty association or its successor agency.
3 Collection and servicing of guaranteed long-term loans made by
4 community colleges under subsection (1) of this section shall be
5 coordinated by the state board for community and technical colleges and
6 shall be conducted under procedures adopted by the state board.

7 (6) Receipts from payment of interest or principal or any other
8 subsidies to which institutions as lenders are entitled, that are paid
9 by or on behalf of borrowers of funds under subsections (3) through (8)
10 of this section, shall be deposited in each institution's financial aid
11 fund and shall be used to cover the costs of making the guaranteed
12 long-term loans under this section and maintaining necessary records
13 and making collections under subsection (5) of this section: PROVIDED,
14 That such costs shall not exceed five percent of aggregate outstanding
15 loan principal. Institutions shall maintain accurate records of such
16 costs, and all receipts beyond those necessary to pay such costs, shall
17 be deposited in the institution's financial aid fund.

18 (7) The governing boards of the state universities, the regional
19 universities, and The Evergreen State College, and the state board for
20 community and technical colleges, on behalf of the community colleges,
21 shall each adopt necessary rules and regulations to implement this
22 section.

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

28 (9) Short-term low or no-interest loans, not to exceed one year,
29 may be made from the institutional financial aid fund to students
30 enrolled in the institution. No such loan shall be made to any student
31 who is known by the institution to be in default or delinquent in the
32 payment of any outstanding student loan. A short-term loan may be made
33 only if the institution has ample evidence that the student has the
34 capability of repaying the loan within the time frame specified by the
35 institution for repayment.

36 (10) Any moneys deposited in the institutional financial aid fund
37 that are not used in making long-term or short-term loans may be used
38 by the institution for locally-administered financial aid programs for
39 needy students, such as need-based institutional employment programs or

1 need-based tuition and fee scholarship or grant programs. These funds
2 shall be used in addition to and not to replace institutional funds
3 that would otherwise support these locally-administered financial aid
4 programs. First priority in the use of these funds shall be given to
5 needy students who have accumulated excessive educational loan burdens.
6 An excessive educational loan burden is a burden that will be difficult
7 to repay given employment opportunities and average starting salaries
8 in the student's chosen fields of study. Second priority in the use of
9 these funds shall be given to needy single parents, to assist these
10 students with their educational expenses, including expenses associated
11 with child care and transportation.

12 **Sec. 19.** RCW 28B.80.330 and 1993 c 363 s 6 are each amended to
13 read as follows:

14 The board shall perform the following planning duties in
15 consultation with the four-year institutions, the community and
16 technical college system, and when appropriate the work force training
17 and education coordinating board, the superintendent of public
18 instruction, and the independent higher educational institutions:

19 (1) Develop and establish role and mission statements and a set of
20 peer institutions for each of the four-year institutions and for the
21 community and technical college system. In adopting or revising a set
22 of peer institutions, the board shall consult with institutions of
23 higher education, the office of financial management, and the house of
24 representatives and senate higher education and fiscal committees;

25 (2) Identify the state's higher education goals, objectives, and
26 priorities;

27 (3) Prepare a comprehensive master plan which includes but is not
28 limited to:

29 (a) Assessments of the state's higher education needs. These
30 assessments may include, but are not limited to: The basic and
31 continuing needs of various age groups; business and industrial needs
32 for a skilled work force; analyses of demographic, social, and economic
33 trends; consideration of the changing ethnic composition of the
34 population and the special needs arising from such trends; college
35 attendance, retention, and dropout rates, and the needs of recent high
36 school graduates and placebound adults. The board should consider the
37 needs of residents of all geographic regions, but its initial

1 priorities should be applied to heavily populated areas underserved by
2 public institutions;

3 (b) Recommendations on enrollment and other policies and actions to
4 meet those needs;

5 (c) Guidelines for continuing education, adult education, public
6 service, and other higher education programs.

7 The initial plan shall be submitted to the governor and the
8 legislature by December 1, 1987. Comments on the plan from the board's
9 advisory committees and the institutions shall be submitted with the
10 plan.

11 The plan shall be updated every four years, and presented to the
12 governor and the appropriate legislative policy committees. Following
13 public hearings, the legislature shall, by concurrent resolution,
14 approve or recommend changes to the initial plan, and the updates. The
15 plan shall then become state higher education policy unless legislation
16 is enacted to alter the policies set forth in the plan;

17 (4) Review, evaluate, and make recommendations on operating and
18 capital budget requests from four-year institutions and the community
19 and technical college system, based on the elements outlined in
20 subsections (1), (2), and (3) of this section, and on guidelines which
21 outline the board's fiscal priorities. These guidelines shall be
22 distributed to the institutions and the community college board by
23 December of each odd-numbered year. The institutions and the community
24 college board shall submit an outline of their proposed budgets,
25 identifying major components, to the board no later than August 1 of
26 each even-numbered year. The board shall submit recommendations on the
27 proposed budgets and on the board's budget priorities to the office of
28 financial management before October 15 of each even-numbered year, and
29 to the legislature by January 1 of each odd-numbered year. In
30 addition, the board shall develop and submit to the governor and the
31 legislature a budget request for the higher education system as a
32 whole. The request shall describe any new funding needed to meet all
33 or a portion of the state's higher education priorities, enrollments in
34 four-year institutions needed to maintain current participation rates,
35 and enrollments in four-year institutions needed to meet the board's
36 enrollment targets. The request shall be separate from the budget
37 requests submitted to the governor and the legislature by each of the
38 four-year institutions and the state board for community and technical
39 colleges;

- 1 (5) Recommend legislation affecting higher education;
- 2 (6) Recommend tuition and fees policies and levels based on
- 3 comparisons with peer institutions;
- 4 (7) Establish priorities and develop recommendations on financial
- 5 aid based on comparisons with peer institutions;
- 6 (8) Prepare recommendations on merging or closing institutions; and
- 7 (9) Develop criteria for identifying the need for new baccalaureate
- 8 institutions.

9 NEW SECTION. **Sec. 20.** A new section is added to chapter 28B.80
10 RCW to read as follows:

11 (1) The higher education coordinating board may contract with an
12 independent institution of higher education as defined in this section,
13 to provide services subject to the following conditions:

14 (a) There has been a finding of need and that the contract
15 represents the most cost-effective way of providing the services to
16 resident students in a particular locality;

17 (b) Only students who are residents of the state of Washington
18 shall receive services pursuant to the contract. As used in this
19 subsection, "residents of the state of Washington" means that the
20 students would be eligible to pay resident tuition rates under RCW
21 28B.15.012 and 28B.15.013 if they were enrolled at state institutions
22 of higher education as defined in RCW 28B.10.016;

23 (c) The content of the program shall not include any religious or
24 sectarian instruction, nor shall any student for whom a contract
25 provision has been made be expected to participate in any sectarian
26 activity as a condition of enrollment;

27 (d) The tuition and fees charged to resident students by the
28 independent institution of higher education for the degree program or
29 instructional program services shall not exceed the rate for resident
30 tuition fees, services and activities fees, and any applicable program
31 fees for comparable programs at institutions of higher education as
32 defined in RCW 28B.10.016, as determined by the higher education
33 coordinating board; and

34 (e) The contract has been approved by the office of the attorney
35 general.

36 (2) Unless the context clearly requires otherwise, the following
37 definitions apply throughout this section.

1 (a) "Instructional program" means a course of study leading to
2 certification, licensure, or to a degree at the associate,
3 baccalaureate, masters, or doctoral level.

4 (b) "Independent institution of higher education" means a private,
5 nonprofit educational institution, the main campus of which is
6 permanently situated in the state, that is not pervasively sectarian,
7 that does not restrict entry or employment on the grounds of race,
8 gender, religion, or disability, that provides programs of education
9 beyond high school leading at least to the baccalaureate degree, and
10 that is accredited by the Northwest association of schools and
11 colleges, or by an accrediting association recognized by the higher
12 education coordinating board.

13 NEW SECTION. **Sec. 21.** RCW 41.06.382 and 1979 ex.s. c 46 s 1 are
14 each repealed.

15 NEW SECTION. **Sec. 22.** If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

--- END ---