
SUBSTITUTE HOUSE BILL 1795

State of Washington 62nd Legislature 2011 Regular Session

By House Higher Education (originally sponsored by Representatives Carlyle, Seaquist, Haler, Reykdal, Rolfes, Probst, Morris, Sells, Pedersen, Jacks, Hudgins, Maxwell, and Frockt)

READ FIRST TIME 02/17/11.

1 AN ACT Relating to the higher education opportunity act; amending
2 RCW 28B.15.067, 28B.15.068, 28B.76.270, 28B.92.060, 28B.95.030,
3 28B.95.080, 28B.95.150, and 28A.600.310; reenacting and amending RCW
4 44.44.040; adding a new section to chapter 28B.15 RCW; adding a new
5 section to chapter 28B.10 RCW; adding a new section to chapter 28B.76
6 RCW; adding a new section to chapter 28B.50 RCW; creating new sections;
7 and repealing RCW 28B.10.920, 28B.10.921, and 28B.10.922.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that in the
10 knowledge-based, globally interdependent economy of the twenty-first
11 century, postsecondary education is the most indispensable form of
12 currency. Public institutions of higher education are drivers of
13 economic growth and job creation and incubators for innovation. An
14 educated citizenry is a critical component of our democracy, and a
15 commitment to provide public funding for public higher education
16 institutions is imperative. At the same time, the legislature finds
17 that Washington state is experiencing a profound structural shift in
18 the funding of higher education. State support has declined
19 dramatically over the past twenty years, thereby necessitating

1 increases in tuition to supplant the support of higher education from
2 general taxpayers. The problem faced by all stakeholders - students
3 and their families, institutions, and policymakers - is insufficient
4 visibility into the use of locally retained tuition dollars. There is
5 little transparency regarding whether increasing tuition dollars gives
6 students, their families, and Washington taxpayers a high-value return
7 on investment.

8 (2) It is the intent of the legislature to:

9 (a) Ensure that tuition dollars are spent to improve student
10 access, affordability, and the quality of education;

11 (b) Establish a clear nexus between tuition dollars and improved
12 productivity and greater accountability of public institutions of
13 higher education;

14 (c) Create a modern and robust higher education financial system
15 that funds outcomes and results rather than input and process; and

16 (d) Continue a commitment to public funding of higher education
17 through state appropriations that are essential for providing access,
18 affordability, and quality in higher education for all students across
19 the state.

20 **Sec. 2.** RCW 28B.15.067 and 2010 c 20 s 7 are each amended to read
21 as follows:

22 (1) Tuition fees shall be established under the provisions of this
23 chapter.

24 (2) ~~((Beginning with the 2003-04 academic year and ending with the~~
25 ~~2012-13 academic year, reductions or increases in full-time tuition~~
26 ~~fees for resident undergraduates shall be as provided in the omnibus~~
27 ~~appropriations act)) Beginning in the 2011-12 academic year, reductions~~
28 ~~or increases in full-time tuition fees shall be as provided in the~~
29 ~~omnibus appropriations act for resident undergraduate students at~~
30 ~~community and technical colleges. The state board for community and~~
31 ~~technical colleges may pilot or institute differential tuition models.~~
32 ~~The board may define scale, scope, and rationale for the models.~~

33 (3)(a) Beginning with the ~~((2003-04))~~ 2011-12 academic year and
34 ending with the ~~((2012-13))~~ 2015-16 academic year, the governing boards
35 of the state universities, the regional universities, and The Evergreen
36 State College ~~((, and the state board for community and technical~~
37 ~~colleges))~~ may reduce or increase full-time tuition fees for all

1 students (~~other than resident undergraduates~~), including summer
2 school students and students in other self-supporting degree programs.
3 Percentage increases in full-time tuition fees may exceed the fiscal
4 growth factor. Reductions or increases may be made for all or portions
5 of an institution's programs, campuses, courses, or students. This
6 subsection (3)(a) applies to the state board for community and
7 technical colleges for all nonresident students, summer school
8 students, and students in other self-supporting programs.

9 (b) Prior to reducing or increasing tuition for each academic year,
10 the governing boards of the state universities, the regional
11 universities, and The Evergreen State College shall consult with
12 existing student associations or organizations with student
13 undergraduate and graduate representatives regarding the impacts of
14 potential tuition increases. Governing boards shall be required to
15 provide data regarding the percentage of students receiving financial
16 aid, the sources of aid, and the percentage of total costs of
17 attendance paid for by aid.

18 (c) Prior to reducing or increasing tuition for each academic year,
19 each college in the state board for community and technical college
20 system shall consult with existing student associations or
21 organizations with undergraduate student representation regarding the
22 impacts of potential tuition increases. Colleges shall provide data
23 regarding the percentage of students receiving financial aid, the
24 sources of aid, and the percentage of total costs of attendance paid
25 for by aid.

26 ~~(4) ((Academic year tuition for full-time students at the state's~~
27 ~~institutions of higher education beginning with 2015-16, other than~~
28 ~~summer term, shall be as charged during the 2014-15 academic year~~
29 ~~unless different rates are adopted by the legislature.~~

30 ~~(5))~~ The tuition fees established under this chapter shall not
31 apply to high school students enrolling in participating institutions
32 of higher education under RCW 28A.600.300 through 28A.600.400.

33 ~~((6))~~ (5) The tuition fees established under this chapter shall
34 not apply to eligible students enrolling in a dropout reengagement
35 program through an interlocal agreement between a school district and
36 a community or technical college under RCW 28A.175.100 through
37 28A.175.110.

1 ~~((7))~~ (6) The tuition fees established under this chapter shall
2 not apply to eligible students enrolling in a community or technical
3 college participating in the pilot program under RCW 28B.50.534 for the
4 purpose of obtaining a high school diploma.

5 ~~((8) For the academic years 2003-04 through 2008-09, the
6 University of Washington shall use an amount equivalent to ten percent
7 of all revenues received as a result of law school tuition increases
8 beginning in academic year 2000-01 through academic year 2008-09 to
9 assist needy low and middle income resident law students.~~

10 ~~(9) For the academic years 2003-04 through 2008-09, institutions of
11 higher education shall use an amount equivalent to ten percent of all
12 revenues received as a result of graduate academic school tuition
13 increases beginning in academic year 2003-04 through academic year
14 2008-09 to assist needy low and middle income resident graduate
15 academic students.~~

16 ~~(10) Any tuition increases above seven percent shall fund costs of
17 instruction, library and student services, utilities and maintenance,
18 other costs related to instruction as well as institutional financial
19 aid. Through 2010-11, any funding reductions to instruction, library
20 and student services, utilities and maintenance and other costs related
21 to instruction shall be proportionally less than other program areas
22 including administration.)~~

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.15 RCW
24 to read as follows:

25 (1) Beginning January 1, 2012, each four-year institution of higher
26 education that raises tuition levels beyond levels established in
27 subsection (3) of this section shall provide financial aid for the
28 express purpose of mitigating the effects of tuition increases on
29 middle-class students with incomes up to one hundred twenty-five
30 percent of the median family income. Financial aid sources and methods
31 may be:

32 (a) Tuition revenue or locally held funds;

33 (b) Tuition waivers created by a four-year institution of higher
34 education for the specific purpose of serving middle class students; or

35 (c) Local financial aid programs.

36 (2) By August 15, 2012, four-year institutions of higher education

1 shall report to the governor and relevant committees of the legislature
2 on the effectiveness of financial aid programs in mitigating tuition
3 increases.

4 (3) Subsection (1) of this section applies when tuition levels are
5 raised above:

6 (a) For the University of Washington, Washington State University,
7 and Western Washington University, eleven percent per year; and

8 (b) For The Evergreen State College, Central Washington University,
9 and Eastern Washington University, nine percent per year.

10 **Sec. 4.** RCW 28B.15.068 and 2009 c 540 s 1 are each amended to read
11 as follows:

12 ~~(1) ((Beginning with the 2007-08 academic year and ending with the
13 2016-17 academic year, tuition fees charged to full-time resident
14 undergraduate students, except in academic years 2009-10 and 2010-11,
15 may increase no greater than seven percent over the previous academic
16 year in any institution of higher education. Annual reductions or
17 increases in full-time tuition fees for resident undergraduate students
18 shall be as provided in the omnibus appropriations act, within the
19 seven percent increase limit established in this section. For academic
20 years 2009-10 and 2010-11 the omnibus appropriations act may provide
21 tuition increases greater than seven percent. To the extent that state
22 appropriations combined with tuition and fee revenues are insufficient
23 to achieve the total per student funding goals established in
24 subsection (2) of this section, the legislature may revisit state
25 appropriations, authorized enrollment levels, and changes in tuition
26 fees for any given fiscal year.~~

27 ~~(2) The state shall adopt as its goal total per student funding
28 levels, from state appropriations plus tuition and fees, of at least
29 the sixtieth percentile of total per student funding at similar public
30 institutions of higher education in the global challenge states. In
31 defining comparable per student funding levels, the office of financial
32 management shall adjust for regional cost-of-living differences; for
33 differences in program offerings and in the relative mix of lower
34 division, upper division, and graduate students; and for accounting and
35 reporting differences among the comparison institutions. The office of
36 financial management shall develop a funding trajectory for each four-
37 year institution of higher education and for the community and~~

1 technical college system as a whole that when combined with tuition and
2 fees revenue allows the state to achieve its funding goal for each
3 four-year institution and the community and technical college system as
4 a whole no later than fiscal year 2017. The state shall not reduce
5 enrollment levels below fiscal year 2007 budgeted levels in order to
6 improve or alter the per student funding amount at any four-year
7 institution of higher education or the community and technical college
8 system as a whole. The state recognizes that each four-year
9 institution of higher education and the community and technical college
10 system as a whole have different funding requirements to achieve
11 desired performance levels, and that increases to the total per student
12 funding amount may need to exceed the minimum funding goal.

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

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

29 (5)) During the ((2009-10)) 2011-12 and the ((2010-11)) 2012-13
30 academic years, institutions of higher education shall include
31 information on their billing statements notifying students of tax
32 credits available through the American opportunity tax credit provided
33 in the American recovery and reinvestment act of 2009, the lifetime
34 learning credit and other relevant tax credits available to mitigate
35 the costs of attending college. All institutions of higher education
36 and the higher education coordinating board shall use all means of
37 communication such as web sites, online catalogues, admission and

1 registration forms, among other methods to communicate the tax credits
2 available to students.

3 (2) By November 30, 2012, all four-year institutions of higher
4 education and the state board for community and technical colleges
5 shall report to the governor and relevant committees of the legislature
6 on the effectiveness and success of methods used to communicate tax
7 credits to students.

8 **Sec. 5.** RCW 28B.76.270 and 2004 c 275 s 11 are each amended to
9 read as follows:

10 (1) The board shall establish an accountability monitoring and
11 reporting system as part of a continuing effort to make meaningful and
12 substantial progress towards the achievement of long-term performance
13 goals in higher education.

14 (2) To provide consistent, easily understood data among the public
15 four-year institutions of higher education within Washington and in
16 other states, the following data must be reported annually and at a
17 minimum include data recommended by a national organization
18 representing state chief executives. This data must include the
19 following for the four-year institutions of higher education and the
20 board may change the data requirements to be consistent with best
21 practices across the country:

22 (a) Bachelor's degrees awarded;

23 (b) Graduate and professional degrees awarded;

24 (c) Graduation rates: The number and percentage of students who
25 graduate within four years for bachelor's degrees and within the
26 extended time, which is six years for bachelor's degrees;

27 (d) Transfer rates: The annual number and percentage of students
28 who transfer from a two-year to a four-year institution of higher
29 education;

30 (e) Time and credits to degree: The average length of time in
31 years and average number of credits that graduating students took to
32 earn a bachelor's degree;

33 (f) Enrollment in remedial education: The number and percentage of
34 entering first-time undergraduate students who place into and enroll in
35 remedial mathematics, English, or both;

36 (g) Success beyond remedial education: The number and percentage

1 of entering first-time undergraduate students who complete entry
2 college-level math and English courses within the first two consecutive
3 academic years;

4 (h) Credit accumulation: The number and percentage of first-time
5 undergraduate students completing two quarters or one semester worth of
6 credit during their first academic year;

7 (i) Retention rates: The number and percentage of entering
8 undergraduate students who enroll consecutively from fall-to-spring and
9 fall-to-fall at an institution of higher education;

10 (j) Course completion: The percentage of credit hours completed
11 out of those attempted during an academic year;

12 (k) Program participation and degree completion rates in bachelor
13 and advanced degree programs in the sciences, technology, engineering,
14 and mathematic disciplines, including participation and degree
15 completion rates for students from traditionally underrepresented
16 populations;

17 (l) Annual unduplicated number of students enrolled over a twelve-
18 month period at institutions of higher education;

19 (m) Annual ratio of undergraduate degrees and certificates of at
20 least one year in expected length awarded per one hundred full-time
21 equivalent undergraduate students at the state level; and

22 (n) Annual ratio of undergraduate degrees and certificates, of at
23 least one year in program length, awarded relative to the state's
24 population age eighteen to twenty-four years old with a high school
25 diploma.

26 (3) Four-year institutions of higher education must count all
27 students when collecting data, not only first-time, full-time freshmen.

28 (4) Based on guidelines prepared by the board, each four-year
29 institution and the state board for community and technical colleges
30 shall submit a biennial plan to achieve measurable and specific
31 improvements each academic year on statewide and institution-specific
32 performance measures. Plans shall be submitted to the board along with
33 the biennial budget requests from the institutions and the state board
34 for community and technical colleges. Performance measures established
35 for the community and technical colleges shall reflect the role and
36 mission of the colleges.

37 ~~((+3))~~ (5) The board shall approve biennial performance targets
38 for each four-year institution and for the community and technical

1 college system and shall review actual achievements annually. The
2 state board for community and technical colleges shall set biennial
3 performance targets for each college or district, where appropriate.

4 ~~((+4))~~ (6) The board shall submit a report on progress towards the
5 statewide goals, with recommendations for the ensuing biennium, to the
6 fiscal and higher education committees of the legislature along with
7 the board's biennial budget recommendations.

8 ~~((+5))~~ (7) The board, in collaboration with the four-year
9 institutions and the state board for community and technical colleges,
10 shall periodically review and update the accountability monitoring and
11 reporting system.

12 ~~((+6))~~ (8) The board shall develop measurable indicators and
13 benchmarks for its own performance regarding cost, quantity, quality,
14 and timeliness and including the performance of committees and advisory
15 groups convened under this chapter to accomplish such tasks as
16 improving transfer and articulation, improving articulation with the K-
17 12 education system, measuring educational costs, or developing data
18 protocols. The board shall submit its accountability plan to the
19 legislature concurrently with the biennial report on institution
20 progress.

21 (9) In conjunction with the office of financial management, all
22 four-year institutions of higher education must display the data
23 described in subsection (2) of this section in a uniform dashboard
24 format on the office of financial management's web site no later than
25 December 1, 2011, and updated thereafter annually by December 1st. To
26 the maximum extent possible, the information must be viewable by race
27 and ethnicity, gender, state and county of origin, and age. The
28 information may be tailored to meet the needs of various target
29 audiences such as students, researchers, and the general public.

30 **Sec. 6.** RCW 28B.92.060 and 2009 c 215 s 4 are each amended to read
31 as follows:

32 In awarding need grants, the board shall proceed substantially as
33 follows: PROVIDED, That nothing contained herein shall be construed to
34 prevent the board, in the exercise of its sound discretion, from
35 following another procedure when the best interest of the program so
36 dictates:

1 (1) The board shall annually select the financial aid award
2 recipients from among Washington residents applying for student
3 financial aid who have been ranked according to:

4 (a) Financial need as determined by the amount of the family
5 contribution; and

6 (b) Other considerations, such as whether the student is a former
7 foster youth, or is a placebound student who has completed an associate
8 of arts or associate of science degree or its equivalent.

9 (2) The financial need of the highest ranked students shall be met
10 by grants depending upon the evaluation of financial need until the
11 total allocation has been disbursed. Funds from grants which are
12 declined, forfeited or otherwise unused shall be reawarded until
13 disbursed, except that eligible former foster youth shall be assured
14 receipt of a grant. The board, in consultation with four-year
15 institutions of higher education, and the state board for community and
16 technical colleges, shall develop award criteria and methods of
17 disbursement based on level of need, and not solely rely on a first-
18 come, first-served basis.

19 (3) A student shall be eligible to receive a state need grant for
20 up to five years, or the credit or clock hour equivalent of five years,
21 or up to one hundred twenty-five percent of the published length of
22 time of the student's program. A student may not start a new associate
23 degree program as a state need grant recipient until at least five
24 years have elapsed since earning an associate degree as a need grant
25 recipient, except that a student may earn two associate degrees
26 concurrently. Qualifications for renewal will include maintaining
27 satisfactory academic progress toward completion of an eligible program
28 as determined by the board. Should the recipient terminate his or her
29 enrollment for any reason during the academic year, the unused portion
30 of the grant shall be returned to the state educational grant fund by
31 the institution according to the institution's own policy for issuing
32 refunds, except as provided in RCW 28B.92.070.

33 (4) In computing financial need, the board:

34 (a) Shall determine a maximum student expense budget allowance, not
35 to exceed an amount equal to the total maximum student expense budget
36 at the public institutions plus the current average state appropriation
37 per student for operating expense in the public institutions. Any

1 child support payments received by students who are parents attending
2 less than half-time shall not be used in computing financial need; and
3 (b) May take into account the number of children in a family when
4 determining family contribution.

5 (5)(a) A student who is enrolled in three to six credit-bearing
6 quarter credits, or the equivalent semester credits, may receive a
7 grant for up to one academic year before beginning a program that leads
8 to a degree or certificate.

9 (b) An eligible student enrolled on a less-than-full-time basis
10 shall receive a prorated portion of his or her state need grant for any
11 academic period in which he or she is enrolled on a less-than-full-time
12 basis, as long as funds are available.

13 (c) An institution of higher education may award a state need grant
14 to an eligible student enrolled in three to six credit-bearing quarter
15 credits, or the semester equivalent, on a provisional basis if:

16 (i) The student has not previously received a state need grant from
17 that institution;

18 (ii) The student completes the required free application for
19 federal student aid;

20 (iii) The institution has reviewed the student's financial
21 condition, and the financial condition of the student's family if the
22 student is a dependent student, and has determined that the student is
23 likely eligible for a state need grant; and

24 (iv) The student has signed a document attesting to the fact that
25 the financial information provided on the free application for federal
26 student aid and any additional financial information provided directly
27 to the institution is accurate and complete, and that the student
28 agrees to repay the institution for the grant amount if the student
29 submitted false or incomplete information.

30 (6) As used in this section, "former foster youth" means a person
31 who is at least eighteen years of age, but not more than twenty-four
32 years of age, who was a dependent of the department of social and
33 health services at the time he or she attained the age of eighteen.

34 **Sec. 7.** RCW 28B.95.030 and 2005 c 272 s 2 are each amended to read
35 as follows:

36 (1) The Washington advanced college tuition payment program shall

1 be administered by the committee on advanced tuition payment which
2 shall be chaired by the executive director of the board. The committee
3 shall be supported by staff of the board.

4 (2)(a) The Washington advanced college tuition payment program
5 shall consist of the sale of tuition units, which may be redeemed by
6 the beneficiary at a future date for an equal number of tuition units
7 regardless of any increase in the price of tuition, that may have
8 occurred in the interval.

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

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

16 (d) The governing body may limit the number of tuition units
17 purchased by any one purchaser or on behalf of any one beneficiary,
18 however, no limit may be imposed that is less than that necessary to
19 achieve four years of full-time, undergraduate tuition charges at a
20 state institution of higher education. The governing body also may, at
21 its discretion, limit the number of participants, if needed, to ensure
22 the actuarial soundness and integrity of the program.

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

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

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

35 (4) The governing body shall determine the conditions under which
36 the tuition benefit may be transferred to another family member. In
37 permitting such transfers, the governing body may not allow the tuition

1 benefit to be bought, sold, bartered, or otherwise exchanged for goods
2 and services by either the beneficiary or the purchaser.

3 (5) The governing body shall administer the Washington advanced
4 college tuition payment program in a manner reasonably designed to be
5 actuarially sound, such that the assets of the trust will be sufficient
6 to defray the obligations of the trust including the costs of
7 administration. The governing body may, at its discretion, discount
8 the minimum purchase price for certain kinds of purchases such as those
9 from families with young children, as long as the actuarial soundness
10 of the account is not jeopardized.

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

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

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

17 (a) Impose reasonable limits on the number of tuition units or
18 units that may be used in any one year;

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

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

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

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

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

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

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

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

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

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

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

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

10 **Sec. 8.** RCW 28B.95.080 and 1997 c 289 s 8 are each amended to read
11 as follows:

12 The governing body shall annually evaluate, and cause to be
13 evaluated by (~~a nationally recognized~~) the state actuary, the
14 soundness of the account and determine the additional assets needed, if
15 any, to defray the obligations of the account. The governing body
16 shall also adopt an actuarially sound and prudently predictable payout
17 value factor that provides long-term assets to meet the long-term
18 obligations of the account.

19 If funds are (~~not sufficient~~) determined by the governing body,
20 based on actuarial analysis to be insufficient to ensure the actuarial
21 soundness of the account, the governing body shall adjust the price of
22 subsequent tuition credit purchases to ensure its soundness.

23 If there are insufficient numbers of new purchases to ensure the
24 actuarial soundness of the account, the governing body shall request
25 such funds from the legislature as are required to ensure the integrity
26 of the program. Funds may be appropriated directly to the account or
27 appropriated under the condition that they be repaid at a later date.
28 The repayment shall be made at such time that the account is again
29 determined to be actuarially sound.

30 **Sec. 9.** RCW 28B.95.150 and 2001 c 184 s 2 are each amended to read
31 as follows:

32 (1) The committee may establish a college savings program. If such
33 a program is established, the college savings program shall be
34 established, in such form as may be determined by the committee, to be
35 a qualified state tuition program as defined by the internal revenue
36 service under section 529 of the internal revenue code, and shall be

1 administered in a manner consistent with the Washington advanced
2 college tuition payment program. The committee, in planning and
3 devising the program, shall consult with the state investment board,
4 the state treasurer, (~~(a qualified actuarial consulting firm with~~
5 ~~appropriate expertise to evaluate such plans)) the state actuary, the
6 legislative fiscal and higher education committees, and the
7 institutions of higher education.~~

8 (2) Up to two hundred thousand dollars of administrative fees
9 collected from guaranteed education tuition program participants may be
10 applied as a loan to fund the development of a college savings program.
11 This loan must be repaid with interest before the conclusion of the
12 biennium in which the committee draws funds for this purpose from the
13 advanced college tuition payment program account.

14 (3) If such a college savings program is established, the college
15 savings program account is created in the custody of the state
16 treasurer for the purpose of administering the college savings program.
17 If created, the account shall be a discrete nontreasury account in the
18 custody of the state treasurer. Interest earnings shall be retained in
19 accordance with RCW 43.79A.040. Disbursements from the account, except
20 for program administration, are exempt from appropriations and the
21 allotment provisions of chapter 43.88 RCW. Money used for program
22 administration is subject to the allotment provisions, but without
23 appropriation.

24 (4) The committee, after consultation with the state investment
25 board, shall determine the investment policies for the college savings
26 program. Program contributions may be invested by the state investment
27 board or the committee may contract with an investment company licensed
28 to conduct business in this state to do the investing. The committee
29 shall keep or cause to be kept full and adequate accounts and records
30 of the assets of each individual participant in the college savings
31 program.

32 (5) Neither the state nor any eligible educational institution may
33 be considered or held to be an insurer of the funds or assets of the
34 individual participant accounts in the college savings program created
35 under this section nor may any such entity be held liable for any
36 shortage of funds in the event that balances in the individual
37 participant accounts are insufficient to meet the educational expenses

1 of the institution chosen by the student for which the individual
2 participant account was intended.

3 (6) The committee shall adopt rules to implement this section.
4 Such rules shall include but not be limited to administration,
5 investment management, promotion, and marketing; compliance with
6 internal revenue service standards; application procedures and fees;
7 start-up costs; phasing in the savings program and withdrawals
8 therefrom; deterrents to early withdrawals and provisions for hardship
9 withdrawals; and reenrollment in the savings program after withdrawal.

10 (7) The committee may, at its discretion, determine to cease
11 operation of the college savings program if it determines the
12 continuation is not in the best interest of the state. The committee
13 shall adopt rules to implement this section addressing the orderly
14 distribution of assets.

15 **Sec. 10.** RCW 44.44.040 and 2003 c 295 s 4 and 2003 c 92 s 2 are
16 each reenacted and amended to read as follows:

17 The office of the state actuary shall have the following powers and
18 duties:

19 (1) Perform all actuarial services for the department of retirement
20 systems, including all studies required by law.

21 (2) Advise the legislature and the governor regarding pension
22 benefit provisions, and funding policies and investment policies of the
23 state investment board.

24 (3) Consult with the legislature and the governor concerning
25 determination of actuarial assumptions used by the department of
26 retirement systems.

27 (4) Prepare a report, to be known as the actuarial fiscal note, on
28 each pension bill introduced in the legislature which briefly explains
29 the financial impact of the bill. The actuarial fiscal note shall
30 include: (a) The statutorily required contribution for the biennium
31 and the following twenty-five years; (b) the biennial cost of the
32 increased benefits if these exceed the required contribution; and (c)
33 any change in the present value of the unfunded accrued benefits. An
34 actuarial fiscal note shall also be prepared for all amendments which
35 are offered in committee or on the floor of the house of
36 representatives or the senate to any pension bill. However, a majority

1 of the members present may suspend the requirement for an actuarial
2 fiscal note for amendments offered on the floor of the house of
3 representatives or the senate.

4 (5) Provide such actuarial services to the legislature as may be
5 requested from time to time.

6 (6) Provide staff and assistance to the committee established under
7 RCW 41.04.276.

8 (7) Provide actuarial assistance to the law enforcement officers'
9 and firefighters' plan 2 retirement board as provided in chapter 2,
10 Laws of 2003. Reimbursement for services shall be made to the state
11 actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

12 (8) Provide actuarial assistance to the committee on advanced
13 tuition payments pursuant to chapter 28B.95 RCW. Reimbursement for
14 services shall be made to the state actuary under RCW 39.34.130.

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

17 (1) A baccalaureate degree innovation program is established. Each
18 four-year institution of higher education shall design performance
19 improvement goals in collaboration with the education data center for
20 the purpose of increasing access, affordability, and quality of
21 degrees.

22 (2) Four-year institutions of higher education shall pursue all
23 innovative means available to achieve progress on their performance
24 improvement goals including, but not limited to, new uses of technology
25 to enhance student achievement and administrative efficiencies; and
26 flexible, customized systems and services that support student success.

27 (3) To the extent funds are appropriated in the omnibus
28 appropriations act, awards shall be made beginning with the 2012-2013
29 fiscal year. The governor, or the governor's designee, shall make
30 awards based on progress towards fulfilling each institution's
31 performance improvement goals.

32 **Sec. 12.** RCW 28A.600.310 and 2009 c 450 s 8 are each amended to
33 read as follows:

34 (1) Eleventh and twelfth grade students or students who have not
35 yet received the credits required for the award of a high school
36 diploma and are eligible to be in the eleventh or twelfth grades may

1 apply to a participating institution of higher education to enroll in
2 courses or programs offered by the institution of higher education. A
3 student receiving home-based instruction enrolling in a public high
4 school for the sole purpose of participating in courses or programs
5 offered by institutions of higher education shall not be counted by the
6 school district in any required state or federal accountability
7 reporting if the student's parents or guardians filed a declaration of
8 intent to provide home-based instruction and the student received home-
9 based instruction during the school year before the school year in
10 which the student intends to participate in courses or programs offered
11 by the institution of higher education. Students receiving home-based
12 instruction under chapter 28A.200 RCW and students attending private
13 schools approved under chapter 28A.195 RCW shall not be required to
14 meet the student learning goals, obtain a certificate of academic
15 achievement or a certificate of individual achievement to graduate from
16 high school, or to master the essential academic learning requirements.
17 However, students are eligible to enroll in courses or programs in
18 participating universities only if the board of directors of the
19 student's school district has decided to participate in the program.
20 Participating institutions of higher education, in consultation with
21 school districts, may establish admission standards for these students.
22 If the institution of higher education accepts a secondary school pupil
23 for enrollment under this section, the institution of higher education
24 shall send written notice to the pupil and the pupil's school district
25 within ten days of acceptance. The notice shall indicate the course
26 and hours of enrollment for that pupil.

27 (2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020
28 and 28B.15.041((~~7~~)):

29 (i) Running start students shall pay to the community or technical
30 college all other mandatory fees as established by each community or
31 technical college and in addition, the state board for community and
32 technical colleges may charge a fee that equals ten percent of tuition
33 and fees as defined in RCW 28B.15.020 and 28B.15.041; and

34 (ii) All other institutions of higher education operating a running
35 start program may charge running start students a fee that equals ten
36 percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041
37 in addition to technology fees.

1 **(b)** The fees charged under this subsection (2) shall be prorated
2 based on credit load.

3 (3) The institutions of higher education must make available fee
4 waivers for low-income running start students. Each institution must
5 establish a written policy for the determination of low-income students
6 before offering the fee waiver. A student shall be considered low
7 income and eligible for a fee waiver upon proof that the student is
8 currently qualified to receive free or reduced-price lunch. Acceptable
9 documentation of low-income status may also include, but is not limited
10 to, documentation that a student has been deemed eligible for free or
11 reduced-price lunches in the last five years, or other criteria
12 established in the institution's policy.

13 (4) The pupil's school district shall transmit to the institution
14 of higher education an amount per each full-time equivalent college
15 student at statewide uniform rates for vocational and nonvocational
16 students. The superintendent of public instruction shall separately
17 calculate and allocate moneys appropriated for basic education under
18 RCW 28A.150.260 to school districts for purposes of making such
19 payments and for granting school districts seven percent thereof to
20 offset program related costs. The calculations and allocations shall
21 be based upon the estimated statewide annual average per full-time
22 equivalent high school student allocations under RCW 28A.150.260,
23 excluding small high school enhancements, and applicable rules adopted
24 under chapter 34.05 RCW. The superintendent of public instruction, the
25 higher education coordinating board, and the state board for community
26 and technical colleges shall consult on the calculation and
27 distribution of the funds. The funds received by the institution of
28 higher education from the school district shall not be deemed tuition
29 or operating fees and may be retained by the institution of higher
30 education. A student enrolled under this subsection shall be counted
31 for the purpose of meeting enrollment targets in accordance with terms
32 and conditions specified in the omnibus appropriations act.

33 (5) The state board for community and technical colleges, in
34 collaboration with the other institutions of higher education that
35 participate in the running start program and the office of the
36 superintendent of public instruction, shall identify, assess, and
37 report on alternatives for providing ongoing and adequate financial
38 support for the program. Such alternatives shall include but are not

1 limited to student tuition, increased support from local school
2 districts, and reallocation of existing state financial support among
3 the community and technical college system to account for differential
4 running start enrollment levels and impacts. The state board for
5 community and technical colleges shall report the assessment of
6 alternatives to the governor and to the appropriate fiscal and policy
7 committees of the legislature by September 1, 2010.

8 NEW SECTION. **Sec. 13.** A new section is added to chapter 28B.76
9 RCW to read as follows:

10 Each four-year institution of higher education must publish a list
11 of recommended courses for each academic major designed to help
12 students who are planning to transfer design their course of study.
13 Publication of the list of courses must be easily identified and
14 accessible on the institution's web site.

15 NEW SECTION. **Sec. 14.** A new section is added to chapter 28B.50
16 RCW to read as follows:

17 Community and technical colleges must identify and publish in their
18 admissions materials the college-level courses that are recognized by
19 all four-year institutions of higher education as transferring to the
20 four-year institutions of higher education. Publication of the list of
21 courses must be easily identified and accessible on the college's web
22 site.

23 NEW SECTION. **Sec. 15.** The following acts or parts of acts are
24 each repealed:

25 (1) RCW 28B.10.920 (Performance agreements--Generally) and 2008 c
26 160 s 2;

27 (2) RCW 28B.10.921 (Performance agreements--Contents) and 2008 c
28 160 s 3; and

29 (3) RCW 28B.10.922 (Performance agreements--State committee--
30 Development of final proposals--Implementation--Updates) and 2008 c 160
31 s 4.

32 NEW SECTION. **Sec. 16.** This act may be known and cited as the

1 higher education opportunity act.

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