

**ESSB 5954 - S AMD 506**

By Senators Braun, Bailey, Frockt, Kohl-Welles

ADOPTED 6/29/2015

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 28B.15.031 and 2012 c 230 s 6 are each amended to  
4 read as follows:

5 (1) The term "operating fees" as used in this chapter shall  
6 include the fees, other than building fees, charged all students  
7 registering at the state's colleges and universities but shall not  
8 include fees for short courses, self-supporting degree credit  
9 programs and courses, marine station work, experimental station work,  
10 correspondence or extension courses, and individual instruction and  
11 student deposits or rentals, disciplinary and library fines, which  
12 colleges and universities shall have the right to impose, laboratory,  
13 gymnasium, health, technology and student activity fees, or fees,  
14 charges, rentals, and other income derived from any or all revenue  
15 producing lands, buildings and facilities of the colleges or  
16 universities heretofore or hereafter acquired, constructed or  
17 installed, including but not limited to income from rooms,  
18 dormitories, dining rooms, hospitals, infirmaries, housing or student  
19 activity buildings, vehicular parking facilities, land, or the  
20 appurtenances thereon, or such other special fees as may be  
21 established by any college or university board of trustees or regents  
22 from time to time. All moneys received as operating fees at any  
23 institution of higher education shall be deposited in a local account  
24 containing only operating fees revenue and related interest:  
25 PROVIDED, That (~~a minimum of five percent of operating fees shall be~~  
26 ~~retained by the four year institutions of higher education that~~  
27 ~~increase tuition for resident undergraduate students above assumed~~  
28 ~~tuition increases in the omnibus appropriations act,~~) a minimum of  
29 four percent of operating fees shall be retained by four-year  
30 institutions of higher education (~~that do not increase tuition for~~  
31 ~~resident undergraduates above assumed increases in the omnibus~~  
32 ~~appropriations act,~~) and a minimum of three and one-half percent of

1 operating fees shall be retained by the community and technical  
2 colleges for the purposes of RCW 28B.15.820. At least thirty percent  
3 of operating fees required to be retained by the four-year  
4 institutions for purposes of RCW 28B.15.820 shall be used only for  
5 the purposes of RCW 28B.15.820(10).

6 (2) In addition to the three and one-half percent of operating  
7 fees retained by the institutions under subsection (1) of this  
8 section, up to three percent of operating fees charged to students at  
9 community and technical colleges shall be transferred to the  
10 community and technical college innovation account for the  
11 implementation of the college board's strategic technology plan in  
12 RCW 28B.50.515. The percentage to be transferred to the community and  
13 technical college innovation account shall be determined by the  
14 college board each year but shall not exceed three percent of the  
15 operating fees collected each year.

16 (3) Local operating fee accounts shall not be subject to  
17 appropriation by the legislature but shall be subject to allotment  
18 procedures by budget program and fiscal year under chapter 43.88 RCW.

19 **Sec. 2.** RCW 28B.15.066 and 2003 c 232 s 3 are each amended to  
20 read as follows:

21 ~~((It is the intent of the legislature that:~~

22 ~~In making appropriations from the state's general fund to~~  
23 ~~institutions of higher education, each appropriation shall conform to~~  
24 ~~the following:~~

25 ~~(1) The appropriation shall not be reduced by the amount of~~  
26 ~~operating fees revenue estimated to be collected from students~~  
27 ~~enrolled at the state-funded enrollment level specified in the~~  
28 ~~omnibus biennial operating appropriations act;~~

29 ~~(2) The appropriation shall not be reduced by the amount of~~  
30 ~~operating fees revenue collected from students enrolled above the~~  
31 ~~state-funded level specified in the omnibus biennial operating~~  
32 ~~appropriations act; and~~

33 ~~(3) The general fund state appropriation shall not be reduced by~~  
34 ~~the amount of operating fees revenue collected as a result of waiving~~  
35 ~~less operating fees revenue than the amounts authorized under RCW~~  
36 ~~28B.15.910. State general fund appropriations shall not be provided~~  
37 ~~for revenue foregone as a result of or for waivers granted under RCW~~  
38 ~~28B.15.915-)) (1) Beginning with the 2015-2017 omnibus appropriations~~  
39 ~~act, the legislature shall appropriate to the state board for~~

1 community and technical colleges and to each of the four-year  
2 institutions of higher education an amount that is at least equal to  
3 the total state funds appropriated in the 2013-2015 biennium and the  
4 net revenue loss from resident undergraduate tuition operating fees  
5 based on budgeted full-time equivalent enrollment received for the  
6 2015-2017 fiscal biennium under RCW 28B.15.067 (3) and (6). The net  
7 revenue loss shall be adjusted for inflation in subsequent biennia.

8 (2) As used in this section and RCW 28B.15.069, "inflation" shall  
9 be based on the consumer price index, using the official current  
10 base, compiled by the bureau of labor statistics, United States  
11 department of labor for the state of Washington. If the bureau of  
12 labor statistics develops more than one consumer price index for  
13 areas within the state, the index covering the greatest number of  
14 people and covering areas exclusively within the boundaries of the  
15 state shall be used.

16 **Sec. 3.** RCW 28B.15.067 and 2015 c 55 s 211 are each amended to  
17 read as follows:

18 (1) Tuition fees shall be established under the provisions of  
19 this chapter.

20 (2) Beginning in the 2011-12 academic year and through the  
21 2014-15 academic year, reductions or increases in full-time tuition  
22 fees shall be as provided in the omnibus appropriations act for  
23 resident undergraduate students at community and technical colleges.

24 (3)(a) In the 2015-16 and 2016-17 academic years, tuition  
25 operating fees for resident undergraduates at community and technical  
26 colleges excluding applied baccalaureate degrees as defined in RCW  
27 28B.50.030, shall be five percent less than the 2014-15 academic year  
28 tuition operating fee.

29 (b) Beginning in the 2017-18 academic year, tuition operating  
30 fees for resident undergraduates at community and technical colleges  
31 excluding applied baccalaureate degrees as defined in RCW 28B.50.030,  
32 may increase by no more than the average annual percentage growth  
33 rate in the median hourly wage for Washington for the previous  
34 fourteen years as the wage is determined by the federal bureau of  
35 labor statistics.

36 (4) The governing boards of the state universities, regional  
37 universities, and The Evergreen State College; and the state board  
38 for community and technical colleges may reduce or increase full-time  
39 tuition fees for all students other than resident undergraduates,

1 including nonresident students, summer school students, and students  
2 in other self-supporting degree programs. Percentage increases in  
3 full-time tuition may exceed the fiscal growth factor. Except during  
4 the 2013-2015 fiscal biennium, the state board for community and  
5 technical colleges may pilot or institute differential tuition  
6 models. The board may define scale, scope, and rationale for the  
7 models.

8 ~~((+3))~~ (5)(a) Beginning with the 2011-12 academic year and  
9 through the end of the 2014-15 academic year, the governing boards of  
10 the state universities, the regional universities, and The Evergreen  
11 State College may reduce or increase full-time tuition fees for all  
12 students, including summer school students and students in other  
13 self-supporting degree programs. Percentage increases in full-time  
14 tuition fees may exceed the fiscal growth factor. Reductions or  
15 increases may be made for all or portions of an institution's  
16 programs, campuses, courses, or students; however, during the  
17 2013-2015 fiscal biennium, reductions or increases in tuition must be  
18 uniform among resident undergraduate students.

19 (b) Prior to reducing or increasing tuition for each academic  
20 year, the governing boards of the state universities, the regional  
21 universities, and The Evergreen State College shall consult with  
22 existing student associations or organizations with student  
23 undergraduate and graduate representatives regarding the impacts of  
24 potential tuition increases. Each governing board shall make public  
25 its proposal for tuition and fee increases twenty-one days before the  
26 governing board of the institution considers adoption and allow  
27 opportunity for public comment. However, the requirement to make  
28 public a proposal for tuition and fee increases twenty-one days  
29 before the governing board considers adoption shall not apply if the  
30 omnibus appropriations act has not passed the legislature by May  
31 15th. Governing boards shall be required to provide data regarding  
32 the percentage of students receiving financial aid, the sources of  
33 aid, and the percentage of total costs of attendance paid for by aid.

34 (c) Prior to reducing or increasing tuition for each academic  
35 year, the state board for community and technical college system  
36 shall consult with existing student associations or organizations  
37 with undergraduate student representation regarding the impacts of  
38 potential tuition increases. The state board for community and  
39 technical colleges shall provide data regarding the percentage of

1 students receiving financial aid, the sources of aid, and the  
2 percentage of total costs of attendance paid for by aid.

3 ~~((4) Beginning with)) (6)(a) In the 2015-16 academic year~~  
4 ~~((through the 2018-19 academic year, the governing boards of the~~  
5 ~~state universities, regional universities, and The Evergreen State~~  
6 ~~College may set tuition for resident undergraduates as follows:~~

7 ~~(a) If state funding for a college or university falls below the~~  
8 ~~state funding provided in the operating budget for fiscal year 2011,~~  
9 ~~the governing board may increase tuition up to the limits set in (d)~~  
10 ~~of this subsection, reduce enrollments, or both;~~

11 ~~(b) If state funding for a college or university is at least at~~  
12 ~~the level of state funding provided in the operating budget for~~  
13 ~~fiscal year 2011, the governing board may increase tuition up to the~~  
14 ~~limits set in (d) of this subsection and shall continue to at least~~  
15 ~~maintain the actual enrollment levels for fiscal year 2011 or~~  
16 ~~increase enrollments as required in the omnibus appropriations act;~~

17 ~~(c) If state funding is increased so that combined with resident~~  
18 ~~undergraduate tuition the sixtieth percentile of the total per-~~  
19 ~~student funding at similar public institutions of higher education in~~  
20 ~~the global challenge states under RCW 28B.15.068 is exceeded, the~~  
21 ~~governing board shall decrease tuition by the amount needed for the~~  
22 ~~total per student funding to be at the sixtieth percentile under RCW~~  
23 ~~28B.15.068; and~~

24 ~~(d) The amount of tuition set by the governing board for an~~  
25 ~~institution under this subsection (4) may not exceed the sixtieth~~  
26 ~~percentile of the resident undergraduate tuition of similar public~~  
27 ~~institutions of higher education in the global challenge states.~~

28 ~~(5)), full-time tuition operating fees for resident~~  
29 ~~undergraduates for state universities, regional universities, The~~  
30 ~~Evergreen State College, and applied baccalaureate degrees as defined~~  
31 ~~in RCW 28B.50.030 shall be five percent less than the 2014-15~~  
32 ~~academic year tuition operating fee.~~

33 ~~(b) Beginning with the 2016-17 academic year, full-time tuition~~  
34 ~~operating fees for resident undergraduates for:~~

35 ~~(i) State universities shall be fifteen percent less than the~~  
36 ~~2014-15 academic year tuition operating fee; and~~

37 ~~(ii) Regional universities, The Evergreen State College, and~~  
38 ~~applied baccalaureate degrees as defined in RCW 28B.50.030 shall be~~  
39 ~~twenty percent less than the 2014-15 academic year tuition operating~~  
40 ~~fee.~~

1 (c) Beginning with the 2017-18 academic year, full-time tuition  
2 operating fees for resident undergraduates in (b) of this subsection  
3 may increase by no more than the average annual percentage growth  
4 rate in the median hourly wage for Washington for the previous  
5 fourteen years as the wage is determined by the federal bureau of  
6 labor statistics.

7 (7) The tuition fees established under this chapter shall not  
8 apply to high school students enrolling in participating institutions  
9 of higher education under RCW 28A.600.300 through 28A.600.400.

10 ~~((+6))~~ (8) The tuition fees established under this chapter shall  
11 not apply to eligible students enrolling in a dropout reengagement  
12 program through an interlocal agreement between a school district and  
13 a community or technical college under RCW 28A.175.100 through  
14 28A.175.110.

15 ~~((+7) Beginning in the 2019-20 academic year, reductions or~~  
16 ~~increases in full-time tuition fees for resident undergraduates at~~  
17 ~~four-year institutions of higher education shall be as provided in~~  
18 ~~the omnibus appropriations act.~~

19 ~~(+8))~~ (9) The legislative advisory committee to the committee on  
20 advanced tuition payment established in RCW 28B.95.170 shall:

21 (a) Review the impact of differential tuition rates on the funded  
22 status and future unit price of the Washington advanced college  
23 tuition payment program; and

24 (b) No later than January 14, 2013, make a recommendation to the  
25 appropriate policy and fiscal committees of the legislature regarding  
26 how differential tuition should be addressed in order to maintain the  
27 ongoing solvency of the Washington advanced college tuition payment  
28 program.

29 (10) As a result of any changes in tuition under section 3,  
30 chapter . . . , Laws of 2015 3rd sp. sess. (this section), the  
31 governing boards of the state universities, the regional  
32 universities, and The Evergreen State College shall not reduce  
33 resident undergraduate enrollment below the 2014-15 academic year  
34 levels.

35 NEW SECTION. Sec. 4. A new section is added to chapter 28B.92  
36 RCW to read as follows:

37 Beginning with the 2015-2017 omnibus appropriations act and each  
38 biennium thereafter, reductions in tuition levels resulting from  
39 section 3, chapter . . . , Laws of 2015 3rd sp. sess. (section 3 of

1 this act) will allow the legislature to reduce state need grant  
2 appropriations by an equal amount from the 2013-2015 fiscal biennium  
3 amounts. The legislature does not intend to reduce award levels for  
4 private colleges and universities below the 2014-15 academic year  
5 levels.

6 By reducing the overall cost of tuition, the legislature in  
7 future biennia is better able and intends to serve those students  
8 currently eligible but unserved in the state need grant.

9 **Sec. 5.** RCW 28B.15.069 and 2015 c 55 s 212 are each amended to  
10 read as follows:

11 (1) The building fee for each academic year shall be a percentage  
12 of total tuition fees. This percentage shall be calculated by the  
13 office of financial management and be based on the actual percentage  
14 the building fee is of total tuition for each tuition category in the  
15 1994-95 academic year, rounded up to the nearest half percent. After  
16 the effective date of this section, the dollar value of the building  
17 fee shall not be reduced below the level in the 2014-15 academic year  
18 adjusted for inflation. As used in this subsection, "inflation" has  
19 the meaning in RCW 28B.15.066(2).

20 (2) The governing boards of each institution of higher  
21 education((~~7~~)) shall charge to and collect from each student a  
22 services and activities fee. A governing board may increase the  
23 existing fee annually, consistent with budgeting procedures set forth  
24 in RCW 28B.15.045, by a percentage not to exceed the annual  
25 percentage increase in student tuition fees for resident  
26 undergraduate students: PROVIDED, That such percentage increase shall  
27 not apply to that portion of the services and activities fee  
28 previously committed to the repayment of bonded debt. These rate  
29 adjustments may exceed the fiscal growth factor. For the 2013-2015  
30 fiscal biennium, each governing board is authorized to increase the  
31 services and activities fees by amounts judged reasonable and  
32 necessary by the services and activities fee committee and the  
33 governing board consistent with the budgeting procedures set forth in  
34 RCW 28B.15.045. The services and activities fee committee provided  
35 for in RCW 28B.15.045 may initiate a request to the governing board  
36 for a fee increase.

37 (3) Tuition and services and activities fees consistent with  
38 subsection (2) of this section shall be set by the state board for  
39 community and technical colleges for community and technical college

1 summer school students unless the college charges fees in accordance  
2 with RCW 28B.15.515.

3 (4) Subject to the limitations of RCW 28B.15.910, each governing  
4 board of a community or technical college may charge such fees for  
5 ungraded courses, noncredit courses, community services courses, and  
6 self-supporting courses as it, in its discretion, may determine,  
7 consistent with the rules of the state board for community and  
8 technical colleges.

9 (5) The governing board of a college offering an applied  
10 baccalaureate degree program under RCW 28B.50.810 may charge tuition  
11 fees for those courses above the associate degree level at rates  
12 consistent with rules adopted by the state board for community and  
13 technical colleges, not to exceed tuition fee rates at the regional  
14 universities.

15 **Sec. 6.** RCW 28B.95.020 and 2015 c 202 s 5 are each amended to  
16 read as follows:

17 The definitions in this section apply throughout this chapter,  
18 unless the context clearly requires otherwise.

19 (1) "Academic year" means the regular nine-month, three-quarter,  
20 or two-semester period annually occurring between August 1st and July  
21 31st.

22 (2) "Account" means the Washington advanced college tuition  
23 payment program account established for the deposit of all money  
24 received by the office from eligible purchasers and interest earnings  
25 on investments of funds in the account, as well as for all  
26 expenditures on behalf of eligible beneficiaries for the redemption  
27 of tuition units and for the development of any authorized college  
28 savings program pursuant to RCW 28B.95.150.

29 (3) "Committee on advanced tuition payment" or "committee" means  
30 a committee of the following members: The state treasurer, the  
31 director of the office of financial management, the director of the  
32 office, or their designees, and two members to be appointed by the  
33 governor, one representing program participants and one private  
34 business representative with marketing, public relations, or  
35 financial expertise.

36 (4) "Contractual obligation" means a legally binding contract of  
37 the state with the purchaser and the beneficiary establishing that  
38 purchases of tuition units will be worth the same number of tuition



1 units at the time of redemption as they were worth at the time of the  
2 purchase, except as provided in RCW 28B.95.030(7).

3 (5) "Dual credit fees" means any fees charged to a student for  
4 participation in college in the high school under RCW 28A.600.290 or  
5 running start under RCW 28A.600.310.

6 (6) "Eligible beneficiary" means the person for whom the tuition  
7 unit will be redeemed for attendance at an institution of higher  
8 education, participation in college in the high school under RCW  
9 28A.600.290, or participation in running start under RCW 28A.600.310.  
10 The beneficiary is that person named by the purchaser at the time  
11 that a tuition unit contract is accepted by the governing body.  
12 Qualified organizations, as allowed under section 529 of the federal  
13 internal revenue code, purchasing tuition unit contracts as future  
14 scholarships need not designate a beneficiary at the time of  
15 purchase.

16 (7) "Eligible purchaser" means an individual or organization that  
17 has entered into a tuition unit contract with the governing body for  
18 the purchase of tuition units for an eligible beneficiary. The state  
19 of Washington may be an eligible purchaser for purposes of purchasing  
20 tuition units to be held for granting Washington college bound  
21 scholarships.

22 (8) "Full-time tuition charges" means resident tuition charges at  
23 a state institution of higher education for enrollments between ten  
24 credits and eighteen credit hours per academic term.

25 (9) "Governing body" means the committee empowered by the  
26 legislature to administer the Washington advanced college tuition  
27 payment program.

28 (10) "Institution of higher education" means an institution that  
29 offers education beyond the secondary level and is recognized by the  
30 internal revenue service under chapter 529 of the internal revenue  
31 code.

32 (11) "Investment board" means the state investment board as  
33 defined in chapter 43.33A RCW.

34 (12) "Office" means the office of student financial assistance as  
35 defined in chapter 28B.76 RCW.

36 (13) "State institution of higher education" means institutions  
37 of higher education as defined in RCW 28B.10.016.

38 (14) "Tuition and fees" means undergraduate tuition and services  
39 and activities fees as defined in RCW 28B.15.020 and 28B.15.041  
40 rounded to the nearest whole dollar. For purposes of this chapter,

1 services and activities fees do not include fees charged for the  
2 payment of bonds heretofore or hereafter issued for, or other  
3 indebtedness incurred to pay, all or part of the cost of acquiring,  
4 constructing, or installing any lands, buildings, or facilities.

5 (15) "Tuition unit contract" means a contract between an eligible  
6 purchaser and the governing body, or a successor agency appointed for  
7 administration of this chapter, for the purchase of tuition units for  
8 a specified beneficiary that may be redeemed at a later date for an  
9 equal number of tuition units, except as provided in RCW  
10 28B.95.030(7).

11 (16) "Unit purchase price" means the minimum cost to purchase one  
12 tuition unit for an eligible beneficiary. Generally, the minimum  
13 purchase price is one percent of the undergraduate tuition and fees  
14 for the current year, rounded to the nearest whole dollar, adjusted  
15 for the costs of administration and adjusted to ensure the actuarial  
16 soundness of the account. The analysis for price setting shall also  
17 include, but not be limited to consideration of past and projected  
18 patterns of tuition increases, program liability, past and projected  
19 investment returns, and the need for a prudent stabilization reserve.

20 **Sec. 7.** RCW 28B.95.030 and 2015 c 202 s 6 are each amended to  
21 read as follows:

22 (1) The Washington advanced college tuition payment program shall  
23 be administered by the committee on advanced tuition payment which  
24 shall be chaired by the director of the office. The committee shall  
25 be supported by staff of the office.

26 (2)(a) The Washington advanced college tuition payment program  
27 shall consist of the sale of tuition units, which may be redeemed by  
28 the beneficiary at a future date for an equal number of tuition units  
29 regardless of any increase in the price of tuition, that may have  
30 occurred in the interval, except as provided in subsection (7) of  
31 this section.

32 (b) Each purchase shall be worth a specific number of or fraction  
33 of tuition units at each state institution of higher education as  
34 determined by the governing body, except as provided in subsection  
35 (7) of this section.

36 (c) The number of tuition units necessary to pay for a full  
37 year's, full-time undergraduate tuition and fee charges at a state  
38 institution of higher education shall be set by the governing body at

1 the time a purchaser enters into a tuition unit contract, except as  
2 provided in subsection (7) of this section.

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

10 (e) While the Washington advanced college tuition payment program  
11 is designed to help all citizens of the state of Washington, the  
12 governing body may determine residency requirements for eligible  
13 purchasers and eligible beneficiaries to ensure the actuarial  
14 soundness and integrity of the program.

15 (3)(a) No tuition unit may be redeemed until two years after the  
16 purchase of the unit.

17 (b) Units may be redeemed for enrollment at any institution of  
18 higher education that is recognized by the internal revenue service  
19 under chapter 529 of the internal revenue code. Units may also be  
20 redeemed to pay for dual credit fees.

21 ~~((b))~~ (c) Units redeemed at a nonstate institution of higher  
22 education or for graduate enrollment shall be redeemed at the rate  
23 for state public institutions in effect at the time of redemption.

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

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

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

39 (7) For the 2015-16 and 2016-17 academic years only, the  
40 governing body shall set the payout value for units redeemed during

1 that academic year only at one hundred seventeen dollars and eighty-  
2 two cents per unit. For academic years after the 2016-17 academic  
3 year, the governing body shall make program adjustments it deems  
4 necessary and appropriate to ensure that the total payout value of  
5 each account on the effective date of this section is not decreased  
6 or diluted as a result of the initial application of any changes in  
7 tuition under section 3, chapter . . ., Laws of 2015 3rd sp. sess.  
8 (section 3 of this act). In the event the committee or governing body  
9 provides additional units under chapter . . ., Laws of 2015 3rd sp.  
10 sess. (this act), the committee and governing body shall also  
11 increase the maximum number of units that can be redeemed in any year  
12 to mitigate the reduction in available account value during any year  
13 as a result of chapter . . ., Laws of 2015 3rd sp. sess. (this act).  
14 The governing body must notify holders of tuition units after the  
15 adjustment in this subsection is made and must include a statement  
16 concerning the adjustment.

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

19 ((+8)) (9) In addition to any other powers conferred by this  
20 chapter, the governing body may:

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

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

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

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

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

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

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

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

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

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

6 (k) Contract with financial consultants, actuaries, auditors, and  
7 other consultants as necessary to carry out its responsibilities  
8 under this chapter;

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

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

13 **Sec. 8.** RCW 28B.118.010 and 2015 c 244 s 3 are each amended to  
14 read as follows:

15 The office of student financial assistance shall design the  
16 Washington college bound scholarship program in accordance with this  
17 section and in alignment with the state need grant program in chapter  
18 28B.92 RCW unless otherwise provided in this section.

19 (1) "Eligible students" are those students who:

20 (a) Qualify for free or reduced-price lunches. If a student  
21 qualifies in the seventh grade, the student remains eligible even if  
22 the student does not receive free or reduced-price lunches  
23 thereafter; or

24 (b) Are dependent pursuant to chapter 13.34 RCW and:

25 (i) In grade seven through twelve; or

26 (ii) Are between the ages of eighteen and twenty-one and have not  
27 graduated from high school.

28 (2) Eligible students shall be notified of their eligibility for  
29 the Washington college bound scholarship program beginning in their  
30 seventh grade year. Students shall also be notified of the  
31 requirements for award of the scholarship.

32 (3)(a) To be eligible for a Washington college bound scholarship,  
33 a student eligible under subsection (1)(a) of this section must sign  
34 a pledge during seventh or eighth grade that includes a commitment to  
35 graduate from high school with at least a C average and with no  
36 felony convictions. The pledge must be witnessed by a parent or  
37 guardian and forwarded to the office of student financial assistance  
38 by mail or electronically, as indicated on the pledge form.

1 (b) A student eligible under subsection (1)(b) of this section  
2 shall be automatically enrolled, with no action necessary by the  
3 student or the student's family, and the enrollment form must be  
4 forwarded by the department of social and health services to the  
5 higher education coordinating board or its successor by mail or  
6 electronically, as indicated on the form.

7 (4)(a) Scholarships shall be awarded to eligible students  
8 graduating from public high schools, approved private high schools  
9 under chapter 28A.195 RCW, or who received home-based instruction  
10 under chapter 28A.200 RCW.

11 (b)(i) To receive the Washington college bound scholarship, a  
12 student must graduate with at least a "C" average from a public high  
13 school or an approved private high school under chapter 28A.195 RCW  
14 in Washington or have received home-based instruction under chapter  
15 28A.200 RCW, must have no felony convictions, and must be a resident  
16 student as defined in RCW 28B.15.012(2) (a) through (d).

17 (ii) For a student who does not meet the "C" average requirement,  
18 and who completes fewer than two quarters in the running start  
19 program, under chapter 28A.600 RCW, the student's first quarter of  
20 running start course grades must be excluded from the student's  
21 overall grade point average for purposes of determining their  
22 eligibility to receive the scholarship.

23 (5) A student's family income will be assessed upon graduation  
24 before awarding the scholarship.

25 (6) If at graduation from high school the student's family income  
26 does not exceed sixty-five percent of the state median family income,  
27 scholarship award amounts shall be as provided in this section.

28 (a) For students attending two or four-year institutions of  
29 higher education as defined in RCW 28B.10.016, the value of the award  
30 shall be (i) the difference between the student's tuition and  
31 required fees, less the value of any state-funded grant, scholarship,  
32 or waiver assistance the student receives; (ii) plus five hundred  
33 dollars for books and materials.

34 (b) For students attending private four-year institutions of  
35 higher education in Washington, the award amount shall be the  
36 representative average of awards granted to students in public  
37 research universities in Washington or the representative average of  
38 awards granted to students in public research universities in  
39 Washington in the 2014-15 academic year, whichever is greater.

1 (c) For students attending private vocational schools in  
2 Washington, the award amount shall be the representative average of  
3 awards granted to students in public community and technical colleges  
4 in Washington or the representative average of awards granted to  
5 students in public community and technical colleges in Washington in  
6 the 2014-15 academic year, whichever is greater.

7 (7) Recipients may receive no more than four full-time years'  
8 worth of scholarship awards.

9 (8) Institutions of higher education shall award the student all  
10 need-based and merit-based financial aid for which the student would  
11 otherwise qualify. The Washington college bound scholarship is  
12 intended to replace unmet need, loans, and, at the student's option,  
13 work-study award before any other grants or scholarships are reduced.

14 (9) The first scholarships shall be awarded to students  
15 graduating in 2012.

16 (10) The state of Washington retains legal ownership of tuition  
17 units awarded as scholarships under this chapter until the tuition  
18 units are redeemed. These tuition units shall remain separately held  
19 from any tuition units owned under chapter 28B.95 RCW by a Washington  
20 college bound scholarship recipient.

21 (11) The scholarship award must be used within five years of  
22 receipt. Any unused scholarship tuition units revert to the  
23 Washington college bound scholarship account.

24 (12) Should the recipient terminate his or her enrollment for any  
25 reason during the academic year, the unused portion of the  
26 scholarship tuition units shall revert to the Washington college  
27 bound scholarship account.

28 NEW SECTION. Sec. 9. The legislature intends to make college  
29 more affordable for students and families through the implementation  
30 of this act. As a result, the legislature expects that resident  
31 undergraduate students are able to complete their major course of  
32 study in a timely manner. The education data center established in  
33 RCW 43.41.400 shall provide a statistical analysis and report of the  
34 time to degree completion for each undergraduate major course of  
35 study for each four-year institution of higher education as defined  
36 in RCW 28B.10.016 and the state board for community and technical  
37 colleges. The report shall include as many years as possible to  
38 compare the results over time. The report shall be provided to the

1 appropriate committees of the legislature no later than December 1,  
2 2015.

3 NEW SECTION. **Sec. 10.** The Washington state institute for public  
4 policy shall conduct a study on alternative resident undergraduate  
5 tuition growth factors such as median wage, average wage, median  
6 household income, consumer price index, student affordability  
7 metrics, and others. The analysis should indicate how tuition is  
8 likely to change under each metric over an extended period of time.  
9 The report should also consider the relative ease of calculating or  
10 obtaining the metric for budget development purposes. The legislature  
11 intends to use this analysis to evaluate the median wage metric used  
12 in this act on an ongoing basis. The institute shall report its  
13 findings to the relevant committees of the legislature by December 1,  
14 2015.

15 NEW SECTION. **Sec. 11.** (1) By December 1, 2016, the committee on  
16 advanced tuition payment defined in RCW 28B.95.020 shall review and  
17 report to the legislative fiscal and higher education committees on:

18 (a) The impact of decreasing tuition rates on the funded status  
19 and future unit price of the Washington advanced college tuition  
20 payment program;

21 (b) The feasibility and different options of establishing a  
22 college savings program as described in RCW 28B.95.150;

23 (c) A list of potential alternatives and impacts for changing the  
24 advanced college tuition payment distribution policy from tuition and  
25 fees to a cost of attendance metric; and

26 (d) A list of potential alternatives and impacts for whether the  
27 state penalty for withdrawal should be changed.

28 (2) This section expires January 1, 2017.

29 NEW SECTION. **Sec. 12.** The following acts or parts of acts are  
30 each repealed:

31 (1) RCW 28B.15.068 (Tuition fees increase limitations—State  
32 funding goals—Reports—"Global challenge states"—Notification of  
33 availability of American opportunity tax credit) and 2012 c 229 s  
34 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10  
35 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and



1 (2) RCW 28B.15.102 (Institutional tuition increases—Financial aid  
2 offset—Reports—Resident first-year undergraduate enrollment at the  
3 University of Washington, Seattle campus) and 2014 c 162 s 1, 2013 c  
4 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

5 NEW SECTION. **Sec. 13.** This act may be known and cited as the  
6 college affordability program."

**ESSB 5954 - S AMD 506**

By Senators Braun, Bailey, Frockt, Kohl-Welles

**ADOPTED 6/29/2015**

7 On page 1, line 1 of the title, after "tuition;" strike the  
8 remainder of the title and insert "amending RCW 28B.15.031,  
9 28B.15.066, 28B.15.067, 28B.15.069, 28B.95.020, 28B.95.030, and  
10 28B.118.010; adding a new section to chapter 28B.92 RCW; creating new  
11 sections; repealing RCW 28B.15.068 and 28B.15.102; and providing an  
12 expiration date."

EFFECT: In the 2015-16 academic year, reduces tuition for all public institutions of higher education by 5% from the 2014-15 academic year operating fee levels.

In the 2016-17 academic year, reduces tuition for the research institutions by 15%, the regional schools by 20%, and the CTCs by 5% from the 2014-15 academic year operating fee levels.

Eliminates tuition reductions as a percent of the state average wage.

For FY 2018 and beyond, tuition growth is tied to the median wage long-term growth. Median wage is published by the federal Bureau of Labor Statistics.

Specifies that only the tuition backfill is adjusted by inflation and not the 2013-2015 appropriation plus the tuition backfill.

Adds intent language to the State Need Grant section that by reducing cost of tuition the legislature is better able to buy down the wait list.

Holds the State Need Grant and the College Bound Scholarship program scholarship awards for students attending private institutions at the same level as the awards in the 2014-15 academic year.

Specifies that the GET governing body shall set the payout value for units redeemed only during the 2015-16 and 2016-17 academic years at \$117.82 per unit.

Adds a requirement for the Education Data Research Center to provide a statistical analysis and report on the time it takes students to complete their degrees by major by school

Requires WSIPP to conduct a study on alternative tuition growth factors, in addition to the median wage, such as median household income, for the legislature to determine its preferred metric moving forward.

Requires the GET committee to review the following: The impact of reducing tuition on the funded status of GET and future unit prices; the feasibility of establishing a college savings program (traditional 529 plan); alternatives to linking GET to tuition and fees and linking GET to a cost of attendance metric; and the current state penalty for nonqualified withdrawals.

--- END ---