

CERTIFICATION OF ENROLLMENT

SECOND ENGROSSED SUBSTITUTE SENATE BILL 5954

64th Legislature
2015 3rd Special Session

Passed by the Senate June 29, 2015
Yeas 48 Nays 0

President of the Senate

Passed by the House June 30, 2015
Yeas 98 Nays 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND ENGROSSED SUBSTITUTE SENATE BILL 5954** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SECOND ENGROSSED SUBSTITUTE SENATE BILL 5954

Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

By Senate Ways & Means (originally sponsored by Senators Braun, Bailey, Hill, Becker, Fain, Miloscia, Parlette, Angel, Schoesler, Brown, Litzow, Warnick, Honeyford, Sheldon, Rivers, Roach, and Benton)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to reducing tuition; amending RCW 28B.15.031,
2 28B.15.066, 28B.15.067, 28B.15.069, 28B.95.020, 28B.95.030, and
3 28B.118.010; adding a new section to chapter 28B.92 RCW; creating new
4 sections; repealing RCW 28B.15.068 and 28B.15.102; and providing an
5 expiration date.

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

7 **Sec. 1.** RCW 28B.15.031 and 2012 c 230 s 6 are each amended to
8 read as follows:

9 (1) The term "operating fees" as used in this chapter shall
10 include the fees, other than building fees, charged all students
11 registering at the state's colleges and universities but shall not
12 include fees for short courses, self-supporting degree credit
13 programs and courses, marine station work, experimental station work,
14 correspondence or extension courses, and individual instruction and
15 student deposits or rentals, disciplinary and library fines, which
16 colleges and universities shall have the right to impose, laboratory,
17 gymnasium, health, technology and student activity fees, or fees,
18 charges, rentals, and other income derived from any or all revenue
19 producing lands, buildings and facilities of the colleges or
20 universities heretofore or hereafter acquired, constructed or
21 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
4 established by any college or university board of trustees or regents
5 from time to time. All moneys received as operating fees at any
6 institution of higher education shall be deposited in a local account
7 containing only operating fees revenue and related interest:
8 PROVIDED, That (~~a minimum of five percent of operating fees shall be~~
9 ~~retained by the four-year institutions of higher education that~~
10 ~~increase tuition for resident undergraduate students above assumed~~
11 ~~tuition increases in the omnibus appropriations act,~~) a minimum of
12 four percent of operating fees shall be retained by four-year
13 institutions of higher education (~~that do not increase tuition for~~
14 ~~resident undergraduates above assumed increases in the omnibus~~
15 ~~appropriations act,~~) and a minimum of three and one-half percent of
16 operating fees shall be retained by the community and technical
17 colleges for the purposes of RCW 28B.15.820. At least thirty percent
18 of operating fees required to be retained by the four-year
19 institutions for purposes of RCW 28B.15.820 shall be used only for
20 the purposes of RCW 28B.15.820(10).

21 (2) In addition to the three and one-half percent of operating
22 fees retained by the institutions under subsection (1) of this
23 section, up to three percent of operating fees charged to students at
24 community and technical colleges shall be transferred to the
25 community and technical college innovation account for the
26 implementation of the college board's strategic technology plan in
27 RCW 28B.50.515. The percentage to be transferred to the community and
28 technical college innovation account shall be determined by the
29 college board each year but shall not exceed three percent of the
30 operating fees collected each year.

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

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

36 (~~It is the intent of the legislature that:~~
37 ~~In making appropriations from the state's general fund to~~
38 ~~institutions of higher education, each appropriation shall conform to~~
39 ~~the following:~~

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

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

9 ~~(3) The general fund state appropriation shall not be reduced by~~
10 ~~the amount of operating fees revenue collected as a result of waiving~~
11 ~~less operating fees revenue than the amounts authorized under RCW~~
12 ~~28B.15.910. State general fund appropriations shall not be provided~~
13 ~~for revenue foregone as a result of or for waivers granted under RCW~~
14 ~~28B.15.915-.)~~ (1) Beginning with the 2015-2017 omnibus appropriations
15 act, the legislature shall appropriate to the state board for
16 community and technical colleges and to each of the four-year
17 institutions of higher education an amount that is at least equal to
18 the total state funds appropriated in the 2013-2015 biennium and the
19 net revenue loss from resident undergraduate tuition operating fees
20 based on budgeted full-time equivalent enrollment received for the
21 2015-2017 fiscal biennium under RCW 28B.15.067 (3) and (6). The net
22 revenue loss shall be adjusted for inflation in subsequent biennia.

23 (2) As used in this section and RCW 28B.15.069, "inflation" shall
24 be based on the consumer price index, using the official current
25 base, compiled by the bureau of labor statistics, United States
26 department of labor for the state of Washington. If the bureau of
27 labor statistics develops more than one consumer price index for
28 areas within the state, the index covering the greatest number of
29 people and covering areas exclusively within the boundaries of the
30 state shall be used.

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

33 (1) Tuition fees shall be established under the provisions of
34 this chapter.

35 (2) Beginning in the 2011-12 academic year and through the
36 2014-15 academic year, reductions or increases in full-time tuition
37 fees shall be as provided in the omnibus appropriations act for
38 resident undergraduate students at community and technical colleges.

1 (3)(a) In the 2015-16 and 2016-17 academic years, tuition
2 operating fees for resident undergraduates at community and technical
3 colleges excluding applied baccalaureate degrees as defined in RCW
4 28B.50.030, shall be five percent less than the 2014-15 academic year
5 tuition operating fee.

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

13 (4) The governing boards of the state universities, regional
14 universities, and The Evergreen State College; and the state board
15 for community and technical colleges may reduce or increase full-time
16 tuition fees for all students other than resident undergraduates,
17 including nonresident students, summer school students, and students
18 in other self-supporting degree programs. Percentage increases in
19 full-time tuition may exceed the fiscal growth factor. Except during
20 the 2013-2015 fiscal biennium, the state board for community and
21 technical colleges may pilot or institute differential tuition
22 models. The board may define scale, scope, and rationale for the
23 models.

24 (~~(3)~~) (5)(a) Beginning with the 2011-12 academic year and
25 through the end of the 2014-15 academic year, the governing boards of
26 the state universities, the regional universities, and The Evergreen
27 State College may reduce or increase full-time tuition fees for all
28 students, including summer school students and students in other
29 self-supporting degree programs. Percentage increases in full-time
30 tuition fees may exceed the fiscal growth factor. Reductions or
31 increases may be made for all or portions of an institution's
32 programs, campuses, courses, or students; however, during the
33 2013-2015 fiscal biennium, reductions or increases in tuition must be
34 uniform among resident undergraduate students.

35 (b) Prior to reducing or increasing tuition for each academic
36 year, the governing boards of the state universities, the regional
37 universities, and The Evergreen State College shall consult with
38 existing student associations or organizations with student
39 undergraduate and graduate representatives regarding the impacts of
40 potential tuition increases. Each governing board shall make public

1 its proposal for tuition and fee increases twenty-one days before the
2 governing board of the institution considers adoption and allow
3 opportunity for public comment. However, the requirement to make
4 public a proposal for tuition and fee increases twenty-one days
5 before the governing board considers adoption shall not apply if the
6 omnibus appropriations act has not passed the legislature by May
7 15th. Governing boards shall be required to provide data regarding
8 the percentage of students receiving financial aid, the sources of
9 aid, and the percentage of total costs of attendance paid for by aid.

10 (c) Prior to reducing or increasing tuition for each academic
11 year, the state board for community and technical college system
12 shall consult with existing student associations or organizations
13 with undergraduate student representation regarding the impacts of
14 potential tuition increases. The state board for community and
15 technical colleges shall provide data regarding the percentage of
16 students receiving financial aid, the sources of aid, and the
17 percentage of total costs of attendance paid for by aid.

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

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

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

32 ~~(c) If state funding is increased so that combined with resident
33 undergraduate tuition the sixtieth percentile of the total per-
34 student funding at similar public institutions of higher education in
35 the global challenge states under RCW 28B.15.068 is exceeded, the
36 governing board shall decrease tuition by the amount needed for the
37 total per student funding to be at the sixtieth percentile under RCW
38 28B.15.068; and~~

39 ~~(d) The amount of tuition set by the governing board for an
40 institution under this subsection (4) may not exceed the sixtieth~~

1 ~~percentile of the resident undergraduate tuition of similar public~~
2 ~~institutions of higher education in the global challenge states.~~

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

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

10 (i) State universities shall be fifteen percent less than the
11 2014-15 academic year tuition operating fee; and

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

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

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

25 ~~((6))~~ (8) The tuition fees established under this chapter shall
26 not apply to eligible students enrolling in a dropout reengagement
27 program through an interlocal agreement between a school district and
28 a community or technical college under RCW 28A.175.100 through
29 28A.175.110.

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

34 ~~(8))~~ (9) The legislative advisory committee to the committee on
35 advanced tuition payment established in RCW 28B.95.170 shall:

36 (a) Review the impact of differential tuition rates on the funded
37 status and future unit price of the Washington advanced college
38 tuition payment program; and

39 (b) No later than January 14, 2013, make a recommendation to the
40 appropriate policy and fiscal committees of the legislature regarding

1 how differential tuition should be addressed in order to maintain the
2 ongoing solvency of the Washington advanced college tuition payment
3 program.

4 (10) As a result of any changes in tuition under section 3,
5 chapter . . . , Laws of 2015 3rd sp. sess. (this section), the
6 governing boards of the state universities, the regional
7 universities, and The Evergreen State College shall not reduce
8 resident undergraduate enrollment below the 2014-15 academic year
9 levels.

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

12 Beginning with the 2015-2017 omnibus appropriations act and each
13 biennium thereafter, reductions in tuition levels resulting from
14 section 3, chapter . . . , Laws of 2015 3rd sp. sess. (section 3 of
15 this act) will allow the legislature to reduce state need grant
16 appropriations by an equal amount from the 2013-2015 fiscal biennium
17 amounts. The legislature does not intend to reduce award levels for
18 private colleges and universities below the 2014-15 academic year
19 levels.

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

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

25 (1) The building fee for each academic year shall be a percentage
26 of total tuition fees. This percentage shall be calculated by the
27 office of financial management and be based on the actual percentage
28 the building fee is of total tuition for each tuition category in the
29 1994-95 academic year, rounded up to the nearest half percent. After
30 the effective date of this section, the dollar value of the building
31 fee shall not be reduced below the level in the 2014-15 academic year
32 adjusted for inflation. As used in this subsection, "inflation" has
33 the meaning in RCW 28B.15.066(2).

34 (2) The governing boards of each institution of higher
35 education((~~r~~)) shall charge to and collect from each student a
36 services and activities fee. A governing board may increase the
37 existing fee annually, consistent with budgeting procedures set forth
38 in RCW 28B.15.045, by a percentage not to exceed the annual

1 percentage increase in student tuition fees for resident
2 undergraduate students: PROVIDED, That such percentage increase shall
3 not apply to that portion of the services and activities fee
4 previously committed to the repayment of bonded debt. These rate
5 adjustments may exceed the fiscal growth factor. For the 2013-2015
6 fiscal biennium, each governing board is authorized to increase the
7 services and activities fees by amounts judged reasonable and
8 necessary by the services and activities fee committee and the
9 governing board consistent with the budgeting procedures set forth in
10 RCW 28B.15.045. The services and activities fee committee provided
11 for in RCW 28B.15.045 may initiate a request to the governing board
12 for a fee increase.

13 (3) Tuition and services and activities fees consistent with
14 subsection (2) of this section shall be set by the state board for
15 community and technical colleges for community and technical college
16 summer school students unless the college charges fees in accordance
17 with RCW 28B.15.515.

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

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

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

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

34 (1) "Academic year" means the regular nine-month, three-quarter,
35 or two-semester period annually occurring between August 1st and July
36 31st.

37 (2) "Account" means the Washington advanced college tuition
38 payment program account established for the deposit of all money
39 received by the office from eligible purchasers and interest earnings

1 on investments of funds in the account, as well as for all
2 expenditures on behalf of eligible beneficiaries for the redemption
3 of tuition units and for the development of any authorized college
4 savings program pursuant to RCW 28B.95.150.

5 (3) "Committee on advanced tuition payment" or "committee" means
6 a committee of the following members: The state treasurer, the
7 director of the office of financial management, the director of the
8 office, or their designees, and two members to be appointed by the
9 governor, one representing program participants and one private
10 business representative with marketing, public relations, or
11 financial expertise.

12 (4) "Contractual obligation" means a legally binding contract of
13 the state with the purchaser and the beneficiary establishing that
14 purchases of tuition units will be worth the same number of tuition
15 units at the time of redemption as they were worth at the time of the
16 purchase, except as provided in RCW 28B.95.030(7).

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

20 (6) "Eligible beneficiary" means the person for whom the tuition
21 unit will be redeemed for attendance at an institution of higher
22 education, participation in college in the high school under RCW
23 28A.600.290, or participation in running start under RCW 28A.600.310.
24 The beneficiary is that person named by the purchaser at the time
25 that a tuition unit contract is accepted by the governing body.
26 Qualified organizations, as allowed under section 529 of the federal
27 internal revenue code, purchasing tuition unit contracts as future
28 scholarships need not designate a beneficiary at the time of
29 purchase.

30 (7) "Eligible purchaser" means an individual or organization that
31 has entered into a tuition unit contract with the governing body for
32 the purchase of tuition units for an eligible beneficiary. The state
33 of Washington may be an eligible purchaser for purposes of purchasing
34 tuition units to be held for granting Washington college bound
35 scholarships.

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

1 (9) "Governing body" means the committee empowered by the
2 legislature to administer the Washington advanced college tuition
3 payment program.

4 (10) "Institution of higher education" means an institution that
5 offers education beyond the secondary level and is recognized by the
6 internal revenue service under chapter 529 of the internal revenue
7 code.

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

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

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

14 (14) "Tuition and fees" means undergraduate tuition and services
15 and activities fees as defined in RCW 28B.15.020 and 28B.15.041
16 rounded to the nearest whole dollar. For purposes of this chapter,
17 services and activities fees do not include fees charged for the
18 payment of bonds heretofore or hereafter issued for, or other
19 indebtedness incurred to pay, all or part of the cost of acquiring,
20 constructing, or installing any lands, buildings, or facilities.

21 (15) "Tuition unit contract" means a contract between an eligible
22 purchaser and the governing body, or a successor agency appointed for
23 administration of this chapter, for the purchase of tuition units for
24 a specified beneficiary that may be redeemed at a later date for an
25 equal number of tuition units, except as provided in RCW
26 28B.95.030(7).

27 (16) "Unit purchase price" means the minimum cost to purchase one
28 tuition unit for an eligible beneficiary. Generally, the minimum
29 purchase price is one percent of the undergraduate tuition and fees
30 for the current year, rounded to the nearest whole dollar, adjusted
31 for the costs of administration and adjusted to ensure the actuarial
32 soundness of the account. The analysis for price setting shall also
33 include, but not be limited to consideration of past and projected
34 patterns of tuition increases, program liability, past and projected
35 investment returns, and the need for a prudent stabilization reserve.

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

38 (1) The Washington advanced college tuition payment program shall
39 be administered by the committee on advanced tuition payment which

1 shall be chaired by the director of the office. The committee shall
2 be supported by staff of the office.

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

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, except as provided in subsection
12 (7) of this section.

13 (c) The number of tuition units necessary to pay for a full
14 year's, full-time undergraduate tuition and fee charges at a state
15 institution of higher education shall be set by the governing body at
16 the time a purchaser enters into a tuition unit contract, except as
17 provided in subsection (7) of this section.

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

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

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

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

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

39 (4) The governing body shall determine the conditions under which
40 the tuition benefit may be transferred to another family member. In

1 permitting such transfers, the governing body may not allow the
2 tuition benefit to be bought, sold, bartered, or otherwise exchanged
3 for goods and services by either the beneficiary or the purchaser.

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

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

14 (7) For the 2015-16 and 2016-17 academic years only, the
15 governing body shall set the payout value for units redeemed during
16 that academic year only at one hundred seventeen dollars and eighty-
17 two cents per unit. For academic years after the 2016-17 academic
18 year, the governing body shall make program adjustments it deems
19 necessary and appropriate to ensure that the total payout value of
20 each account on the effective date of this section is not decreased
21 or diluted as a result of the initial application of any changes in
22 tuition under section 3, chapter . . ., Laws of 2015 3rd sp. sess.
23 (section 3 of this act). In the event the committee or governing body
24 provides additional units under chapter . . ., Laws of 2015 3rd sp.
25 sess. (this act), the committee and governing body shall also
26 increase the maximum number of units that can be redeemed in any year
27 to mitigate the reduction in available account value during any year
28 as a result of chapter . . ., Laws of 2015 3rd sp. sess. (this act).
29 The governing body must notify holders of tuition units after the
30 adjustment in this subsection is made and must include a statement
31 concerning the adjustment.

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

34 ((+8)) (9) In addition to any other powers conferred by this
35 chapter, the governing body may:

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

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

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

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

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

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

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

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

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

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

21 (k) Contract with financial consultants, actuaries, auditors, and
22 other consultants as necessary to carry out its responsibilities
23 under this chapter;

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

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

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

30 The office of student financial assistance shall design the
31 Washington college bound scholarship program in accordance with this
32 section and in alignment with the state need grant program in chapter
33 28B.92 RCW unless otherwise provided in this section.

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

35 (a) Qualify for free or reduced-price lunches. If a student
36 qualifies in the seventh grade, the student remains eligible even if
37 the student does not receive free or reduced-price lunches
38 thereafter; or

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

1 (i) In grade seven through twelve; or

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

4 (2) Eligible students shall be notified of their eligibility for
5 the Washington college bound scholarship program beginning in their
6 seventh grade year. Students shall also be notified of the
7 requirements for award of the scholarship.

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

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

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

25 (b)(i) To receive the Washington college bound scholarship, a
26 student must graduate with at least a "C" average from a public high
27 school or an approved private high school under chapter 28A.195 RCW
28 in Washington or have received home-based instruction under chapter
29 28A.200 RCW, must have no felony convictions, and must be a resident
30 student as defined in RCW 28B.15.012(2) (a) through (d).

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

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

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

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

10 (b) For students attending private four-year institutions of
11 higher education in Washington, the award amount shall be the
12 representative average of awards granted to students in public
13 research universities in Washington or the representative average of
14 awards granted to students in public research universities in
15 Washington in the 2014-15 academic year, whichever is greater.

16 (c) For students attending private vocational schools in
17 Washington, the award amount shall be the representative average of
18 awards granted to students in public community and technical colleges
19 in Washington or the representative average of awards granted to
20 students in public community and technical colleges in Washington in
21 the 2014-15 academic year, whichever is greater.

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

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

29 (9) The first scholarships shall be awarded to students
30 graduating in 2012.

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

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

39 (12) Should the recipient terminate his or her enrollment for any
40 reason during the academic year, the unused portion of the

1 scholarship tuition units shall revert to the Washington college
2 bound scholarship account.

3 NEW SECTION. **Sec. 9.** The legislature intends to make college
4 more affordable for students and families through the implementation
5 of this act. As a result, the legislature expects that resident
6 undergraduate students are able to complete their major course of
7 study in a timely manner. The education data center established in
8 RCW 43.41.400 shall provide a statistical analysis and report of the
9 time to degree completion for each undergraduate major course of
10 study for each four-year institution of higher education as defined
11 in RCW 28B.10.016 and the state board for community and technical
12 colleges. The report shall include as many years as possible to
13 compare the results over time. The report shall be provided to the
14 appropriate committees of the legislature no later than December 1,
15 2015.

16 NEW SECTION. **Sec. 10.** The Washington state institute for public
17 policy shall conduct a study on alternative resident undergraduate
18 tuition growth factors such as median wage, average wage, median
19 household income, consumer price index, student affordability
20 metrics, and others. The analysis should indicate how tuition is
21 likely to change under each metric over an extended period of time.
22 The report should also consider the relative ease of calculating or
23 obtaining the metric for budget development purposes. The legislature
24 intends to use this analysis to evaluate the median wage metric used
25 in this act on an ongoing basis. The institute shall report its
26 findings to the relevant committees of the legislature by December 1,
27 2015.

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

31 (a) The impact of decreasing tuition rates on the funded status
32 and future unit price of the Washington advanced college tuition
33 payment program;

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

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

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

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

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

9 (1) RCW 28B.15.068 (Tuition fees increase limitations—State
10 funding goals—Reports—"Global challenge states"—Notification of
11 availability of American opportunity tax credit) and 2012 c 229 s
12 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10
13 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and

14 (2) RCW 28B.15.102 (Institutional tuition increases—Financial aid
15 offset—Reports—Resident first-year undergraduate enrollment at the
16 University of Washington, Seattle campus) and 2014 c 162 s 1, 2013 c
17 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

18 NEW SECTION. **Sec. 13.** This act may be known and cited as the
19 college affordability program.

--- END ---