
HOUSE BILL 1138

State of Washington 54th Legislature 1995 Regular Session

By Representatives Jacobsen, Carlson and Mastin

Read first time 01/16/95. Referred to Committee on Higher Education.

1 AN ACT Relating to higher education; amending RCW 43.88.150,
2 43.88.110, 28B.15.013, 28B.15.067, 28B.15.076, 28B.15.556, 28B.15.740,
3 and 28B.80.330; reenacting and amending RCW 28B.15.031, 28B.15.202,
4 28B.15.402, and 28B.15.820; adding new sections to chapter 28B.10 RCW;
5 adding new sections to chapter 28B.15 RCW; adding a new section to
6 chapter 28B.80 RCW; adding new chapters to Title 28B RCW; and repealing
7 RCW 28B.15.065.

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

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

11 The higher education goals of the state of Washington include the
12 following, and any implementation of these goals is subject to
13 available funds:

14 (1) By the year 2004, Washington's system of higher education and
15 work force training will be among the five best in the country in
16 providing access and programs of the highest quality to the residents
17 of the state of Washington;

18 (2) By the year 2004, the level of state general fund
19 appropriations per student attending state universities, regional

1 universities, The Evergreen State College, and the community and
2 technical colleges will equal or exceed the ninetieth percentile of
3 state appropriations for students attending each institution's peers.
4 Any increased funding required to meet the goal may be phased over six
5 years, beginning in the 1997-1999 biennial budget;

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

12 (4) Beginning with the 1997-1999 biennium, the legislature intends,
13 each biennium, to appropriate to each state university, regional
14 university, and The Evergreen State College, the same amount of state
15 general fund dollars appropriated the previous biennium, adjusted for
16 inflation, one-time costs, and other policy initiatives adopted by the
17 legislature. Most new enrollments will be reserved for resident
18 students;

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

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

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

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

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

1 (1) For those agencies that make expenditures from both
2 appropriated and nonappropriated funds for the same purpose, the
3 governor shall direct such agencies to charge their expenditures in
4 such ratio, as between appropriated and nonappropriated funds, as will
5 conserve appropriated funds. This subsection does not apply to
6 institutions of higher education as defined in RCW 28B.10.016.

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

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

17 **Sec. 3.** RCW 43.88.110 and 1994 c 219 s 5 are each amended to read
18 as follows:

19 This section sets forth the expenditure programs and the allotment
20 and reserve procedures to be followed by the executive branch for
21 public funds.

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

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

29 (3) Within forty-five days after the beginning of the fiscal period
30 or within forty-five days after the governor signs the omnibus biennial
31 appropriations act, whichever is later, all agencies shall submit to
32 the governor a statement of proposed expenditures at such times and in
33 such form as may be required by the governor.

34 (4) Except as provided in subsection (11) of this section, the
35 office of financial management shall develop a method for monitoring
36 capital appropriations and expenditures that will capture at least the
37 following elements:

- 1 (a) Appropriations made for capital projects including
- 2 transportation projects;
- 3 (b) Estimates of total project costs including past, current,
- 4 ensuing, and future biennial costs;
- 5 (c) Comparisons of actual costs to estimated costs;
- 6 (d) Comparisons of estimated construction start and completion
- 7 dates with actual dates;
- 8 (e) Documentation of fund shifts between projects.

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

12 (5) The office of financial management, prior to approving
13 allotments for major capital construction projects valued over five
14 million dollars, shall institute procedures for reviewing such projects
15 at the predesign stage that will reduce long-term costs and increase
16 facility efficiency. The procedures shall include, but not be limited
17 to, the following elements:

- 18 (a) Evaluation of facility program requirements and consistency
- 19 with long-range plans;
- 20 (b) Utilization of a system of cost, quality, and performance
- 21 standards to compare major capital construction projects; and
- 22 (c) A requirement to incorporate value-engineering analysis and
- 23 constructability review into the project schedule.

24 (6) No expenditure may be incurred or obligation entered into for
25 such major capital construction projects including, without exception,
26 land acquisition, site development, predesign, design, construction,
27 and equipment acquisition and installation, until the allotment of the
28 funds to be expended has been approved by the office of financial
29 management. This limitation does not prohibit the continuation of
30 expenditures and obligations into the succeeding biennium for projects
31 for which allotments have been approved in the immediate prior
32 biennium.

33 (7) If at any time during the fiscal period the governor projects
34 a cash deficit in a particular fund or account as defined by RCW
35 43.88.050, the governor shall make across-the-board reductions in
36 allotments for that particular fund or account so as to prevent a cash
37 deficit, unless the legislature has directed the liquidation of the
38 cash deficit over one or more fiscal periods. Except for the
39 legislative and judicial branches and other agencies headed by elective

1 officials, the governor shall review the statement of proposed
2 operating expenditures for reasonableness and conformance with
3 legislative intent. Once the governor approves the statements of
4 proposed operating expenditures, further revisions shall be made only
5 at the beginning of the second fiscal year and must be initiated by the
6 governor. However, changes in appropriation level authorized by the
7 legislature, changes required by across-the-board reductions mandated
8 by the governor, changes caused by executive increases to spending
9 authority, and changes caused by executive decreases to spending
10 authority for failure to comply with the provisions of chapter 36.70A
11 RCW may require additional revisions. Revisions shall not be made
12 retroactively. Revisions caused by executive increases to spending
13 authority shall not be made after June 30, 1987. However, the governor
14 may assign to a reserve status any portion of an agency appropriation
15 withheld as part of across-the-board reductions made by the governor
16 and any portion of an agency appropriation conditioned on a contingent
17 event by the appropriations act. The governor may remove these amounts
18 from reserve status if the across-the-board reductions are subsequently
19 modified or if the contingent event occurs. The director of financial
20 management shall enter approved statements of proposed expenditures
21 into the state budgeting, accounting, and reporting system within
22 forty-five days after receipt of the proposed statements from the
23 agencies. If an agency or the director of financial management is
24 unable to meet these requirements, the director of financial management
25 shall provide a timely explanation in writing to the legislative fiscal
26 committees.

27 (8) Except as provided in subsection (11) of this section, it is
28 expressly provided that all agencies shall be required to maintain
29 accounting records and to report thereon in the manner prescribed in
30 this chapter and under the regulations issued pursuant to this chapter.
31 Within ninety days of the end of the fiscal year, all agencies shall
32 submit to the director of financial management their final adjustments
33 to close their books for the fiscal year. Prior to submitting fiscal
34 data, written or oral, to committees of the legislature, it is the
35 responsibility of the agency submitting the data to reconcile it with
36 the budget and accounting data reported by the agency to the director
37 of financial management.

38 (9) Except as provided in subsection (11) of this section, the
39 director of financial management shall monitor agency operating

1 expenditures against the approved statement of proposed expenditures
2 and shall provide the legislature with quarterly explanations of major
3 variances.

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

12 (11) In consultation with four-year institutions of higher
13 education, the higher education coordinating board, and the house of
14 representatives and senate fiscal committees, the director of financial
15 management shall develop and implement a simplified allotment and
16 reporting procedure for the state universities, regional universities,
17 and The Evergreen State College. The procedure may exempt the four-
18 year institutions of higher education from allotment controls required
19 for public funds.

20 **Sec. 4.** RCW 28B.15.013 and 1989 c 175 s 79 are each amended to
21 read as follows:

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

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

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

32 (b) A person does not lose a domicile in the state of Washington by
33 reason of residency in any state or country while a member or the
34 spouse or dependent of a member of the civil or military service of
35 this state or of the United States, nor while engaged in the navigation
36 of the waters of this state or of the United States or of the high seas
37 if that person returns to the state of Washington within one year of
38 discharge from said service with the intent to be domiciled in the

1 state of Washington; any resident dependent student who remains in this
2 state when such student's parents, having theretofore been domiciled in
3 this state for a period of one year immediately prior to the time of
4 commencement of the first day of the semester or quarter for which the
5 student has registered at any institution, remove from this state,
6 shall be entitled to continued classification as a resident student so
7 long as such student's attendance (except summer sessions) at an
8 institution in this state is continuous.

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

15 (a) Registration or payment of Washington taxes or fees on a motor
16 vehicle, mobile home, travel trailer, boat, or any other item of
17 personal property owned or used by the person for which state
18 registration or the payment of a state tax or fee is required will be
19 a factor in considering evidence of the establishment of a Washington
20 domicile.

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

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

25 (4) After a student has registered at an institution such student's
26 classification shall remain unchanged in the absence of satisfactory
27 evidence to the contrary. A student wishing to apply for a change in
28 classification shall reduce such evidence to writing and file it with
29 the institution. In any case involving an application for a change
30 from nonresident to resident status, the burden of proof shall rest
31 with the applicant. Any change in classification, either nonresident
32 to resident, or the reverse, shall be based upon written evidence
33 maintained in the files of the institution and, if approved, shall take
34 effect the semester or quarter such evidence was filed with the
35 institution: PROVIDED, That applications for a change in
36 classification shall be accepted up to the thirtieth calendar day
37 following the first day of instruction of the quarter or semester for
38 which application is made.

1 **Sec. 5.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s
2 201 are each reenacted and amended to read as follows:

3 The term "operating fees" as used in this chapter shall include the
4 fees, other than building fees, charged all students registering at the
5 state's colleges and universities but shall not include fees for short
6 courses, self-supporting degree credit programs and courses, marine
7 station work, experimental station work, correspondence or extension
8 courses, and individual instruction and student deposits or rentals,
9 disciplinary and library fines, which colleges and universities shall
10 have the right to impose, laboratory, gymnasium, health, and student
11 activity fees, or fees, charges, rentals, and other income derived from
12 any or all revenue producing lands, buildings and facilities of the
13 colleges or universities heretofore or hereafter acquired, constructed
14 or installed, including but not limited to income from rooms,
15 dormitories, dining rooms, hospitals, infirmaries, housing or student
16 activity buildings, vehicular parking facilities, land, or the
17 appurtenances thereon, or such other special fees as may be established
18 by any college or university board of trustees or regents from time to
19 time. Program fees at the state universities, regional universities,
20 and The Evergreen State College are not included in operating fees.
21 All moneys received as operating fees at any institution of higher
22 education shall be deposited in a local account containing only
23 operating fees revenue and related interest: PROVIDED, That except as
24 provided in section 11 of this act, two and one-half percent of
25 operating fees shall be retained by the institutions, except the
26 technical colleges, for the purposes of RCW 28B.15.820. Local
27 operating fee accounts shall not be subject to appropriation by the
28 legislature or allotment procedures under chapter 43.88 RCW.

29 **Sec. 6.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to read
30 as follows:

31 (1) Tuition fees shall be established and adjusted annually under
32 the provisions of this chapter beginning with the 1987-88 academic
33 year. If an institution of higher education exercises its authority
34 under section 11 of this act, such fees ((shall be identical, subject
35 to other provisions of this chapter, for students enrolled at either
36 state university, for students enrolled at the regional universities
37 and The Evergreen State College and for students enrolled at any
38 community college)) may vary by term, by institution, and by campus for

1 students enrolled at state universities, regional universities, and The
2 Evergreen State College. Such fees shall be identical for students
3 enrolled at any community college. Except as provided in section 11 of
4 this act, tuition fees shall reflect the undergraduate and graduate
5 educational costs of the state universities, the regional universities
6 and the community colleges, respectively, in the amounts prescribed in
7 this chapter.

8 (2) The tuition fees established under this chapter shall not apply
9 to high school students enrolling in community colleges under RCW
10 28A.600.300 through 28A.600.395.

11 NEW SECTION. Sec. 7. A new section is added to chapter 28B.15 RCW
12 to read as follows:

13 The governing boards of the state universities, regional
14 universities, and The Evergreen State College may charge program fees.
15 The fees may vary by program, by student category, and by campus.
16 These fees shall not be included in tuition fees.

17 **Sec. 8.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to read
18 as follows:

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

27 **Sec. 9.** RCW 28B.15.202 and 1993 sp.s. c 18 s 8 and 1993 c 379 s
28 202 are each reenacted and amended to read as follows:

29 Except as provided in section 11 of this act, tuition fees and
30 maximum services and activities fees at the University of Washington
31 and at Washington State University for other than the summer term shall
32 be as follows:

33 (1) For full time resident undergraduate students and all other
34 full time resident students not in graduate study programs or enrolled
35 in programs leading to the degrees of doctor of medicine, doctor of
36 dental surgery, and doctor of veterinary medicine, the total tuition

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

13 (2) For full time resident graduate and law students not enrolled
14 in programs leading to the degrees of doctor of medicine, doctor of
15 dental surgery, and doctor of veterinary medicine, the total tuition
16 fees for the 1993-94 academic year shall be twenty-five and two-tenths
17 percent and thereafter total tuition fees shall be twenty-eight and
18 four-tenths percent of the per student graduate educational costs at
19 the state universities computed as provided in RCW 28B.15.067 and
20 28B.15.070: PROVIDED, That the building fees for each academic year
21 shall be one hundred and twenty dollars. Beginning with the 1995-96
22 academic year, the building fee for each academic year shall ((be))
23 equal or exceed a percentage of total tuition fees(~~(. This)~~), with the
24 percentage (~~(shall be)~~) calculated by the higher education coordinating
25 board (~~(and be)~~) based on the actual percentage the building fee is of
26 total tuition in the 1994-95 academic year, rounded up to the nearest
27 half percent.

28 (3) For full time resident students enrolled in programs leading to
29 the degrees of doctor of medicine, doctor of dental surgery, and doctor
30 of veterinary medicine, the total tuition fees shall be one hundred
31 sixty-seven percent of such fees charged in subsection (2) of this
32 section: PROVIDED, That the building fees for each academic year shall
33 be three hundred and forty-two dollars. Beginning with the 1995-96
34 academic year, the building fee for each academic year shall ((be))
35 equal or exceed a percentage of total tuition fees(~~(. This)~~), with the
36 percentage (~~(shall be)~~) calculated by the higher education coordinating
37 board (~~(and be)~~) based on the actual percentage the building fee is of
38 total tuition in the 1994-95 academic year, rounded up to the nearest
39 half percent.

1 (4) For full time nonresident undergraduate students and such other
2 full time nonresident students not in graduate study programs or
3 enrolled in programs leading to the degrees of doctor of medicine,
4 doctor of dental surgery, or doctor of veterinary medicine, the total
5 tuition fees for the 1993-94 academic year shall be one hundred nine
6 and three-tenths percent and thereafter total tuition fees shall be one
7 hundred twenty-two and nine-tenths percent of the per student
8 undergraduate educational costs at the state universities computed as
9 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
10 fees for each academic year shall be three hundred and fifty-four
11 dollars. Beginning with the 1995-96 academic year, the building fee
12 for each academic year shall ~~((be))~~ equal or exceed a percentage of
13 total tuition fees~~((.—This))~~, with the percentage ~~((shall be))~~
14 calculated by the higher education coordinating board ~~((and be))~~ based
15 on the actual percentage the building fee is of total tuition in the
16 1994-95 academic year, rounded up to the nearest half percent.

17 (5) For full time nonresident graduate and law students not
18 enrolled in programs leading to the degrees of doctor of medicine,
19 doctor of dental surgery, and doctor of veterinary medicine, the total
20 tuition fees for the 1993-94 academic year shall be sixty-five and six-
21 tenths percent and thereafter total tuition fees shall be seventy-three
22 and six-tenths percent of the per student graduate educational costs at
23 the state universities computed as provided in RCW 28B.15.067 and
24 28B.15.070: PROVIDED, That the building fees for each academic year
25 shall be three hundred and fifty-four dollars. Beginning with the
26 1995-96 academic year, the building fee for each academic year shall
27 ~~((be))~~ equal or exceed a percentage of total tuition fees~~((.—This))~~,
28 with the percentage ~~((shall be))~~ calculated by the higher education
29 coordinating board ~~((and be))~~ based on the actual percentage the
30 building fee is of total tuition in the 1994-95 academic year, rounded
31 up to the nearest half percent.

32 (6) For full time nonresident students enrolled in programs leading
33 to the degrees of doctor of medicine, doctor of dental surgery, and
34 doctor of veterinary medicine, the total tuition fees shall be one
35 hundred sixty-seven percent of such fees charged in subsection (5) of
36 this section: PROVIDED, That the building fees for each academic year
37 shall be five hundred and fifty-five dollars. Beginning with the 1995-
38 96 academic year, the building fee for each academic year shall ~~((be))~~
39 equal or exceed a percentage of total tuition fees~~((.—This))~~, with the

1 percentage (~~shall be~~) calculated by the higher education coordinating
2 board (~~and be~~) based on the actual percentage the building fee is of
3 total tuition in the 1994-95 academic year, rounded up to the nearest
4 half percent.

5 (7) The governing boards of the state universities shall charge to
6 and collect from each student, a services and activities fee. The
7 governing board may increase the existing fee annually, consistent with
8 budgeting procedures set forth in RCW 28B.15.045, by a percentage not
9 to exceed the annual percentage increase in resident undergraduate
10 tuition fees: PROVIDED, That such percentage increase shall not apply
11 to that portion of the services and activities fee previously committed
12 to the repayment of bonded debt. For the 1993-94 academic year,
13 services and activities fees shall not exceed two hundred forty-three
14 dollars per student. For the 1994-95 academic year, services and
15 activities fees shall not exceed two hundred forty-nine dollars per
16 student. The services and activities fee committee provided for in RCW
17 28B.15.045 may initiate a request to the governing board for a fee
18 increase.

19 **Sec. 10.** RCW 28B.15.402 and 1993 sp.s. c 18 s 11 and 1993 c 379 s
20 203 are each reenacted and amended to read as follows:

21 Except as provided in section 11 of this act, tuition fees and
22 maximum services and activities fees at the regional universities and
23 The Evergreen State College for other than the summer term shall be as
24 follows:

25 (1) For full time resident undergraduate students and all other
26 full time resident students not in graduate study programs, the total
27 tuition fees for the 1993-94 academic year shall be twenty-seven and
28 seven-tenths percent and thereafter total tuition fees shall be thirty-
29 one and five-tenths percent of the per student undergraduate
30 educational costs at the regional universities computed as provided in
31 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
32 each academic year shall be seventy-six dollars and fifty cents.
33 Beginning with the 1995-96 academic year, the building fee for each
34 academic year shall (~~be~~) equal or exceed a percentage of total
35 tuition fees (~~(. This)~~), with the percentage (~~shall be~~) calculated by
36 the higher education coordinating board (~~and be~~) based on the actual
37 percentage the building fee is of total tuition in the 1994-95 academic
38 year, rounded up to the nearest half percent.

1 (2) For full time resident graduate students, the total tuition
2 fees for the 1993-94 academic year shall be twenty-five and three-
3 tenths percent and thereafter total tuition fees shall be twenty-eight
4 and six-tenths percent of the per student graduate educational costs at
5 the regional universities computed as provided in RCW 28B.15.067 and
6 28B.15.070: PROVIDED, That the building fees for each academic year
7 shall be seventy-six dollars and fifty cents. Beginning with the 1995-
8 96 academic year, the building fee for each academic year shall ((be))
9 equal or exceed a percentage of total tuition fees(~~(.---This)~~), with the
10 percentage (~~((shall be))~~) calculated by the higher education coordinating
11 board (~~((and be))~~) based on the actual percentage the building fee is of
12 total tuition in the 1994-95 academic year, rounded up to the nearest
13 half percent.

14 (3) For full time nonresident undergraduate students and all other
15 full time nonresident students not in graduate study programs, the
16 total tuition fees for the 1993-94 academic year shall be one hundred
17 nine and four-tenths percent and thereafter total tuition fees shall be
18 one hundred twenty-three percent of the per student undergraduate
19 educational costs at the regional universities computed as provided in
20 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
21 each academic year shall be two hundred and ninety-five dollars and
22 fifty cents. Beginning with the 1995-96 academic year, the building
23 fee for each academic year shall ((be)) equal or exceed a percentage of
24 total tuition fees(~~(.---This)~~), with the percentage (~~((shall be))~~)
25 calculated by the higher education coordinating board (~~((and be))~~) based
26 on the actual percentage the building fee is of total tuition in the
27 1994-95 academic year, rounded up to the nearest half percent.

28 (4) For full time nonresident graduate students, the total tuition
29 fees for the 1993-94 academic year shall be eighty-two percent and
30 thereafter total tuition fees shall be ninety-two percent of the per
31 student graduate educational costs at the regional universities
32 computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That
33 the building fees for each academic year shall be two hundred and
34 ninety-five dollars and fifty cents. Beginning with the 1995-96
35 academic year, the building fee for each academic year shall ((be))
36 equal or exceed a percentage of total tuition fees(~~(.---This)~~), with the
37 percentage (~~((shall be))~~) calculated by the higher education coordinating
38 board (~~((and be))~~) based on the actual percentage the building fee is of

1 total tuition in the 1994-95 academic year, rounded up to the nearest
2 half percent.

3 (5) The governing boards of each of the regional universities and
4 The Evergreen State College shall charge to and collect from each
5 student, a services and activities fee. The governing board may
6 increase the existing fee annually, consistent with budgeting
7 procedures set forth in RCW 28B.15.045, by a percentage not to exceed
8 the annual percentage increase in resident undergraduate tuition fees:
9 PROVIDED, That such percentage increase shall not apply to that portion
10 of the services and activities fee previously committed to the
11 repayment of bonded debt. For the 1993-94 academic year, services and
12 activities fees shall not exceed two hundred (~~eight-four~~ [eighty-
13 ~~four~~]) eighty-four dollars per student. For the 1994-95 academic
14 year, services and activities fees shall not exceed two hundred ninety
15 dollars per student. The services and activities fee committee
16 provided for in RCW 28B.15.045 may initiate a request to the governing
17 board for a fee increase.

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

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

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

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

29 (a) During the 1997-98 academic year, the sixty-fifth percentile;

30 (b) During the 1998-99 academic year, the seventieth percentile;

31 (c) During the 1999-2000 academic year, the seventy-fifth
32 percentile;

33 (d) During the 2000-01 academic year, the eightieth percentile;

34 (e) During the 2001-02 academic year, the eighty-fifth percentile;

35 and

36 (f) During the 2002-03 academic year and thereafter, the ninetieth
37 percentile;

1 (3) In any academic year, the total revenue collected from tuition
2 fees and program fees, when added to state appropriations, shall not
3 exceed the combined state appropriation and tuition and fee revenues
4 for that institution's peers at the percentiles described in subsection
5 (2) of this section. Further, in any academic year, tuition fees for
6 any student category as specified in RCW 28B.15.202 and 28B.15.402
7 shall not be increased by governing boards more than ten percent above
8 the levels charged to students in that category during the previous
9 academic year;

10 (4) Institutions of higher education shall provide notice of
11 changes in tuition at least sixty days before the term in which the
12 tuition change is to occur; and

13 (5) If a governing board increases tuition fees under the authority
14 granted to it under this section, at least five percent of all revenue
15 collected from tuition fees shall be used for the purposes of RCW
16 28B.15.820.

17 **Sec. 12.** RCW 28B.15.556 and 1993 sp.s. c 18 s 21 are each amended
18 to read as follows:

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

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

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

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

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

36 (2) The waiver programs under this section, to the greatest extent
37 possible, shall promote reciprocal placements and waivers in foreign
38 nations for Washington residents. The number of waivers awarded by

1 each institution shall not exceed the number of that institution's own
2 students enrolled in approved study programs abroad during the same
3 period.

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

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

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

28 (2) (~~In addition to the tuition and fee waivers provided in~~
29 ~~subsection (1) of this section and~~) The governing boards of the state
30 universities, regional universities, and The Evergreen State College
31 may waive all or a portion of tuition and fees for needy students who
32 are eligible for resident tuition and fee rates pursuant to RCW
33 28B.15.012 and 28B.15.013, or for any other student, except on the
34 basis of intercollegiate athletics.

35 (3) Subject to the provisions of RCW 28B.15.455 and 28B.15.460, a
36 total dollar amount of tuition and fee waivers awarded by any state
37 university, regional university, or state college under this chapter,
38 not to exceed one percent, as calculated in subsection (1) of this

1 section, may be used for the purpose of achieving or maintaining gender
2 equity in intercollegiate athletic programs. At any institution that
3 has an underrepresented gender class in intercollegiate athletics, any
4 such waivers shall be awarded:

5 (a) First, to members of the underrepresented gender class who
6 participate in intercollegiate athletics, where such waivers result in
7 saved or displaced money that can be used for athletic programs for the
8 underrepresented gender class. Such saved or displaced money shall be
9 used for programs for the underrepresented gender class; and

10 (b) Second, (i) to nonmembers of the underrepresented gender class
11 who participate in intercollegiate athletics, where such waivers result
12 in saved or displaced money that can be used for athletic programs for
13 members of the underrepresented gender class. Such saved or displaced
14 money shall be used for programs for the underrepresented gender class;
15 or (ii) to members of the underrepresented gender class who participate
16 in intercollegiate athletics, where such waivers do not result in any
17 saved or displaced money that can be used for athletic programs for
18 members of the underrepresented gender class.

19 **Sec. 14.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are
20 each reenacted and amended to read as follows:

21 (1) Each (~~institution of higher education, except technical~~
22 ~~colleges,~~) community college shall deposit two and one-half percent of
23 revenues collected from tuition and services and activities fees in an
24 institutional financial aid fund that is hereby created and which shall
25 be held locally. Each state university, regional university, and The
26 Evergreen State College shall deposit a minimum of two and one-half
27 percent of revenue collected from tuition and services and activities
28 fees into the fund. Any institution that exercises the authority
29 granted in section 11 of this act shall deposit a minimum of five
30 percent of revenue collected from tuition and services and activities
31 fees into the fund. Moneys in the fund shall be used only for the
32 following purposes: (a) To make guaranteed long-term loans to eligible
33 students as provided in subsections (3) through (8) of this section;
34 (b) to make short-term loans as provided in subsection (9) of this
35 section; or (c) to provide financial aid to needy students as provided
36 in subsection (10) of this section.

37 (2) An "eligible student" for the purposes of subsections (3)
38 through (8) and (10) of this section is a student registered for at

1 least six credit hours or the equivalent, who is eligible for resident
2 tuition and fee rates as defined in RCW 28B.15.012 through 28B.15.013,
3 and who is a "needy student" as defined in RCW 28B.10.802.

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

13 (4) Before approving a guaranteed long-term loan, each institution
14 shall analyze the ability of the student to repay the loan based on
15 factors which include, but are not limited to, the student's
16 accumulated total education loan burdens and the employment
17 opportunities and average starting salary characteristics of the
18 student's chosen fields of study. The institution shall counsel the
19 student on the advisability of acquiring additional debt, and on the
20 availability of other forms of financial aid.

21 (5) Each institution is responsible for collection of guaranteed
22 long-term loans made under this section and shall exercise due
23 diligence in such collection, maintaining all necessary records to
24 insure that maximum repayments are made. Institutions shall cooperate
25 with other lenders and the Washington student loan guaranty
26 association, or its successor agency, in the coordinated collection of
27 guaranteed loans, and shall assure that the guarantability of the loans
28 is not violated. Collection and servicing of guaranteed long-term
29 loans under this section shall be performed by entities approved for
30 such servicing by the Washington student loan guaranty association or
31 its successor agency: PROVIDED, That institutions be permitted to
32 perform such servicing if specifically recognized to do so by the
33 Washington student loan guaranty association or its successor agency.
34 Collection and servicing of guaranteed long-term loans made by
35 community colleges under subsection (1) of this section shall be
36 coordinated by the state board for community and technical colleges and
37 shall be conducted under procedures adopted by the state board.

38 (6) Receipts from payment of interest or principal or any other
39 subsidies to which institutions as lenders are entitled, that are paid

1 by or on behalf of borrowers of funds under subsections (3) through (8)
2 of this section, shall be deposited in each institution's financial aid
3 fund and shall be used to cover the costs of making the guaranteed
4 long-term loans under this section and maintaining necessary records
5 and making collections under subsection (5) of this section: PROVIDED,
6 That such costs shall not exceed five percent of aggregate outstanding
7 loan principal. Institutions shall maintain accurate records of such
8 costs, and all receipts beyond those necessary to pay such costs, shall
9 be deposited in the institution's financial aid fund.

10 (7) The governing boards of the state universities, the regional
11 universities, and The Evergreen State College, and the state board for
12 community and technical colleges, on behalf of the community colleges,
13 shall each adopt necessary rules and regulations to implement this
14 section.

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

20 (9) Short-term low or no-interest loans, not to exceed one year,
21 may be made from the institutional financial aid fund to students
22 enrolled in the institution. No such loan shall be made to any student
23 who is known by the institution to be in default or delinquent in the
24 payment of any outstanding student loan. A short-term loan may be made
25 only if the institution has ample evidence that the student has the
26 capability of repaying the loan within the time frame specified by the
27 institution for repayment.

28 (10) Any moneys deposited in the institutional financial aid fund
29 that are not used in making long-term or short-term loans may be used
30 by the institution for locally-administered financial aid programs for
31 needy students, such as need-based institutional employment programs or
32 need-based tuition and fee scholarship or grant programs. These funds
33 shall be used in addition to and not to replace institutional funds
34 that would otherwise support these locally-administered financial aid
35 programs. First priority in the use of these funds shall be given to
36 needy students who have accumulated excessive educational loan burdens.
37 An excessive educational loan burden is a burden that will be difficult
38 to repay given employment opportunities and average starting salaries
39 in the student's chosen fields of study. Second priority in the use of

1 these funds shall be given to needy single parents, to assist these
2 students with their educational expenses, including expenses associated
3 with child care and transportation.

4 **Sec. 15.** RCW 28B.80.330 and 1993 c 363 s 6 are each amended to
5 read as follows:

6 The board shall perform the following planning duties in
7 consultation with the four-year institutions, the community and
8 technical college system, and when appropriate the work force training
9 and education coordinating board, the superintendent of public
10 instruction, and the independent higher educational institutions:

11 (1) Develop and establish role and mission statements and a set of
12 peer institutions for each of the four-year institutions and for the
13 community and technical college system. In adopting or revising a set
14 of peer institutions, the board shall consult with institutions of
15 higher education, the office of financial management, and the house of
16 representatives and senate higher education and fiscal committees;

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

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

21 (a) Assessments of the state's higher education needs. These
22 assessments may include, but are not limited to: The basic and
23 continuing needs of various age groups; business and industrial needs
24 for a skilled work force; analyses of demographic, social, and economic
25 trends; consideration of the changing ethnic composition of the
26 population and the special needs arising from such trends; college
27 attendance, retention, and dropout rates, and the needs of recent high
28 school graduates and placebound adults. The board should consider the
29 needs of residents of all geographic regions, but its initial
30 priorities should be applied to heavily populated areas underserved by
31 public institutions;

32 (b) Recommendations on enrollment and other policies and actions to
33 meet those needs;

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

36 The initial plan shall be submitted to the governor and the
37 legislature by December 1, 1987. Comments on the plan from the board's

1 advisory committees and the institutions shall be submitted with the
2 plan.

3 The plan shall be updated every four years, and presented to the
4 governor and the appropriate legislative policy committees. Following
5 public hearings, the legislature shall, by concurrent resolution,
6 approve or recommend changes to the initial plan, and the updates. The
7 plan shall then become state higher education policy unless legislation
8 is enacted to alter the policies set forth in the plan;

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

32 (5) Recommend legislation affecting higher education;

33 (6) Recommend tuition and fees policies and levels based on
34 comparisons with peer institutions;

35 (7) Establish priorities and develop recommendations on financial
36 aid based on comparisons with peer institutions;

37 (8) Prepare recommendations on merging or closing institutions; and

38 (9) Develop criteria for identifying the need for new baccalaureate
39 institutions.

1 NEW SECTION. **Sec. 16.** A new section is added to chapter 28B.80
2 RCW to read as follows:

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

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

9 (b) Only students who are residents of the state of Washington
10 shall receive services pursuant to the contract. As used in this
11 subsection, "residents of the state of Washington" means that the
12 students would be eligible to pay resident tuition rates under RCW
13 28B.15.012 and 28B.15.013 if they were enrolled at state institutions
14 of higher education as defined in RCW 28B.10.016;

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

19 (d) The tuition and fees charged to resident students by the
20 independent institution of higher education for the degree program or
21 instructional program services shall not exceed the rate for resident
22 tuition fees, services and activities fees, and any applicable program
23 fees for comparable programs at institutions of higher education as
24 defined in RCW 28B.10.016, as determined by the higher education
25 coordinating board; and

26 (e) The contract has been approved by the office of the attorney
27 general.

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

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

33 (b) "Independent institution of higher education" means a private,
34 nonprofit educational institution, the main campus of which is
35 permanently situated in the state, that is not pervasively sectarian,
36 that does not restrict entry or employment on the grounds of race,
37 gender, religion, or disability, that provides programs of education
38 beyond high school leading at least to the baccalaureate degree, and
39 that is accredited by the Northwest association of schools and

1 colleges, or by an accrediting association recognized by the higher
2 education coordinating board.

3 NEW SECTION. **Sec. 17.** It is the intent of the legislature to
4 restructure and fully fund the state's system of financial aid,
5 however, funding levels for the state's system of financial aid are
6 subject to available funds. The restructured financial aid system
7 shall be known as college promise.

8 NEW SECTION. **Sec. 18.** (1) The higher education coordinating board
9 shall restructure the state's financial aid programs into a
10 comprehensive and coordinated system of assistance known as college
11 promise. College promise shall expand and modify three existing
12 programs for needy students: The state need grant program under RCW
13 28B.10.790 through 28B.10.824; the state work-study program under
14 chapter 28B.12 RCW; and the educational opportunity grant program under
15 chapter 28B.101 RCW. In addition, college promise may include a
16 demonstration project to assist needy students whose parents did not
17 complete a degree or certificate from an institution of higher
18 education. College promise shall be implemented beginning in the 1998-
19 99 academic year.

20 (2) By January 1, 1998, the higher education coordinating board, in
21 consultation with the house of representatives and senate higher
22 education and fiscal committees, and the institutions of higher
23 education, shall develop a detailed implementation plan for college
24 promise. In preparing the plan, the board shall follow the goals and
25 priorities set forth in sections 19 and 20 of this act. The plan shall
26 include, but not be limited to:

27 (a) Specific program eligibility measures and application
28 procedures for the new populations of state financial aid recipients
29 identified in section 19 of this act;

30 (b) Specific need analysis criteria and asset protection
31 allowances;

32 (c) Estimates of how many state residents, both those who are
33 currently enrolled in a college or university, and those not currently
34 enrolled, would be eligible and would apply for aid under the expanded
35 eligibility criteria identified in section 19 of this act. The
36 estimates, developed in consultation with the office of financial
37 management, the office of the superintendent of public instruction, and

1 other agencies as appropriate, shall take into account state economic
2 and demographic factors and other appropriate information;

3 (d) Estimates of where the new aid applicants identified under (c)
4 of this subsection would choose to enroll by type of institution and
5 level of program; and

6 (e) Estimates of the costs for each state financial aid program,
7 including the state need grant program under RCW 28B.10.790 through
8 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
9 the educational opportunity grant program under chapter 28B.101 RCW to
10 accommodate any new aid applicants estimated under (c) of this
11 subsection, as offset by nonstate sources of aid. Separate cost
12 estimates shall be made for each of the new aid populations identified
13 under section 19 of this act.

14 (3) It is the intent of the legislature that the cost estimates
15 completed under subsection (2) of this section shall be the basis for
16 recommending funding levels for state financial aid programs for the
17 1998-99 academic year and each biennium thereafter.

18 (4) The methodologies used to estimate costs under subsection (2)
19 of this section shall be used for the annual cost estimates required
20 under section 21 of this act.

21 (5) The plan completed under subsection (2) of this section shall
22 be deemed approved on June 30, 1997, unless legislation is enacted to
23 alter the policies set forth in the plan. The board shall also propose
24 to the legislature any changes to the laws governing state financial
25 aid programs that it deems necessary to accomplish the purposes of
26 college promise.

27 NEW SECTION. **Sec. 19.** In restructuring the state's financial aid
28 programs, the higher education coordinating board shall follow these
29 goals:

30 (1) For all need-based financial aid programs under RCW 28B.10.790
31 through 28B.10.824 and chapters 28B.12 and 28B.101 RCW:

32 (a) Through a mix of federal, state, and other resources:

33 (i) Limit the debt of an undergraduate student to no more than one-
34 half of a student's cost of attendance; and

35 (ii) Provide more self-help opportunities than grant aid to middle-
36 income students, and approximately equal amounts of self-help
37 opportunities and grant aid to low-income and lower middle-income
38 students. Self-help opportunities include work-study and loans;

1 (b) In determining eligibility for state financial aid programs,
2 shelter home equity on a family's principal place of residence, and
3 shelter a reasonable portion of savings and farm or business net worth,
4 each insofar as is permissible under state and federal law;

5 (c) Consistent with federal law, simplify the financial aid
6 application process;

7 (d) Strive to preserve a range of educational options for needy
8 students, including choice of institutions and programs;

9 (e) Recognize otherwise unfunded equipment and assistance needed to
10 reasonably accommodate students with disabilities; and

11 (f) Deliver clear and timely information to current and future
12 postsecondary students about the costs of attending college and
13 available financial aid.

14 (2) For the state need grant program under RCW 28B.10.790 through
15 28B.10.824: As funds are available, expand the program to include new
16 populations of resident students in the following priority order,
17 ensuring that undergraduate students with the most demonstrated
18 financial need receive full grants before less needy students receive
19 any grant:

20 (a) Low-income undergraduates;

21 (b) Lower middle-income undergraduates;

22 (c) Middle-income undergraduates; and

23 (d) Resident graduate and professional students, following the
24 income priorities established for undergraduate students.

25 (3) For the state work-study program under chapter 28B.12 RCW:
26 Increase employment opportunities including off-campus job
27 opportunities with off-campus community service employers.

28 (4) For students whose parents did not complete a higher education
29 degree or certificate: Determine the feasibility of providing grants
30 to needy first generation scholars.

31 NEW SECTION. **Sec. 20.** In implementing the goals for expanding
32 financial aid to needy undergraduate students, the board shall be
33 guided by the following matrix. The matrix defines income levels, and
34 for each level, the funding priority, and the assistance mix goal.
35 Income levels shall be adjusted annually for family size and changes in
36 the state's median income. It is the intent of the legislature these
37 goals not impair the ability of financial aid officers to adjust aid
38 packages to meet the needs of students. However, it is the further

1 intent of the legislature that financial aid officers, insofar as
2 possible attempt to implement these goals.

3 Goals for Funding Needy Undergraduate Students

4 Classification:	Low-income	Lower middle-income	Middle-income
5 Family			
6 Income:	0-\$20,864	\$20,865-\$31,296	\$31,297-\$52,160
7 (1991 dollars,			
8 family of four)			
9 Percentage	Fifty percent	Fifty-one to	Seventy-six
10 of State		seventy-five	to one hundred
11 Median		percent	twenty-five
12 Income:			percent
13 Priority for			
14 Receiving			
15 Grants:	First	Second	Third
16 Assistance	One-half	One-half	Up to one-third
17 Mix goal:	grants	grants	grants
18	One-half	One-half	Two-thirds or more
19	work study	work study	work study
20	and loans	and loans	and loans

21 NEW SECTION. **Sec. 21.** By September 30th of each even-numbered
22 year, the higher education coordinating board shall adopt an estimate
23 of the amount of funding, annualized for each fiscal year, that will be
24 needed during the ensuing biennium to fully fund each of the state's
25 student financial aid programs including but not limited to: RCW
26 28B.10.210 through 28B.10.220, 28B.10.790 through 28B.10.824, chapters
27 28B.12, 28B.101, and 28B.102 RCW, and, if funded, the first generation
28 scholars demonstration project. The board shall report its findings to
29 the governor, and the house of representatives and senate fiscal and
30 higher education committees.

31 NEW SECTION. **Sec. 22.** A new section is added to chapter 28B.10
32 RCW to read as follows:

33 In administering the state student financial aid program, also
34 known as the state need grant program, under RCW 28B.10.790 through
35 28B.10.824, the higher education coordinating board shall proceed
36 substantially as follows unless it determines that a modification is
37 required in order to conform with federal law or to improve the
38 administration of the program, consistent with the purposes of this
39 chapter. The higher education coordinating board shall:

1 (1) Define and assist additional populations of needy students as
2 funding becomes available, in the priorities described in section 19 of
3 this act, and using income level classification definitions as
4 described in section 20 of this act;

5 (2) In calculating eligibility for aid, where not otherwise
6 inconsistent with federal or state law, shelter home equity on a
7 family's principal place of residence and shelter a reasonable amount
8 of savings and a reasonable portion of farm or business net worth, in
9 order to equitably evaluate family ability to pay; and

10 (3) To the extent feasible, adjust the student budget of a needy
11 student with disabilities to reflect otherwise unfunded equipment or
12 assistance needed to reasonably accommodate the student in a
13 postsecondary education or training program.

14 NEW SECTION. **Sec. 23.** (1) With the exception of institutions of
15 higher education as defined in RCW 28B.10.016, any institution of
16 postsecondary education that enrolls students receiving state-funded
17 financial aid shall:

18 (a) For Washington residents, match the total amount of the state
19 financial aid grant funds received by all enrolled students at that
20 institution from the state need grant and equal opportunity grant
21 programs, with an equal amount of institutionally raised grant funds
22 from nongovernmental sources; and

23 (b) Enter into new or honor existing transfer agreements with
24 institutions of higher education as defined in RCW 28B.10.016.

25 (2) The higher education coordinating board shall adopt rules to
26 implement these requirements. The rules shall ensure that all
27 institutional matching grant funds go to students who are needy as
28 defined in RCW 28B.10.802(3) and who are residents of the state of
29 Washington. As used in this subsection, "residents of the state of
30 Washington" means that the students would be eligible to pay resident
31 tuition rates under RCW 28B.15.011 through 28B.15.013 if they were
32 enrolled at a state institution of higher education as defined in RCW
33 28B.10.016.

34 NEW SECTION. **Sec. 24.** The higher education coordinating board may
35 design a demonstration project to assist needy first generation college
36 students to obtain either a community or technical college degree or
37 certificate, or a baccalaureate degree. Through the project, a needy

1 student, as defined in RCW 28B.10.802(3), who attends a Washington
2 institution of higher education that is accredited by an accrediting
3 association recognized by the board by rule, and whose parents did not
4 complete a degree or certificate from an institution of higher
5 education, may receive a grant of up to fifteen hundred dollars per
6 year, not to exceed the student's documented need. The grant may be
7 renewable each year, if the student makes satisfactory academic
8 progress. Grants awarded to any one student shall not exceed a
9 cumulative total of nine thousand dollars for an individual pursuing a
10 baccalaureate degree or five thousand dollars for a student pursuing a
11 community or technical college degree or certificate. Before seeking
12 funding for the program, the board shall submit to the governor and the
13 legislature a plan for implementing the project. The plan shall
14 include a provision for verification of student eligibility to
15 participate in the demonstration project.

16 NEW SECTION. **Sec. 25.** RCW 28B.15.065 and 1977 ex.s. c 322 s 6 are
17 each repealed.

18 NEW SECTION. **Sec. 26.** Unless the context clearly requires
19 otherwise, the definitions in this section apply throughout this
20 section and sections 27 and 28 of this act.

21 (1) "Eligible student" means an enlisted member or an officer of
22 the rank of captain or below in the Washington national guard who is a
23 resident student as defined in RCW 28B.15.012 and 28B.15.013, who
24 attends an institution of higher education that is located in this
25 state and accredited by the Northwest Association of Schools and
26 Colleges, and who meets any additional selection criteria adopted by
27 the office.

28 (2) "Conditional scholarship" means a loan that is forgiven in
29 whole or in part if the recipient renders service as a member of the
30 Washington national guard under rules adopted by the office.

31 (3) "Forgiven" or "to forgive" or "forgiveness" means either to
32 render service in the Washington national guard in lieu of monetary
33 repayment, or to be relieved of the service obligation under rules
34 adopted by the office.

35 (4) "Office" means the office of the adjutant general of the state
36 military department.

1 (5) "Participant" means an eligible student who has received a
2 conditional scholarship under this chapter.

3 (6) "Service obligation" means serving in the Washington national
4 guard for one additional year for each year of conditional scholarship
5 received under this program.

6 NEW SECTION. **Sec. 27.** The Washington state national guard
7 conditional scholarship program is established. The program shall be
8 administered by the office. In administering the program, the powers
9 and duties of the office shall include, but need not be limited to:

10 (1) The selection of eligible students to receive conditional
11 scholarships;

12 (2) The award of conditional scholarships funded exclusively by
13 federal funds, private donations, or repayments from any participant
14 who does not complete the participant's service obligation. State
15 general fund money shall not be used for conditional scholarships. The
16 annual amount of each conditional scholarship may vary, but shall not
17 exceed the annual cost of undergraduate tuition fees and services and
18 activities fees at the University of Washington, plus an allowance for
19 books and supplies;

20 (3) The adoption of necessary rules and guidelines;

21 (4) The adoption of participant selection criteria. The criteria
22 may include but need not be limited to requirements for: Satisfactory
23 progress, minimum grade point averages, enrollment in courses or
24 programs that lead to a baccalaureate degree or an associate degree or
25 a certificate, and satisfactory participation as a member of the
26 Washington national guard;

27 (5) The notification of participants of their additional service
28 obligation or required repayment of the conditional scholarship; and

29 (6) The collection of repayments from participants who do not meet
30 the eligibility criteria or service obligations.

31 NEW SECTION. **Sec. 28.** (1) Participants in the conditional
32 scholarship program incur an obligation to repay the conditional
33 scholarship, with interest, unless they serve in the Washington
34 national guard for one additional year for each year of conditional
35 scholarship received, under rules adopted by the office.

36 (2) The entire principal and interest of each yearly repayment
37 shall be forgiven for each additional year in which a participant

1 serves in the Washington national guard, under rules adopted by the
2 office.

3 (3) If a participant elects to repay the conditional scholarship,
4 the period of repayment shall be four years, with payments accruing
5 quarterly commencing nine months from the date that the participant
6 leaves the Washington national guard or withdraws from the institution
7 of higher education, whichever comes first. The interest rate on the
8 repayments shall be eight percent per year. Provisions for deferral
9 and forgiveness shall be determined by the office.

10 (4) The office is responsible for collection of repayments made
11 under this section. The office shall exercise due diligence in such
12 collection, maintaining all necessary records to ensure that maximum
13 repayments are made. Collection and servicing of repayments under this
14 section shall be pursued using the full extent of law, including wage
15 garnishment if necessary. The office is responsible to forgive all or
16 parts of such repayments under the criteria established in this
17 section, and shall maintain all necessary records of forgiven payments.
18 The office may contract with the higher education coordinating board
19 for collection of repayments under this section.

20 (5) Receipts from the payment of principal or interest paid by or
21 on behalf of participants shall be deposited with the office and shall
22 be used to cover the costs of granting the conditional scholarships,
23 maintaining necessary records, and making collections under subsection
24 (4) of this section. The office shall maintain accurate records of
25 these costs, and all receipts beyond those necessary to pay such costs
26 shall be used to grant conditional scholarships to eligible students.

27 NEW SECTION. **Sec. 29.** Sections 17 through 21, 23, and 24 of this
28 act shall constitute a new chapter in Title 28B RCW.

29 NEW SECTION. **Sec. 30.** Sections 26 through 28 of this act shall
30 constitute a new chapter in Title 28B RCW.

31 NEW SECTION. **Sec. 31.** If any provision of this act or its
32 application to any person or circumstance is held invalid, the
33 remainder of the act or the application of the provision to other
34 persons or circumstances is not affected.

--- END ---