
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2605

State of Washington

53rd Legislature

1994 Regular Session

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

Read first time 02/08/94.

1 AN ACT Relating to higher education; amending RCW 43.88.150,
2 41.06.380, 28B.15.013, 28B.15.067, 28B.15.076, 28B.15.556, 28B.15.725,
3 28B.15.740, and 28B.80.330; amending 1989 c 290 s 1 (uncodified);
4 reenacting and amending RCW 43.88.110, 28B.15.031, 28B.15.202,
5 28B.15.402, and 28B.15.820; adding new sections to chapter 28B.10 RCW;
6 adding new sections to chapter 28B.15 RCW; adding a new section to
7 chapter 28B.80 RCW; adding new chapters to Title 28B RCW; and repealing
8 RCW 28B.15.065.

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

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

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

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

1 (2) By the year 2002, the level of state general fund
2 appropriations per student attending state universities, regional
3 universities, The Evergreen State College, and the community and
4 technical colleges will equal or exceed the ninetieth percentile of
5 state appropriations for students attending each institution's peers.
6 Any increased funding required to meet the goal may be phased over six
7 years, beginning in the 1995-1997 biennial budget;

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

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

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

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

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

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

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

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

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

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

19 **Sec. 3.** RCW 41.06.380 and 1979 ex.s. c 46 s 2 are each amended to
20 read as follows:

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

30 **Sec. 4.** RCW 43.88.110 and 1991 sp.s. c 32 s 27 and 1991 c 358 s 2
31 are each reenacted and amended to read as follows:

32 This section sets forth the expenditure programs and the allotment
33 and reserve procedures to be followed by the executive branch for
34 public funds.

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

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

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

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

15 (a) Appropriations made for capital projects including
16 transportation projects;

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

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

20 (d) Comparisons of estimated construction start and completion
21 dates with actual dates;

22 (e) Documentation of fund shifts between projects.

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

26 (5) If at any time during the fiscal period the governor projects
27 a cash deficit in a particular fund or account as defined by RCW
28 43.88.050, the governor shall make across-the-board reductions in
29 allotments for that particular fund or account so as to prevent a cash
30 deficit, unless the legislature has directed the liquidation of the
31 cash deficit over one or more fiscal periods. Except for the
32 legislative and judicial branches and other agencies headed by elective
33 officials, the governor shall review the statement of proposed
34 operating expenditures for reasonableness and conformance with
35 legislative intent. Once the governor approves the statements of
36 proposed operating expenditures, further revisions shall be made only
37 at the beginning of the second fiscal year and must be initiated by the
38 governor. However, changes in appropriation level authorized by the
39 legislature, changes required by across-the-board reductions mandated

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

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

31 (7) Except as provided in subsection (9) of this section, the
32 director of financial management shall monitor agency operating
33 expenditures against the approved statement of proposed expenditures
34 and shall provide the legislature with quarterly explanations of major
35 variances.

36 (8) The director of financial management may exempt certain public
37 funds from the allotment controls established under this chapter if it
38 is not practical or necessary to allot the funds. With the exception
39 of exemptions that may be granted to four-year institutions of higher

1 education, allotment control exemptions expire at the end of the fiscal
2 biennium for which they are granted. The director of financial
3 management shall report any exemptions granted under this subsection to
4 the legislative fiscal committees.

5 (9) In consultation with four-year institutions of higher
6 education, the higher education coordinating board, and the house of
7 representatives and senate fiscal committees, the director of the
8 office of financial management shall develop and implement a simplified
9 allotment and reporting procedure for the state universities, regional
10 universities, and The Evergreen State College. The procedure may
11 exempt the four-year institutions of higher education from allotment
12 controls required for public funds.

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

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

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

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

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

1 long as such student's attendance (except summer sessions) at an
2 institution in this state is continuous.

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

9 (a) Registration or payment of Washington taxes or fees on a motor
10 vehicle, mobile home, travel trailer, boat, or any other item of
11 personal property owned or used by the person for which state
12 registration or the payment of a state tax or fee is required will be
13 a factor in considering evidence of the establishment of a Washington
14 domicile.

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

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

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

33 **Sec. 6.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s
34 201 are each reenacted and amended to read as follows:

35 The term "operating fees" as used in this chapter shall include the
36 fees, other than building fees, charged all students registering at the
37 state's colleges and universities but shall not include fees for short
38 courses, self-supporting degree credit programs and courses, marine

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

23 **Sec. 7.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to read
24 as follows:

25 (1) Tuition fees shall be established and adjusted annually under
26 the provisions of this chapter beginning with the 1987-88 academic
27 year. If an institution of higher education exercises its authority
28 under section 12 of this act, such fees ((shall be identical, subject
29 to other provisions of this chapter, for students enrolled at either
30 state university, for students enrolled at the regional universities
31 and The Evergreen State College and for students enrolled at any
32 community college)) may vary by term, by institution, and by campus for
33 students enrolled at state universities, regional universities, and The
34 Evergreen State College. Such fees shall be identical for students
35 enrolled at any community college. Except as provided in section 12 of
36 this act, tuition fees shall reflect the undergraduate and graduate
37 educational costs of the state universities, the regional universities

1 and the community colleges, respectively, in the amounts prescribed in
2 this chapter.

3 (2) The tuition fees established under this chapter shall not apply
4 to high school students enrolling in community colleges under RCW
5 28A.600.300 through 28A.600.395.

6 NEW SECTION. **Sec. 8.** A new section is added to chapter 28B.15 RCW
7 to read as follows:

8 The governing boards of the state universities, regional
9 universities, and The Evergreen State College may charge program fees.
10 The fees may vary by program, by student category, and by campus.
11 These fees shall not be included in tuition fees.

12 **Sec. 9.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to read
13 as follows:

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

22 **Sec. 10.** RCW 28B.15.202 and 1993 sp.s. c 18 s 8 and 1993 c 379 s
23 202 are each reenacted and amended to read as follows:

24 Except as provided in section 12 of this act, tuition fees and
25 maximum services and activities fees at the University of Washington
26 and at Washington State University for other than the summer term shall
27 be as follows:

28 (1) For full time resident undergraduate students and all other
29 full time resident students not in graduate study programs or enrolled
30 in programs leading to the degrees of doctor of medicine, doctor of
31 dental surgery, and doctor of veterinary medicine, the total tuition
32 fees for the 1993-94 academic year shall be thirty-six and three-tenths
33 percent and thereafter total tuition fees shall be forty-one and one-
34 tenth percent of the per student undergraduate educational costs at the
35 state universities computed as provided in RCW 28B.15.067 and
36 28B.15.070: PROVIDED, That the building fees for each academic year

1 shall be one hundred and twenty dollars. Beginning with the 1995-96
2 academic year, the building fee for each academic year shall ((be))
3 equal or exceed a percentage of total tuition fees(~~(. This)~~), with the
4 percentage (~~(shall be)~~) calculated by the higher education coordinating
5 board (~~(and be)~~) based on the actual percentage the building fee is of
6 total tuition in the 1994-95 academic year, rounded up to the nearest
7 half percent.

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

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

35 (4) For full time nonresident undergraduate students and such other
36 full time nonresident students not in graduate study programs or
37 enrolled in programs leading to the degrees of doctor of medicine,
38 doctor of dental surgery, or doctor of veterinary medicine, the total
39 tuition fees for the 1993-94 academic year shall be one hundred nine

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

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

27 (6) For full time nonresident students enrolled in programs leading
28 to the degrees of doctor of medicine, doctor of dental surgery, and
29 doctor of veterinary medicine, the total tuition fees shall be one
30 hundred sixty-seven percent of such fees charged in subsection (5) of
31 this section: PROVIDED, That the building fees for each academic year
32 shall be five hundred and fifty-five dollars. Beginning with the 1995-
33 96 academic year, the building fee for each academic year shall ~~((be))~~
34 equal or exceed a percentage of total tuition fees ~~((.—This))~~, with the
35 percentage ~~((shall be))~~ calculated by the higher education coordinating
36 board ~~((and be))~~ based on the actual percentage the building fee is of
37 total tuition in the 1994-95 academic year, rounded up to the nearest
38 half percent.

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

15 **Sec. 11.** RCW 28B.15.402 and 1993 sp.s. c 18 s 11 and 1993 c 379 s
16 203 are each reenacted and amended to read as follows:

17 Except as provided in section 12 of this act, tuition fees and
18 maximum services and activities fees at the regional universities and
19 The Evergreen State College for other than the summer term shall be as
20 follows:

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

35 (2) For full time resident graduate students, the total tuition
36 fees for the 1993-94 academic year shall be twenty-five and three-
37 tenths percent and thereafter total tuition fees shall be twenty-eight
38 and six-tenths percent of the per student graduate educational costs at

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

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

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

37 (5) The governing boards of each of the regional universities and
38 The Evergreen State College shall charge to and collect from each
39 student, a services and activities fee. The governing board may

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

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

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

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

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

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

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

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

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

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

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

32 (3) In any academic year, the total revenue collected from tuition
33 fees and program fees, when added to state appropriations, shall not
34 exceed the combined state appropriation and tuition and fee revenues
35 for that institution's peers at the percentiles described in subsection
36 (2) of this section. Further, in any academic year, tuition fees for
37 any student category as specified in RCW 28B.15.202 and 28B.15.402
38 shall not be increased by governing boards more than ten percent above

1 the levels charged to students in that category during the previous
2 academic year;

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

6 (5) If a governing board increases tuition fees under the authority
7 granted to it under this section, at least five percent of all revenue
8 collected from tuition fees shall be used for the purposes of RCW
9 28B.15.820.

10 **Sec. 13.** RCW 28B.15.556 and 1993 sp.s. c 18 s 21 are each amended
11 to read as follows:

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

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

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

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

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

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

35 **Sec. 14.** RCW 28B.15.725 and 1993 sp.s. c 18 s 26 are each amended
36 to read as follows:

1 Subject to the limitations of RCW 28B.15.910, the governing boards
2 of the state universities, the regional universities, and The Evergreen
3 State College may enter into undergraduate (~~upper division~~) student
4 exchange agreements with (~~comparable public four-year~~) institutions
5 of higher education of other states and agree to exempt participating
6 undergraduate (~~upper division~~) students from payment of all or a
7 portion of the nonresident tuition fees differential subject to the
8 following restrictions:

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

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

17 **Sec. 15.** 1989 c 290 s 1 (uncodified) is amended to read as
18 follows:

19 The legislature recognizes that a unique educational experience can
20 result from an undergraduate (~~upper division~~) student attending an
21 out-of-state institution. It also recognizes that some Washington
22 residents may be unable to pursue such out-of-state enrollment owing to
23 their limited financial resources and the higher cost of nonresident
24 tuition. The legislature intends to facilitate expanded nonresident
25 undergraduate (~~upper division~~) enrollment opportunities for residents
26 of the state by authorizing the governing boards of the four-year
27 institutions of higher education to enter into exchange programs with
28 other states' (~~comparable public four-year~~) institutions with
29 comparable programs wherein the participating institutions agree that
30 visiting undergraduate (~~upper division~~) students will pay resident
31 tuition rates of the host institutions.

32 **Sec. 16.** RCW 28B.15.740 and 1993 sp.s. c 18 s 28 are each amended
33 to read as follows:

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

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

19 (2) (~~In addition to the tuition and fee waivers provided in~~
20 ~~subsection (1) of this section and~~) The governing boards of the state
21 universities, regional universities, and The Evergreen State College
22 may waive all or a portion of tuition and fees for needy students who
23 are eligible for resident tuition and fee rates pursuant to RCW
24 28B.15.012 and 28B.15.013, or for any other student, except on the
25 basis of intercollegiate athletics.

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

34 (a) First, to members of the underrepresented gender class who
35 participate in intercollegiate athletics, where such waivers result in
36 saved or displaced money that can be used for athletic programs for the
37 underrepresented gender class. Such saved or displaced money shall be
38 used for programs for the underrepresented gender class; and

1 (b) Second, (i) to nonmembers of the underrepresented gender class
2 who participate in intercollegiate athletics, where such waivers result
3 in saved or displaced money that can be used for athletic programs for
4 members of the underrepresented gender class. Such saved or displaced
5 money shall be used for programs for the underrepresented gender class;
6 or (ii) to members of the underrepresented gender class who participate
7 in intercollegiate athletics, where such waivers do not result in any
8 saved or displaced money that can be used for athletic programs for
9 members of the underrepresented gender class.

10 **Sec. 17.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are
11 each reenacted and amended to read as follows:

12 (1) Each (~~institution of higher education, except technical~~
13 ~~colleges,~~) community college shall deposit two and one-half percent of
14 revenues collected from tuition and services and activities fees in an
15 institutional financial aid fund that is hereby created and which shall
16 be held locally. Each state university, regional university, and The
17 Evergreen State College shall deposit a minimum of two and one-half
18 percent of revenue collected from tuition and services and activities
19 fees into the fund. Any institution that exercises the authority
20 granted in section 12 of this act shall deposit a minimum of five
21 percent of revenue collected from tuition and services and activities
22 fees into the fund. Moneys in the fund shall be used only for the
23 following purposes: (a) To make guaranteed long-term loans to eligible
24 students as provided in subsections (3) through (8) of this section;
25 (b) to make short-term loans as provided in subsection (9) of this
26 section; or (c) to provide financial aid to needy students as provided
27 in subsection (10) of this section.

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

33 (3) The amount of the guaranteed long-term loans made under this
34 section shall not exceed the demonstrated financial need of the
35 student. Each institution shall establish loan terms and conditions
36 which shall be consistent with the terms of the guaranteed loan program
37 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
38 amended. All loans made shall be guaranteed by the Washington student

1 loan guaranty association or its successor agency. Institutions are
2 hereby granted full authority to operate as an eligible lender under
3 the guaranteed loan program.

4 (4) Before approving a guaranteed long-term loan, each institution
5 shall analyze the ability of the student to repay the loan based on
6 factors which include, but are not limited to, the student's
7 accumulated total education loan burdens and the employment
8 opportunities and average starting salary characteristics of the
9 student's chosen fields of study. The institution shall counsel the
10 student on the advisability of acquiring additional debt, and on the
11 availability of other forms of financial aid.

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

29 (6) Receipts from payment of interest or principal or any other
30 subsidies to which institutions as lenders are entitled, that are paid
31 by or on behalf of borrowers of funds under subsections (3) through (8)
32 of this section, shall be deposited in each institution's financial aid
33 fund and shall be used to cover the costs of making the guaranteed
34 long-term loans under this section and maintaining necessary records
35 and making collections under subsection (5) of this section: PROVIDED,
36 That such costs shall not exceed five percent of aggregate outstanding
37 loan principal. Institutions shall maintain accurate records of such
38 costs, and all receipts beyond those necessary to pay such costs, shall
39 be deposited in the institution's financial aid fund.

1 (7) The governing boards of the state universities, the regional
2 universities, and The Evergreen State College, and the state board for
3 community and technical colleges, on behalf of the community colleges,
4 shall each adopt necessary rules and regulations to implement this
5 section.

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

11 (9) Short-term low or no-interest loans, not to exceed one year,
12 may be made from the institutional financial aid fund to students
13 enrolled in the institution. No such loan shall be made to any student
14 who is known by the institution to be in default or delinquent in the
15 payment of any outstanding student loan. A short-term loan may be made
16 only if the institution has ample evidence that the student has the
17 capability of repaying the loan within the time frame specified by the
18 institution for repayment.

19 (10) Any moneys deposited in the institutional financial aid fund
20 that are not used in making long-term or short-term loans may be used
21 by the institution for locally-administered financial aid programs for
22 needy students, such as need-based institutional employment programs or
23 need-based tuition and fee scholarship or grant programs. These funds
24 shall be used in addition to and not to replace institutional funds
25 that would otherwise support these locally-administered financial aid
26 programs. First priority in the use of these funds shall be given to
27 needy students who have accumulated excessive educational loan burdens.
28 An excessive educational loan burden is a burden that will be difficult
29 to repay given employment opportunities and average starting salaries
30 in the student's chosen fields of study. Second priority in the use of
31 these funds shall be given to needy single parents, to assist these
32 students with their educational expenses, including expenses associated
33 with child care and transportation.

34 **Sec. 18.** RCW 28B.80.330 and 1993 c 363 s 6 are each amended to
35 read as follows:

36 The board shall perform the following planning duties in
37 consultation with the four-year institutions, the community and
38 technical college system, and when appropriate the work force training

1 and education coordinating board, the superintendent of public
2 instruction, and the independent higher educational institutions:

3 (1) Develop and establish role and mission statements and a set of
4 peer institutions for each of the four-year institutions and for the
5 community and technical college system. In adopting or revising a set
6 of peer institutions, the board shall consult with institutions of
7 higher education, the office of financial management, and the house of
8 representatives and senate higher education and fiscal committees;

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

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

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

24 (b) Recommendations on enrollment and other policies and actions to
25 meet those needs;

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

28 The initial plan shall be submitted to the governor and the
29 legislature by December 1, 1987. Comments on the plan from the board's
30 advisory committees and the institutions shall be submitted with the
31 plan.

32 The plan shall be updated every four years, and presented to the
33 governor and the appropriate legislative policy committees. Following
34 public hearings, the legislature shall, by concurrent resolution,
35 approve or recommend changes to the initial plan, and the updates. The
36 plan shall then become state higher education policy unless legislation
37 is enacted to alter the policies set forth in the plan;

38 (4) Review, evaluate, and make recommendations on operating and
39 capital budget requests from four-year institutions and the community

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

- 22 (5) Recommend legislation affecting higher education;
23 (6) Recommend tuition and fees policies and levels based on
24 comparisons with peer institutions;
25 (7) Establish priorities and develop recommendations on financial
26 aid based on comparisons with peer institutions;
27 (8) Prepare recommendations on merging or closing institutions; and
28 (9) Develop criteria for identifying the need for new baccalaureate
29 institutions.

30 NEW SECTION. Sec. 19. A new section is added to chapter 28B.80
31 RCW to read as follows:

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

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

1 (b) Only students who are residents of the state of Washington
2 shall receive services pursuant to the contract. As used in this
3 subsection, "residents of the state of Washington" means that the
4 students would be eligible to pay resident tuition rates under RCW
5 28B.15.012 and 28B.15.013 if they were enrolled at state institutions
6 of higher education as defined in RCW 28B.10.016;

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

11 (d) The tuition and fees charged to resident students by the
12 independent institution of higher education for the degree program or
13 instructional program services shall not exceed the rate for resident
14 tuition fees, services and activities fees, and any applicable program
15 fees for comparable programs at institutions of higher education as
16 defined in RCW 28B.10.016, as determined by the higher education
17 coordinating board; and

18 (e) The contract has been approved by the office of the attorney
19 general.

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

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

25 (b) "Independent institution of higher education" means a private,
26 nonprofit educational institution, the main campus of which is
27 permanently situated in the state, that is not pervasively sectarian,
28 that does not restrict entry or employment on the grounds of race,
29 gender, religion, or disability, that provides programs of education
30 beyond high school leading at least to the baccalaureate degree, and
31 that is accredited by the Northwest association of schools and
32 colleges, or by an accrediting association recognized by the higher
33 education coordinating board.

34 NEW SECTION. **Sec. 20.** It is the intent of the legislature to
35 restructure and fully fund the state's system of financial aid,
36 however, funding levels for the state's system of financial aid are
37 subject to available funds. The restructured financial aid system
38 shall be known as college promise.

1 NEW SECTION. **Sec. 21.** (1) The higher education coordinating board
2 shall restructure the state's financial aid programs into a
3 comprehensive and coordinated system of assistance known as college
4 promise. College promise shall expand and modify three existing
5 programs for needy students: The state need grant program under RCW
6 28B.10.790 through 28B.10.824; the state work-study program under
7 chapter 28B.12 RCW; and the educational opportunity grant program under
8 chapter 28B.101 RCW. In addition, college promise may include a
9 demonstration project to assist needy students whose parents did not
10 complete a degree or certificate from an institution of higher
11 education. College promise shall be implemented beginning in the 1996-
12 97 academic year.

13 (2) By January 1, 1995, the higher education coordinating board, in
14 consultation with the house of representatives and senate higher
15 education and fiscal committees, and the institutions of higher
16 education, shall develop a detailed implementation plan for college
17 promise. In preparing the plan, the board shall follow the goals and
18 priorities set forth in sections 22 and 23 of this act. The plan shall
19 include, but not be limited to:

20 (a) Specific program eligibility measures and application
21 procedures for the new populations of state financial aid recipients
22 identified in section 22 of this act;

23 (b) Specific need analysis criteria and asset protection
24 allowances;

25 (c) Estimates of how many state residents, both those who are
26 currently enrolled in a college or university, and those not currently
27 enrolled, would be eligible and would apply for aid under the expanded
28 eligibility criteria identified in section 22 of this act. The
29 estimates, developed in consultation with the office of financial
30 management, the office of the superintendent of public instruction, and
31 other agencies as appropriate, shall take into account state economic
32 and demographic factors and other appropriate information;

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

36 (e) Estimates of the costs for each state financial aid program,
37 including the state need grant program under RCW 28B.10.790 through
38 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
39 the educational opportunity grant program under chapter 28B.101 RCW to

1 accommodate any new aid applicants estimated under (c) of this
2 subsection, as offset by nonstate sources of aid. Separate cost
3 estimates shall be made for each of the new aid populations identified
4 under section 22 of this act.

5 (3) It is the intent of the legislature that the cost estimates
6 completed under subsection (2) of this section shall be the basis for
7 recommending funding levels for state financial aid programs for the
8 1996-97 academic year and each biennium thereafter.

9 (4) The methodologies used to estimate costs under subsection (2)
10 of this section shall be used for the annual cost estimates required
11 under section 24 of this act.

12 (5) The plan completed under subsection (2) of this section shall
13 be deemed approved on June 30, 1995, unless legislation is enacted to
14 alter the policies set forth in the plan. The board shall also propose
15 to the legislature any changes to the laws governing state financial
16 aid programs that it deems necessary to accomplish the purposes of
17 college promise.

18 NEW SECTION. **Sec. 22.** In restructuring the state's financial aid
19 programs, the higher education coordinating board shall follow these
20 goals:

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

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

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

26 (ii) Provide more self-help opportunities than grant aid to middle-
27 income students, and approximately equal amounts of self-help
28 opportunities and grant aid to low-income and lower middle-income
29 students. Self-help opportunities include work-study and loans;

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

34 (c) Consistent with federal law, simplify the financial aid
35 application process;

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

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

3 (f) Deliver clear and timely information to current and future
4 postsecondary students about the costs of attending college and
5 available financial aid.

6 (2) For the state need grant program under RCW 28B.10.790 through
7 28B.10.824: As funds are available, expand the program to include new
8 populations of resident students in the following priority order,
9 ensuring that undergraduate students with the most demonstrated
10 financial need receive full grants before less needy students receive
11 any grant:

12 (a) Low-income undergraduates;

13 (b) Lower middle-income undergraduates;

14 (c) Middle-income undergraduates; and

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

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

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

23 NEW SECTION. **Sec. 23.** In implementing the goals for expanding
24 financial aid to needy undergraduate students, the board shall be
25 guided by the following matrix. The matrix defines income levels, and
26 for each level, the funding priority, and the assistance mix goal.
27 Income levels shall be adjusted annually for family size and changes in
28 the state's median income. It is the intent of the legislature these
29 goals not impair the ability of financial aid officers to adjust aid
30 packages to meet the needs of students. However, it is the further
31 intent of the legislature that financial aid officers, insofar as
32 possible attempt to implement these goals.

33 Goals for Funding Needy Undergraduate Students

34 Classification:	Low-income	Lower middle-income	Middle-income
35 Family			
36 Income:	0-\$20,864	\$20,865-\$31,296	\$31,297-\$52,160
37 (1991 dollars,			
38 family of four)			

1	Percentage	Fifty percent	Fifty-one to	Seventy-six
2	of State		seventy-five	to one hundred
3	Median		percent	twenty-five
4	Income:			percent
5	Priority for			
6	Receiving			
7	Grants:	First	Second	Third
8	Assistance	One-half	One-half	Up to one-third
9	Mix goal:	grants	grants	grants
10		One-half	One-half	Two-thirds or more
11		work study	work study	work study
12		and loans	and loans	and loans

13 NEW SECTION. **Sec. 24.** By September 30th of each even-numbered
14 year, the higher education coordinating board shall adopt an estimate
15 of the amount of funding, annualized for each fiscal year, that will be
16 needed during the ensuing biennium to fully fund each of the state's
17 student financial aid programs including but not limited to: RCW
18 28B.10.210 through 28B.10.220, 28B.10.790 through 28B.10.824, chapters
19 28B.12, 28B.101, and 28B.102 RCW, and, if funded, the first generation
20 scholars demonstration project. The board shall report its findings to
21 the governor, and the house of representatives and senate fiscal and
22 higher education committees.

23 NEW SECTION. **Sec. 25.** A new section is added to chapter 28B.10
24 RCW to read as follows:

25 In administering the state student financial aid program, also
26 known as the state need grant program, under RCW 28B.10.790 through
27 28B.10.824, the higher education coordinating board shall proceed
28 substantially as follows unless it determines that a modification is
29 required in order to conform with federal law or to improve the
30 administration of the program, consistent with the purposes of this
31 chapter. The higher education coordinating board shall:

32 (1) Define and assist additional populations of needy students as
33 funding becomes available, in the priorities described in section 22 of
34 this act, and using income level classification definitions as
35 described in section 23 of this act;

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

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

5 NEW SECTION. **Sec. 26.** (1) With the exception of institutions of
6 higher education as defined in RCW 28B.10.016, any institution of
7 postsecondary education that enrolls students receiving state-funded
8 financial aid shall:

9 (a) For Washington residents, match the total amount of the state
10 financial aid grant funds received by all enrolled students at that
11 institution from the state need grant and equal opportunity grant
12 programs, with an equal amount of institutionally raised grant funds
13 from nongovernmental sources; and

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

16 (2) The higher education coordinating board shall adopt rules to
17 implement these requirements. The rules shall ensure that all
18 institutional matching grant funds go to students who are needy as
19 defined in RCW 28B.10.802(3) and who are residents of the state of
20 Washington. As used in this subsection, "residents of the state of
21 Washington" means that the students would be eligible to pay resident
22 tuition rates under RCW 28B.15.011 through 28B.15.013 if they were
23 enrolled at a state institution of higher education as defined in RCW
24 28B.10.016.

25 NEW SECTION. **Sec. 27.** The higher education coordinating board may
26 design a demonstration project to assist needy first generation college
27 students to obtain either a community or technical college degree or
28 certificate, or a baccalaureate degree. Through the project, a needy
29 student, as defined in RCW 28B.10.802(3), who attends a Washington
30 institution of higher education that is accredited by an accrediting
31 association recognized by the board by rule, and whose parents did not
32 complete a degree or certificate from an institution of higher
33 education, may receive a grant of up to fifteen hundred dollars per
34 year, not to exceed the student's documented need. The grant may be
35 renewable each year, if the student makes satisfactory academic
36 progress. Grants awarded to any one student shall not exceed a
37 cumulative total of nine thousand dollars for an individual pursuing a

1 baccalaureate degree or five thousand dollars for a student pursuing a
2 community or technical college degree or certificate. Before seeking
3 funding for the program, the board shall submit to the governor and the
4 legislature a plan for implementing the project. The plan shall
5 include a provision for verification of student eligibility to
6 participate in the demonstration project.

7 NEW SECTION. **Sec. 28.** RCW 28B.15.065 and 1977 ex.s. c 322 s 6 are
8 each repealed.

9 NEW SECTION. **Sec. 29.** Unless the context clearly requires
10 otherwise, the definitions in this section apply throughout this
11 section and sections 30 and 31 of this act.

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

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

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

26 (4) "Office" means the office of the adjutant general of the state
27 military department.

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

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

33 NEW SECTION. **Sec. 30.** The Washington state national guard
34 conditional scholarship program is established. The program shall be
35 administered by the office. In administering the program, the powers
36 and duties of the office shall include, but need not be limited to:

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

3 (2) The award of conditional scholarships funded exclusively by
4 federal funds, private donations, or repayments from any participant
5 who does not complete the participant's service obligation. State
6 general fund money shall not be used for conditional scholarships. The
7 annual amount of each conditional scholarship may vary, but shall not
8 exceed the annual cost of undergraduate tuition fees and services and
9 activities fees at the University of Washington, plus an allowance for
10 books and supplies;

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

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

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

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

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

27 (2) The entire principal and interest of each yearly repayment
28 shall be forgiven for each additional year in which a participant
29 serves in the Washington national guard, under rules adopted by the
30 office.

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

1 (4) The office is responsible for collection of repayments made
2 under this section. The office shall exercise due diligence in such
3 collection, maintaining all necessary records to ensure that maximum
4 repayments are made. Collection and servicing of repayments under this
5 section shall be pursued using the full extent of law, including wage
6 garnishment if necessary. The office is responsible to forgive all or
7 parts of such repayments under the criteria established in this
8 section, and shall maintain all necessary records of forgiven payments.
9 The office may contract with the higher education coordinating board
10 for collection of repayments under this section.

11 (5) Receipts from the payment of principal or interest paid by or
12 on behalf of participants shall be deposited with the office and shall
13 be used to cover the costs of granting the conditional scholarships,
14 maintaining necessary records, and making collections under subsection
15 (4) of this section. The office shall maintain accurate records of
16 these costs, and all receipts beyond those necessary to pay such costs
17 shall be used to grant conditional scholarships to eligible students.

18 NEW SECTION. **Sec. 32.** Sections 20 through 24, 26, and 27 of this
19 act shall constitute a new chapter in Title 28B RCW.

20 NEW SECTION. **Sec. 33.** Sections 29 through 31 of this act shall
21 constitute a new chapter in Title 28B RCW.

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

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