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SECOND SUBSTITUTE HOUSE BILL 2605

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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 a new section to chapter 41.06 RCW; adding new sections to  
7 chapter 28B.15 RCW; adding a new section to chapter 28B.80 RCW; adding  
8 a new chapter to Title 28B RCW; and repealing RCW 41.06.382 and  
9 28B.15.065.

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

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

13 The higher education goals of the state of Washington include the  
14 following:

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       NEW SECTION. **Sec. 3.** A new section is added to chapter 41.06 RCW  
20 to read as follows:

21       (1) An institution of higher education may purchase services by  
22 contract with individuals, businesses, or nonprofit entities.

23       (2) An institution of higher education's decision to contract out  
24 that results in layoff of one or more employees classified under this  
25 chapter shall be in accordance with the following criteria:

26       (a) The institution of higher education has conducted an analysis  
27 to determine that contracting out will result in:

28       (i) Cost savings; or

29       (ii) Efficiencies; or

30       (iii) Increased revenue in self-sustaining operations.

31       (b) A contract to purchase services shall provide that the  
32 contractor will pay to its employees performing the contract work wages  
33 that are similar to those generally paid for such work in the locality  
34 in which the work is to be performed and will provide health benefits  
35 that are not less than the benefits provided for basic health care  
36 services under chapter 70.47 RCW. Contractors with employees who have  
37 health benefits from other sources are exempt from this subsection.

1 (c) An institution of higher education shall use a procurement  
2 process consistent with chapter 43.19 RCW, and shall notify the  
3 affected union representative of its plans not less than thirty  
4 calendar days before initiating the procurement process. The certified  
5 bargaining representative has the right to offer alternatives to the  
6 proposed contract. Contracts must provide for efforts to meet or  
7 exceed agency affirmative action employment goals as well as agency  
8 established contract goals for participation by minority and women  
9 business enterprises consistent with chapter 39.19 RCW.

10 (d) A contract to purchase services shall provide a hiring  
11 preference to any employee laid off from a position that is contracted  
12 out, for a period of one year following the layoff.

13 (3) Nothing in this section may be construed to modify, reduce, or  
14 otherwise affect the purchase of services that were authorized to be  
15 purchased by contract under this chapter before the effective date of  
16 this section.

17 **Sec. 4.** RCW 41.06.380 and 1979 ex.s. c 46 s 2 are each amended to  
18 read as follows:

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

28 **Sec. 5.** RCW 43.88.110 and 1991 sp.s. c 32 s 27 and 1991 c 358 s 2  
29 are each reenacted and amended to read as follows:

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

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

35 (2) The director of financial management shall provide all agencies  
36 with a complete set of operating and capital instructions for preparing  
37 a statement of proposed expenditures at least thirty days before the

1 beginning of a fiscal period. The set of instructions need not include  
2 specific appropriation amounts for the agency.

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

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

12 (a) Appropriations made for capital projects including  
13 transportation projects;

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

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

17 (d) Comparisons of estimated construction start and completion  
18 dates with actual dates;

19 (e) Documentation of fund shifts between projects.

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

23 (5) If at any time during the fiscal period the governor projects  
24 a cash deficit in a particular fund or account as defined by RCW  
25 43.88.050, the governor shall make across-the-board reductions in  
26 allotments for that particular fund or account so as to prevent a cash  
27 deficit, unless the legislature has directed the liquidation of the  
28 cash deficit over one or more fiscal periods. Except for the  
29 legislative and judicial branches and other agencies headed by elective  
30 officials, the governor shall review the statement of proposed  
31 operating expenditures for reasonableness and conformance with  
32 legislative intent. Once the governor approves the statements of  
33 proposed operating expenditures, further revisions shall be made only  
34 at the beginning of the second fiscal year and must be initiated by the  
35 governor. However, changes in appropriation level authorized by the  
36 legislature, changes required by across-the-board reductions mandated  
37 by the governor, changes caused by executive increases to spending  
38 authority, and changes caused by executive decreases to spending  
39 authority for failure to comply with the provisions of chapter 36.70A

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

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

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

33 (8) The director of financial management may exempt certain public  
34 funds from the allotment controls established under this chapter if it  
35 is not practical or necessary to allot the funds. With the exception  
36 of exemptions that may be granted to four-year institutions of higher  
37 education, allotment control exemptions expire at the end of the fiscal  
38 biennium for which they are granted. The director of financial

1 management shall report any exemptions granted under this subsection to  
2 the legislative fiscal committees.

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

11 **Sec. 6.** RCW 28B.15.013 and 1989 c 175 s 79 are each amended to  
12 read as follows:

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

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

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

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

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

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

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

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

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

31 **Sec. 7.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s  
32 201 are each reenacted and amended to read as follows:

33 The term "operating fees" as used in this chapter shall include the  
34 fees, other than building fees, charged all students registering at the  
35 state's colleges and universities but shall not include fees for short  
36 courses, self-supporting degree credit programs and courses, marine  
37 station work, experimental station work, correspondence or extension  
38 courses, and individual instruction and student deposits or rentals,



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

21 **Sec. 8.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to read  
22 as follows:

23 (1) Tuition fees shall be established and adjusted annually under  
24 the provisions of this chapter beginning with the 1987-88 academic  
25 year. If an institution of higher education exercises its authority  
26 under section 13 of this act, such fees ((shall be identical, subject  
27 to other provisions of this chapter, for students enrolled at either  
28 state university, for students enrolled at the regional universities  
29 and The Evergreen State College and for students enrolled at any  
30 community college)) may vary by term, by institution, and by campus for  
31 students enrolled at state universities, regional universities, and The  
32 Evergreen State College. Such fees shall be identical for students  
33 enrolled at any community college. Except as provided in section 13 of  
34 this act, tuition fees shall reflect the undergraduate and graduate  
35 educational costs of the state universities, the regional universities  
36 and the community colleges, respectively, in the amounts prescribed in  
37 this chapter.

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

4 NEW SECTION. **Sec. 9.** A new section is added to chapter 28B.15 RCW  
5 to read as follows:

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

10 **Sec. 10.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to  
11 read as follows:

12 The higher education coordinating board shall determine and  
13 transmit amounts constituting approved undergraduate and graduate  
14 educational costs to the several boards of regents and trustees of the  
15 state institutions of higher education by November 10 of each even-  
16 numbered year except the year 1990 for which the transmittal shall be  
17 made by December 17. Except as provided in section 13 of this act,  
18 tuition fees shall be based on such costs in accordance with the  
19 provisions of this chapter.

20 **Sec. 11.** RCW 28B.15.202 and 1993 sp.s. c 18 s 8 and 1993 c 379 s  
21 202 are each reenacted and amended to read as follows:

22 Except as provided in section 13 of this act, tuition fees and  
23 maximum services and activities fees at the University of Washington  
24 and at Washington State University for other than the summer term shall  
25 be as follows:

26 (1) For full time resident undergraduate students and all other  
27 full time resident students not in graduate study programs or enrolled  
28 in programs leading to the degrees of doctor of medicine, doctor of  
29 dental surgery, and doctor of veterinary medicine, the total tuition  
30 fees for the 1993-94 academic year shall be thirty-six and three-tenths  
31 percent and thereafter total tuition fees shall be forty-one and one-  
32 tenth percent of the per student undergraduate educational costs at the  
33 state universities computed as provided in RCW 28B.15.067 and  
34 28B.15.070: PROVIDED, That the building fees for each academic year  
35 shall be one hundred and twenty dollars. Beginning with the 1995-96  
36 academic year, the building fee for each academic year shall ((be))

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

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

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

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

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

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

25 (6) For full time nonresident students enrolled in programs leading  
26 to the degrees of doctor of medicine, doctor of dental surgery, and  
27 doctor of veterinary medicine, the total tuition fees shall be one  
28 hundred sixty-seven percent of such fees charged in subsection (5) of  
29 this section: PROVIDED, That the building fees for each academic year  
30 shall be five hundred and fifty-five dollars. Beginning with the 1995-  
31 96 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 (7) The governing boards of the state universities shall charge to  
38 and collect from each student, a services and activities fee. The  
39 governing board may increase the existing fee annually, consistent with

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

12 **Sec. 12.** RCW 28B.15.402 and 1993 sp.s. c 18 s 11 and 1993 c 379 s  
13 203 are each reenacted and amended to read as follows:

14 Except as provided in section 13 of this act, tuition fees and  
15 maximum services and activities fees at the regional universities and  
16 The Evergreen State College for other than the summer term shall be as  
17 follows:

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

32 (2) For full time resident graduate students, the total tuition  
33 fees for the 1993-94 academic year shall be twenty-five and three-  
34 tenths percent and thereafter total tuition fees shall be twenty-eight  
35 and six-tenths percent of the per student graduate educational costs at  
36 the regional universities computed as provided in RCW 28B.15.067 and  
37 28B.15.070: PROVIDED, That the building fees for each academic year  
38 shall be seventy-six dollars and fifty cents. Beginning with the 1995-

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

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

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

34 (5) The governing boards of each of the regional universities and  
35 The Evergreen State College shall charge to and collect from each  
36 student, a services and activities fee. The governing board may  
37 increase the existing fee annually, consistent with budgeting  
38 procedures set forth in RCW 28B.15.045, by a percentage not to exceed  
39 the annual percentage increase in resident undergraduate tuition fees:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 **Sec. 14.** RCW 28B.15.556 and 1993 sp.s. c 18 s 21 are each amended  
9 to read as follows:

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

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

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

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

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

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

33 **Sec. 15.** RCW 28B.15.725 and 1993 sp.s. c 18 s 26 are each amended  
34 to read as follows:

35 Subject to the limitations of RCW 28B.15.910, the governing boards  
36 of the state universities, the regional universities, and The Evergreen  
37 State College may enter into undergraduate (~~upper division~~) student



1 exchange agreements with (~~comparable public four-year~~) institutions  
2 of higher education of other states and agree to exempt participating  
3 undergraduate (~~upper division~~) students from payment of all or a  
4 portion of the nonresident tuition fees differential subject to the  
5 following restrictions:

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

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

14 **Sec. 16.** 1989 c 290 s 1 (uncodified) is amended to read as  
15 follows:

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

29 **Sec. 17.** RCW 28B.15.740 and 1993 sp.s. c 18 s 28 are each amended  
30 to read as follows:

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

35 (1) (~~Except as provided in subsection (2) of this section,~~) The  
36 total dollar amount of tuition and fee waivers awarded by the governing  
37 boards of community colleges considered as a whole shall not exceed

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

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

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

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

36 (b) Second, (i) to nonmembers of the underrepresented gender class  
37 who participate in intercollegiate athletics, where such waivers result  
38 in saved or displaced money that can be used for athletic programs for  
39 members of the underrepresented gender class. Such saved or displaced

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

6 **Sec. 18.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are  
7 each reenacted and amended to read as follows:

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

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

29 (3) The amount of the guaranteed long-term loans made under this  
30 section shall not exceed the demonstrated financial need of the  
31 student. Each institution shall establish loan terms and conditions  
32 which shall be consistent with the terms of the guaranteed loan program  
33 established by 20 U.S. Code Section 1071 et seq., as now or hereafter  
34 amended. All loans made shall be guaranteed by the Washington student  
35 loan guaranty association or its successor agency. Institutions are  
36 hereby granted full authority to operate as an eligible lender under  
37 the guaranteed loan program.

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

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

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

37 (7) The governing boards of the state universities, the regional  
38 universities, and The Evergreen State College, and the state board for  
39 community and technical colleges, on behalf of the community colleges,

1 shall each adopt necessary rules and regulations to implement this  
2 section.

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

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

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

31 **Sec. 19.** RCW 28B.80.330 and 1993 c 363 s 6 are each amended to  
32 read as follows:

33 The board shall perform the following planning duties in  
34 consultation with the four-year institutions, the community and  
35 technical college system, and when appropriate the work force training  
36 and education coordinating board, the superintendent of public  
37 instruction, and the independent higher educational institutions:

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

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

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

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

22 (b) Recommendations on enrollment and other policies and actions to  
23 meet those needs;

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

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

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

36 (4) Review, evaluate, and make recommendations on operating and  
37 capital budget requests from four-year institutions and the community  
38 and technical college system, based on the elements outlined in  
39 subsections (1), (2), and (3) of this section, and on guidelines which

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

20 (5) Recommend legislation affecting higher education;

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

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

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

26 (9) Develop criteria for identifying the need for new baccalaureate  
27 institutions.

28 NEW SECTION. Sec. 20. A new section is added to chapter 28B.80  
29 RCW to read as follows:

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

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

36 (b) Only students who are residents of the state of Washington  
37 shall receive services pursuant to the contract. As used in this  
38 subsection, "residents of the state of Washington" means that the

1 students would be eligible to pay resident tuition rates under RCW  
2 28B.15.012 and 28B.15.013 if they were enrolled at state institutions  
3 of higher education as defined in RCW 28B.10.016;

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

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

15 (e) The contract has been approved by the office of the attorney  
16 general.

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

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

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

31 NEW SECTION. **Sec. 21.** RCW 41.06.382 and 1979 ex.s. c 46 s 1 are  
32 each repealed.

33 NEW SECTION. **Sec. 22.** It is the intent of the legislature to  
34 restructure and fully fund the state's system of financial aid. The  
35 restructured financial aid system shall be known as college promise.



1        NEW SECTION.    **Sec. 23.**    (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 24 and 25 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 24 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 24 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 24 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 determining 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 26 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. 24.** 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. 25.** 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. 26.**    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. 27.**    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 24 of  
34 this act, and using income level classification definitions as  
35 described in section 25 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. 28.** (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. 29.** 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. 30.** RCW 28B.15.065 and 1977 ex.s. c 322 s 6 are  
8 each repealed.

9 NEW SECTION. **Sec. 31.** Sections 22 through 26, 28, and 29 of this  
10 act shall constitute a new chapter in Title 28B RCW.

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

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