

2 SSB 5325 - H COMM AMD
3 By Committee on Higher Education

4 ADOPTED AS AMENDED 4/12/95

5 Strike everything after the enacting clause and insert the
6 following:

7 **"PART 1 - TUITION AND FEES**

8 NEW SECTION. **Sec. 101.** A new section is added to chapter 28B.15
9 RCW to read as follows:

10 The legislature finds that Washington faces a challenge of
11 increasingly daunting proportions as the state attempts to preserve
12 enrollment opportunities for current and future students at the state's
13 colleges and universities. The need to expand access is virtually
14 unquestioned. The state's economy is undergoing a fundamental
15 restructuring from one that was heavily dependent on natural resource-
16 based industries to one that is more dependent on emerging
17 technologies, international trade, and entrepreneurial enterprises.
18 Washington residents need additional education and work force training
19 opportunities to be competitive in this new world. Yet, in the twenty
20 years from the middle 1970's to the middle 1990's, higher education's
21 share of the state budget has declined from about twenty-one percent to
22 about ten and one-half percent of the state general fund. During that
23 same era, enrollments in Washington's public baccalaureate institutions
24 have been strictly controlled, and enrollments in community colleges
25 declined for a time. Currently, Washington ranks second to last
26 nationally in the percentage of its citizens who have an opportunity to
27 attend a public baccalaureate college or university in the state. As
28 the children of the baby boom generation mature, high school graduates
29 will increase fifty percent above the numbers of students graduating in
30 1995. The members of the baby boom echo generation will begin applying
31 to college in about 1997. Their numbers are expected to peak in the
32 year 2010. Failure to provide postsecondary education and training
33 opportunities for the members of the baby boom echo generation may well
34 restrict their future earning power and constrict the state's
35 opportunity to compete in a technologically complex world.

1 The legislature intends to preserve enrollment opportunities for
2 current students and create additional opportunities for future
3 students by restructuring the state's tuition and financial aid
4 systems, working with institutions to decrease the amount of time it
5 takes students to obtain a degree, and removing state laws that impede
6 institutional effectiveness.

7 NEW SECTION. **Sec. 102.** TUITION FEES--UNIVERSITY OF WASHINGTON AND
8 WASHINGTON STATE UNIVERSITY--BUILDING FEES. Total tuition fees for
9 full-time students at the University of Washington and Washington State
10 University for other than the summer term shall be as follows:

11 (1) Base tuition. Except as provided in subsection (2) of this
12 section, base tuition fees shall be calculated as a percent of the per
13 student undergraduate or graduate educational costs at the state
14 universities as set forth in (a) through (f) of this subsection.
15 However, if educational costs decrease, or increase at a rate less than
16 four percent over the previous year's educational costs, base tuition
17 fees shall increase a minimum of four percent each year above the
18 tuition fees rate charged the previous year. If educational costs
19 increase at a rate greater than six percent over the previous academic
20 year's educational costs, base tuition fees shall increase a maximum of
21 six percent each academic year above the tuition fees rate charged the
22 previous year. The following calculations shall be used to determine
23 base tuition under this section:

24 (a) For resident undergraduate students and all other resident
25 students not in first professional, graduate, or law programs: Forty-
26 one percent of undergraduate educational costs;

27 (b) For nonresident undergraduate students and all other
28 nonresident students not in graduate or law programs: One hundred
29 twenty-three percent of undergraduate educational costs;

30 (c) For resident graduate and law students: Twenty-eight and one-
31 half of one percent of graduate educational costs;

32 (d) For nonresident graduate and law students: Seventy-four
33 percent of graduate educational costs;

34 (e) For resident first professional students: One hundred sixty-
35 seven percent of the tuition fees charged to resident graduate and law
36 students; and

1 (f) For nonresident first professional students: One hundred
2 sixty-seven percent of the tuition fees charged to nonresident graduate
3 and law students.

4 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
5 for resident undergraduate students and all other resident students not
6 enrolled in first professional, graduate, or law programs shall
7 increase five percent each year above the rate charged during the
8 previous academic year. For the 1995-96 and 1996-97 academic years,
9 base tuition fees for all other students shall increase five percent
10 each year above the rate charged during the previous academic year to
11 students in the same tuition categories. During the 1997-98 through
12 2000-01 academic years, a research university participating in the
13 fiscal autonomy program under section 301 of this act may increase base
14 tuition fees for any student category up to a maximum of fifteen
15 percent each year.

16 (3) Surcharge tuition. State universities may annually assess a
17 surcharge in addition to base tuition fees. The amount of the
18 surcharge assessed in any year shall not be included in base tuition
19 fees in the next academic year. During the 1995-96 and 1996-97
20 academic years, the maximum percentage surcharge levied on base tuition
21 for students in any tuition category shall be fifteen percent.
22 Beginning with the 1997-98 academic year, the maximum percentage
23 surcharge levied on base tuition shall be as follows:

24 (a) For full-time resident undergraduate students and other full-
25 time resident students not in first professional, graduate, or law
26 programs, a maximum of ten percent;

27 (b) For full-time resident first professional, graduate, and law
28 students, a maximum of twenty percent in each tuition category; and

29 (c) For full-time nonresident students, a maximum of thirty percent
30 in each tuition category.

31 (4) Building fees. The building fees for each academic year shall
32 be based on the percent, as set forth in (a) through (f) of this
33 subsection, of tuition fees specified in subsections (1) and (2) of
34 this section:

35 (a) Resident undergraduate students and all other resident students
36 not in graduate study or law programs or enrolled in programs leading
37 to a first professional degree: Five percent;

38 (b) Nonresident undergraduate students and all other nonresident
39 students not in graduate study or law programs or enrolled in programs

1 leading to a first professional degree: Four and one-half of one
2 percent;

3 (c) Resident graduate and law students not enrolled in a first
4 professional degree program: Three percent;

5 (d) Nonresident graduate and law students not enrolled in a first
6 professional degree program: Three and one-half of one percent;

7 (e) Resident first professional students: Five percent; and

8 (f) Nonresident first professional students: Three percent.

9 (5) As used in this section, "tuition category" means the separate
10 tuition fees categories established in subsection (1) (a) through (f)
11 of this section.

12 NEW SECTION. **Sec. 103.** TUITION FEES--REGIONAL UNIVERSITIES--
13 BUILDING FEES. Tuition fees charged to all full-time students at the
14 regional universities and The Evergreen State College for other than
15 the summer term shall be as follows:

16 (1) Base tuition. Except as provided in subsection (2) of this
17 section, base tuition fees shall be calculated as a percent of the per
18 student undergraduate or graduate educational costs at the regional
19 universities as set forth in (a) through (d) of this subsection.
20 However, if educational costs decrease, or increase at a rate less than
21 four percent over the previous year's educational costs, base tuition
22 fees shall increase a minimum of four percent each year above the
23 tuition fees rate charged the previous year. If educational costs
24 increase at a rate greater than six percent over the previous academic
25 year's educational costs, base tuition fees shall increase a maximum of
26 six percent each academic year above the tuition fees rate charged the
27 previous year. The following calculations shall be used to determine
28 base tuition under this section:

29 (a) Resident undergraduate students and all other resident students
30 not in graduate study programs: Thirty-one and one-half of one percent
31 of undergraduate educational costs;

32 (b) Nonresident undergraduate students and all other nonresident
33 students not in graduate study programs: One hundred twenty-three
34 percent of undergraduate educational costs;

35 (c) Resident graduate students: Twenty-nine percent of graduate
36 educational costs; and

37 (d) Nonresident graduate students: Ninety-two percent of graduate
38 educational costs.

1 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
2 for resident undergraduate students and all other resident students not
3 enrolled in graduate programs shall increase five percent each year
4 above the rate charged during the previous academic year. For the
5 1995-96 and 1996-97 academic years, base tuition fees for all other
6 students shall increase five percent each year above the rate charged
7 during the previous academic year to students in the same tuition
8 categories. During the 1997-98 through 2000-01 academic years, a
9 regional university participating in the fiscal autonomy program under
10 section 301 of this act may increase base tuition fees for any student
11 category up to a maximum of fifteen percent each year.

12 (3) Surcharge tuition. The regional universities and The Evergreen
13 State College may annually assess a surcharge in addition to base
14 tuition fees. The amount of the surcharge assessed in any year shall
15 not be included in base tuition fees in the next academic year. During
16 the 1995-96 and 1996-97 academic years, the maximum percentage
17 surcharge levied on base tuition for students in any tuition category
18 shall be fifteen percent. Beginning with the 1997-98 academic year,
19 the maximum percentage surcharge levied on base tuition shall be as
20 follows:

21 (a) For full-time resident undergraduate students and other full-
22 time resident students not in graduate programs, a maximum of ten
23 percent;

24 (b) For full-time resident graduate students, a maximum of twenty
25 percent; and

26 (c) For full-time nonresident students, a maximum of thirty percent
27 in each tuition category.

28 (4) Building fees. The building fees for each academic year shall
29 be based on the percent, as set forth in (a) through (d) of this
30 subsection, of base tuition fees specified in subsections (1) and (2)
31 of this section:

32 (a) Resident undergraduate students and all other resident students
33 not in graduate study programs: Four percent;

34 (b) Nonresident undergraduate students and all other nonresident
35 students not in graduate study programs: Four percent;

36 (c) Resident graduate students: Two and one-half of one percent;
37 and

38 (d) Nonresident graduate students: Three percent.

1 (5) As used in this section, "tuition category" means the separate
2 tuition fees categories established in subsection (1) (a) through (d)
3 of this section.

4 NEW SECTION. Sec. 104. TUITION FEES--COMMUNITY COLLEGES--BUILDING
5 FEES. Total tuition fees at each community college for full-time
6 students for other than the summer term shall be set by the state board
7 for community and technical colleges as follows:

8 (1) Base tuition. Except as provided in subsection (2) of this
9 section, base tuition fees shall be calculated as a percent of the per
10 student undergraduate or graduate educational costs at the community
11 colleges as set forth in (a) and (b) of this subsection. However, if
12 educational costs decrease, or increase at a rate less than four
13 percent over the previous year's educational costs, base tuition fees
14 shall increase a minimum of four percent each year above the tuition
15 fees rate charged the previous year. If educational costs increase at
16 a rate greater than six percent over the previous academic year's
17 educational costs, base tuition fees shall increase a maximum of six
18 percent each academic year above the tuition fees rate charged the
19 previous year. The following calculations shall be used to determine
20 base tuition under this section:

21 (a) Resident students: Twenty-nine percent of undergraduate
22 educational costs; and

23 (b) Nonresident students: One hundred twenty-three percent of
24 undergraduate educational costs.

25 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
26 for resident students shall increase five percent each year above the
27 rate charged during the previous academic year. For the 1995-96 and
28 1996-97 academic years, base tuition fees for nonresident students
29 shall increase five percent each year above the rate charged during the
30 previous academic year.

31 (3) Surcharge tuition. The community colleges may annually assess
32 a surcharge in addition to base tuition fees. The amount of the
33 surcharge assessed in any year shall not be included in base tuition
34 fees in the next academic year. The amount of any surcharge is subject
35 to guidelines adopted by the state board for community and technical
36 colleges. In adopting its guidelines, the board shall consider the
37 special needs of individual colleges within the system as well as the
38 system as a whole. The board may permit surcharge amounts to vary

1 among colleges. In any academic year, the maximum percentage surcharge
2 levied on base tuition shall be as follows:

3 (a) For full-time resident students, a maximum of ten percent. A
4 surcharge under this subsection (3)(a) shall not be levied before the
5 1997-98 academic year; and

6 (b) For full-time nonresident students, a maximum of thirty
7 percent. However, during the 1995-96 and 1996-97 academic years, the
8 maximum percentage surcharge under this subsection (3)(b) shall be
9 fifteen percent.

10 (4) Building fees. The building fees for each academic year shall
11 be based on the percent, as set forth in (a) and (b) of this
12 subsection, of tuition fees specified in subsections (1) and (2) of
13 this section:

14 (a) Resident students: Eleven percent; and

15 (b) Nonresident students: Eight and one-half of one percent.

16 NEW SECTION. **Sec. 105.** A new section is added to chapter 28B.15
17 RCW to read as follows:

18 Each state university, regional university, and state college may
19 charge a differential program fee in up to three degree programs. The
20 basis for determining the fee may be: Higher than average costs of
21 offering the program, differential tuition rates charged for that type
22 of program at peer institutions, or other unique characteristics
23 associated with the program.

24 NEW SECTION. **Sec. 106.** A new section is added to chapter 28B.15
25 RCW to read as follows:

26 It is the policy of the state of Washington that each state
27 university, regional university, and state college, and the community
28 and technical college system as a whole maintain or improve the
29 percentage that resident students comprised of total budgeted full-time
30 equivalent enrollments during the 1994-95 academic year. It is also
31 the policy of the state of Washington that state general fund support
32 for full-time equivalent students be used for resident students and for
33 only those nonresident students who are within the percentage that
34 nonresident students comprised of the budgeted full-time equivalent
35 enrollment at each institution during the 1994-95 academic year.
36 Additional nonresident students may be included above the budgeted
37 enrollment level, at the option of the institution.

1 NEW SECTION. **Sec. 107.** A new section is added to chapter 28B.15
2 RCW to read as follows:

3 (1) As used in this section, "excess credit" means any credit taken
4 by a resident undergraduate student or a resident student who is not
5 enrolled in a first professional, graduate, or law program and who is
6 attending a state university, regional university, or The Evergreen
7 State College, if the student:

8 (a) Does not meet the requirements of (b) or (c) of this subsection
9 but has accumulated more than one hundred fifteen percent of the number
10 of credits required to complete the student's baccalaureate degree
11 program; or

12 (b) Has an associate degree from a community college and has
13 accumulated more than one hundred twenty-five percent of the number of
14 credits required to complete the student's baccalaureate degree
15 program; or

16 (c) Has accumulated more than forty-five quarter credits or their
17 equivalent at a college or university other than a state university,
18 regional university, or state college, each as defined in RCW
19 28B.10.016 and has accumulated more than one hundred twenty-five
20 percent of the number of credits required to complete the student's
21 baccalaureate degree program.

22 (2)(a) Except as provided in (b) of this subsection, state
23 universities, regional universities, and The Evergreen State College
24 may collect a surcharge from any resident student who is enrolled for
25 excess credits. The amount of the surcharge may vary by credit or
26 percentage thresholds, or may be based on special circumstances, each
27 as established by the institution.

28 (b) Students who are required to take continuing education credits
29 as a condition of licensure or state law shall be exempted from the
30 excess credits surcharge for any credits taken as a result of the
31 requirements.

32 (c) With the exception of students who are required to take
33 continuing education credits as a condition of licensure or state law,
34 no state general fund support shall be provided at state universities,
35 regional universities, and The Evergreen State College for resident
36 undergraduate students and other resident students not enrolled in
37 first professional, graduate, or law programs if the students have
38 accumulated more than one hundred fifty percent of the number of
39 credits necessary to complete their baccalaureate degree programs.

1 **Sec. 108.** RCW 28B.15.005 and 1977 ex.s. c 169 s 33 are each
2 amended to read as follows:

3 (1) "Colleges and universities" for the purposes of this chapter
4 shall mean Central Washington University at Ellensburg, Eastern
5 Washington University at Cheney, Western Washington University at
6 Bellingham, The Evergreen State College in Thurston county, community
7 colleges as are provided for in chapter 28B.50 RCW, the University of
8 Washington, and Washington State University.

9 (2) "State universities" for the purposes of this chapter shall
10 mean the University of Washington and Washington State University.

11 (3) "Regional universities" for the purposes of this chapter shall
12 mean Central Washington University, Eastern Washington University and
13 Western Washington University.

14 (4) "State college" means The Evergreen State College.

15 (5) "First professional program" means a program leading to one of
16 the following degrees: Doctor of medicine, doctor of dental surgery,
17 or doctor of veterinary medicine.

18 **Sec. 109.** RCW 28B.15.031 and 1993 sp.s. c 18 s 6 and 1993 c 379 s
19 201 are each reenacted and amended to read as follows:

20 The term "operating fees" as used in this chapter shall include the
21 fees, other than building fees, charged all students registering at the
22 state's colleges and universities but shall not include fees surcharges
23 for excess credits under section 107 of this act, program fees under
24 section 105 of this act, or fees for short courses, self-supporting
25 degree credit programs and courses, marine station work, experimental
26 station work, correspondence or extension courses, and individual
27 instruction and student deposits or rentals, disciplinary and library
28 finances, which colleges and universities shall have the right to impose,
29 laboratory, gymnasium, health, and student activity fees, or fees,
30 charges, rentals, and other income derived from any or all revenue
31 producing lands, buildings and facilities of the colleges or
32 universities heretofore or hereafter acquired, constructed or
33 installed, including but not limited to income from rooms, dormitories,
34 dining rooms, hospitals, infirmaries, housing or student activity
35 buildings, vehicular parking facilities, land, or the appurtenances
36 thereon, or such other special fees as may be established by any
37 college or university board of trustees or regents from time to time.
38 All moneys received as operating fees at any institution of higher

1 education shall be deposited in a local account containing only
2 operating fees revenue and related interest(~~(: PROVIDED, That two and~~
3 ~~one half percent of operating fees shall be retained by the~~
4 ~~institutions, except the technical colleges, for the purposes of)~~),
5 except as provided in RCW 28B.15.820. Local operating fee accounts
6 shall not be subject to appropriation by the legislature or allotment
7 procedures under chapter 43.88 RCW.

8 **Sec. 110.** RCW 28B.15.041 and 1985 c 390 s 14 are each amended to
9 read as follows:

10 (1) The term "services and activities fees" as used in this chapter
11 is defined to mean fees, other than tuition fees, charged to all
12 students registering at the state's community colleges, regional
13 universities, The Evergreen State College, and state universities.

14 (2) Services and activities fees shall be used as otherwise
15 provided by law or by rule (~~(or regulation)~~) of the board of trustees
16 or regents of each of the state's community colleges, The Evergreen
17 State College, the regional universities, or the state universities for
18 the express purpose of funding student activities and programs of their
19 particular institution.

20 (3) Student activity fees, student use fees, student building use
21 fees, special student fees, or other similar fees charged to all full
22 time students, or to all students, as the case may be, registering at
23 the state's colleges or universities and pledged for the payment of
24 bonds heretofore or hereafter issued for, or other indebtedness
25 incurred to pay, all or part of the cost of acquiring, constructing or
26 installing any lands, buildings, or facilities of the nature described
27 in RCW 28B.10.300 as now or hereafter amended, shall be included within
28 and deemed to be services and activities fees.

29 (4) The governing boards of each of the colleges and universities
30 shall charge to and collect from each student a services and activities
31 fee. Each governing board may increase the existing fee annually,
32 consistent with budgeting procedures set forth in RCW 28B.15.045, by a
33 percentage increase not to exceed the percentage increase in resident
34 undergraduate tuition fees. The percentage increase shall not apply to
35 that portion of the services and activities fee previously committed to
36 the repayment of bonded debt. The services and activities fee
37 committee provided for in RCW 28B.15.045 may initiate a request to the
38 governing board for a fee increase.

1 (5) Services and activities fees consistent with subsection (4) of
2 this section shall be set by the state board for community and
3 technical colleges for summer school students unless the community
4 college charges fees in accordance with RCW 28B.15.515.

5 **Sec. 111.** RCW 28B.15.066 and 1993 c 379 s 205 are each amended to
6 read as follows:

7 It is the intent of the legislature that:

8 In making appropriations from the state's general fund to
9 institutions of higher education, each appropriation shall conform to
10 the following:

11 (1) The appropriation shall be reduced by the amount of operating
12 fees revenue estimated to be collected from students enrolled at the
13 state-funded enrollment level specified in the omnibus biennial
14 operating appropriations act and the estimated interest on operating
15 fees revenue, minus obligations under RCW 28B.15.820 and 43.99I.040,
16 minus any revenue an institution may have raised by assessing a tuition
17 fees surcharge as permitted in sections 102(3), 103(3), and 104(3) of
18 this act, minus the amount of revenue collected from raising base
19 tuition fees above the level specified in sections 102(1) and 103(1) of
20 this act by institutions participating in the fiscal autonomy pilot
21 program under section 301 of this act, and minus the amount of waived
22 operating fees authorized under RCW 28B.15.910;

23 (2) The appropriation shall not be reduced by the amount of
24 operating fees revenue collected from students enrolled above the
25 state-funded level, but within the over-enrollment limitations,
26 specified in the omnibus biennial operating appropriations act; ~~((and))~~

27 (3) The general fund state appropriation shall not be reduced by
28 the amount of operating fees revenue collected as a result of waiving
29 less operating fees revenue than the amounts authorized under RCW
30 28B.15.910;

31 (4) The general fund state appropriation shall not be reduced by
32 the amount of revenue collected from tuition fees surcharges authorized
33 under sections 102(3), 103(3), and 104(3) of this act; and

34 (5) The general fund state appropriation shall not be reduced by
35 the amount of revenue collected from raising base tuition fees above
36 the level specified in sections 102(1) and 103(1) of this act by
37 institutions participating in the fiscal autonomy pilot program under
38 section 301 of this act.

1 **Sec. 112.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to
2 read as follows:

3 (1) Base tuition fees shall be established and adjusted annually
4 under the provisions of this chapter beginning with the 1987-88
5 academic year. Such fees shall be identical, subject to other
6 provisions of this chapter, for students enrolled at either state
7 university, for students enrolled at the regional universities and The
8 Evergreen State College, and for students enrolled at any community
9 college. Base tuition fees shall reflect the undergraduate and
10 graduate educational costs of the state universities, the regional
11 universities, and the community colleges, respectively, in ~~((the~~
12 ~~amounts prescribed in))~~ accordance with the provisions of this chapter.

13 (2) The total tuition fees established under this chapter shall not
14 apply to high school students enrolling in community colleges under RCW
15 28A.600.300 through 28A.600.395.

16 **Sec. 113.** RCW 28B.15.070 and 1992 c 231 s 5 are each amended to
17 read as follows:

18 (1) The higher education coordinating board, in consultation with
19 the house of representatives and senate committees responsible for
20 higher education, the respective fiscal committees of the house of
21 representatives and senate, the office of financial management, and the
22 state institutions of higher education, shall develop by December of
23 every fourth year beginning in 1989, definitions, criteria, and
24 procedures for determining the undergraduate and graduate educational
25 costs for the state universities, regional universities, state college,
26 and community colleges upon which tuition fees will be based.

27 (2) Every four years, the state institutions of higher education in
28 cooperation with the higher education coordinating board shall perform
29 an educational cost study pursuant to subsection (1) of this section.
30 The study shall be conducted based on every fourth academic year
31 beginning with 1989-90. Institutions shall complete the studies within
32 one year of the end of the study year and report the results to the
33 higher education coordinating board for consolidation, review, and
34 distribution.

35 (3) In order to conduct the study required by subsection (2) of
36 this section, the higher education coordinating board, in cooperation
37 with the institutions of higher education, shall develop a methodology

1 that requires the collection of comparable educational cost data, which
2 utilizes a faculty activity analysis or similar instrument.

3 **Sec. 114.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to
4 read as follows:

5 The higher education coordinating board shall determine and
6 transmit amounts constituting approved undergraduate and graduate
7 educational costs to the several boards of regents and trustees of the
8 state institutions of higher education by November 10 of each even-
9 numbered year except the year 1990 for which the transmittal shall be
10 made by December 17. Base tuition fees shall be based on such costs in
11 accordance with the provisions of this chapter.

12 NEW SECTION. **Sec. 115.** A new section is added to chapter 28B.15
13 RCW to read as follows:

14 Subject to the limitations of RCW 28B.15.910, the governing board
15 of each community college may charge such fees for ungraded courses,
16 noncredit courses, community service courses, and self-supporting
17 courses as it, in its discretion, determines, consistent with the rules
18 of the state board for community and technical colleges.

19 **PART 2 - FINANCIAL AID**

20 **Sec. 201.** RCW 28B.15.740 and 1993 sp.s. c 18 s 28 are each amended
21 to read as follows:

22 (1) Subject to the limitations of RCW 28B.15.910, the governing
23 boards of the state universities, the regional universities, The
24 Evergreen State College, and the community colleges may waive all or a
25 portion of tuition and fees (~~subject to the following restrictions:~~

26 ~~(1) Except as provided in subsection (2) of this section, the total~~
27 ~~dollar amount of tuition and fee waivers awarded by the governing~~
28 ~~boards shall not exceed four percent, except for the community colleges~~
29 ~~considered as a whole, such amount shall not exceed three percent of an~~
30 ~~amount determined by estimating the total collections from tuition and~~
31 ~~services and activities fees had no such waivers been made, and~~
32 ~~deducting the portion of that total amount that is attributable to the~~
33 ~~difference between resident and nonresident fees: PROVIDED, That at~~
34 ~~least three-fourths of the dollars waived shall be)) for needy students~~
35 who are eligible for resident tuition and fee rates pursuant to RCW

1 28B.15.012 and 28B.15.013(~~(: PROVIDED FURTHER, That the remainder of~~
2 ~~the dollars waived, not to exceed one-fourth of the total, may be~~
3 ~~applied to)). Subject to the limitations of RCW 28B.15.910, the
4 governing boards of the state universities, the regional universities,
5 The Evergreen State College, and the community colleges may waive all
6 or a portion of tuition and fees for other students at the discretion
7 of the governing boards, except on the basis of participation in
8 intercollegiate athletic programs(~~(: PROVIDED FURTHER, That the~~
9 ~~waivers for undergraduate and graduate students of foreign nations~~
10 ~~under RCW 28B.15.556 are not subject to the limitation under this~~
11 ~~section)), not to exceed three-fourths of one percent of gross~~
12 authorized operating fees revenue under RCW 28B.15.910 for the
13 community colleges considered as a whole and not to exceed one percent
14 of gross authorized operating fees revenue for the other institutions
15 of higher education.~~

16 (2) In addition to the tuition and fee waivers provided in
17 subsection (1) of this section and subject to the provisions of RCW
18 28B.15.455 (~~and~~), 28B.15.460, and 28B.15.910, a total dollar amount
19 of tuition and fee waivers awarded by any state university, regional
20 university, or state college under this chapter, not to exceed one
21 percent, as calculated in subsection (1) of this section, may be used
22 for the purpose of achieving or maintaining gender equity in
23 intercollegiate athletic programs. At any institution that has an
24 underrepresented gender class in intercollegiate athletics, any such
25 waivers shall be awarded:

26 (a) First, to members of the underrepresented gender class who
27 participate in intercollegiate athletics, where such waivers result in
28 saved or displaced money that can be used for athletic programs for the
29 underrepresented gender class. Such saved or displaced money shall be
30 used for programs for the underrepresented gender class; and

31 (b) Second, (i) to nonmembers of the underrepresented gender class
32 who participate in intercollegiate athletics, where such waivers result
33 in saved or displaced money that can be used for athletic programs for
34 members of the underrepresented gender class. Such saved or displaced
35 money shall be used for programs for the underrepresented gender class;
36 or (ii) to members of the underrepresented gender class who participate
37 in intercollegiate athletics, where such waivers do not result in any
38 saved or displaced money that can be used for athletic programs for
39 members of the underrepresented gender class.

1 **Sec. 202.** RCW 28B.15.820 and 1993 c 385 s 1 and 1993 c 173 s 1 are
2 each reenacted and amended to read as follows:

3 (1) Each institution of higher education, except technical
4 colleges, shall deposit a minimum of two and one-half percent of
5 revenues collected from tuition and services and activities fees in an
6 institutional financial aid fund that is hereby created and which shall
7 be held locally. Moneys in the fund shall be used only for the
8 following purposes: (a) To make guaranteed long-term loans to eligible
9 students as provided in subsections (3) through (8) of this section;
10 (b) to make short-term loans as provided in subsection (9) of this
11 section; or (c) to provide financial aid to needy students as provided
12 in subsection (10) of this section.

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

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

27 (4) Before approving a guaranteed long-term loan, each institution
28 shall analyze the ability of the student to repay the loan based on
29 factors which include, but are not limited to, the student's
30 accumulated total education loan burdens and the employment
31 opportunities and average starting salary characteristics of the
32 student's chosen fields of study. The institution shall counsel the
33 student on the advisability of acquiring additional debt, and on the
34 availability of other forms of financial aid.

35 (5) Each institution is responsible for collection of guaranteed
36 long-term loans made under this section and shall exercise due
37 diligence in such collection, maintaining all necessary records to
38 insure that maximum repayments are made. Institutions shall cooperate
39 with other lenders and the Washington student loan guaranty

1 association, or its successor agency, in the coordinated collection of
2 guaranteed loans, and shall assure that the guarantability of the loans
3 is not violated. Collection and servicing of guaranteed long-term
4 loans under this section shall be performed by entities approved for
5 such servicing by the Washington student loan guaranty association or
6 its successor agency: PROVIDED, That institutions be permitted to
7 perform such servicing if specifically recognized to do so by the
8 Washington student loan guaranty association or its successor agency.
9 Collection and servicing of guaranteed long-term loans made by
10 community colleges under subsection (1) of this section shall be
11 coordinated by the state board for community and technical colleges and
12 shall be conducted under procedures adopted by the state board.

13 (6) Receipts from payment of interest or principal or any other
14 subsidies to which institutions as lenders are entitled, that are paid
15 by or on behalf of borrowers of funds under subsections (3) through (8)
16 of this section, shall be deposited in each institution's financial aid
17 fund and shall be used to cover the costs of making the guaranteed
18 long-term loans under this section and maintaining necessary records
19 and making collections under subsection (5) of this section: PROVIDED,
20 That such costs shall not exceed five percent of aggregate outstanding
21 loan principal. Institutions shall maintain accurate records of such
22 costs, and all receipts beyond those necessary to pay such costs, shall
23 be deposited in the institution's financial aid fund.

24 (7) The governing boards of the state universities, the regional
25 universities, and The Evergreen State College, and the state board for
26 community and technical colleges, on behalf of the community colleges,
27 shall each adopt necessary rules and regulations to implement this
28 section.

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

34 (9) Short-term loans, not to exceed one year, may be made from the
35 institutional financial aid fund to students enrolled in the
36 institution. No such loan shall be made to any student who is known by
37 the institution to be in default or delinquent in the payment of any
38 outstanding student loan. A short-term loan may be made only if the
39 institution has ample evidence that the student has the capability of

1 repaying the loan within the time frame specified by the institution
2 for repayment.

3 (10) Any moneys deposited in the institutional financial aid fund
4 that are not used in making long-term or short-term loans may be used
5 by the institution for locally-administered financial aid programs for
6 needy students, such as need-based institutional employment programs or
7 need-based tuition and fee scholarship or grant programs. These funds
8 shall be used in addition to and not to replace institutional funds
9 that would otherwise support these locally-administered financial aid
10 programs. First priority in the use of these funds shall be given to
11 needy students who have accumulated excessive educational loan burdens.
12 An excessive educational loan burden is a burden that will be difficult
13 to repay given employment opportunities and average starting salaries
14 in the student's chosen fields of study. Second priority in the use of
15 these funds shall be given to needy single parents, to assist these
16 students with their educational expenses, including expenses associated
17 with child care and transportation.

18 NEW SECTION. **Sec. 203.** It is the intent of the legislature to
19 restructure the state's system of financial aid. Funding levels for
20 the state's system of financial aid are subject to available funds.
21 The restructured financial aid system shall be known as college
22 promise. In designing college promise, the higher education
23 coordinating board shall follow these goals:

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

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

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

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

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

37 (c) Consistent with federal law, simplify the financial aid
38 application process;

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

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

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

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

14 (a) Low-income undergraduates;

15 (b) Lower middle-income undergraduates;

16 (c) Middle-income undergraduates; and

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

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

22 NEW SECTION. **Sec. 204.** (1) By January 1, 1997, the higher
23 education coordinating board, in consultation with the house of
24 representatives and senate higher education and fiscal committees, and
25 the institutions of higher education, shall develop a detailed
26 implementation plan for college promise. In preparing the plan, the
27 board shall follow the goals and priorities set forth in section 203 of
28 this act. The plan shall include, but not be limited to:

29 (a) Specific program eligibility measures;

30 (b) Estimates of how many state residents would be eligible for
31 assistance in the state need grant and state work-study programs under
32 the goals adopted in section 203 of this act;

33 (c) Estimates of the costs for each state financial aid program,
34 including the state need grant program under RCW 28B.10.790 through
35 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
36 the educational opportunity grant program under chapter 28B.101 RCW to
37 accommodate any new aid applicants estimated under (b) of this
38 subsection, as offset by nonstate sources of aid.

1 (2) The plan shall be deemed approved on June 30, 1997, unless
2 legislation is enacted to alter the policies set forth in the plan.
3 The board shall also propose to the legislature any changes to the laws
4 governing state financial aid programs that it deems necessary to
5 accomplish the purposes of college promise.

6 **PART 3 - INSTITUTIONAL FISCAL AUTONOMY**

7 NEW SECTION. **Sec. 301.** A new section is added to chapter 28B.80
8 RCW to read as follows:

9 The higher education coordinating board shall design and administer
10 a higher education fiscal autonomy pilot program. In its
11 administration of the pilot program, the board shall have the following
12 powers and duties:

13 (1) In consultation with institutions of higher education and
14 appropriate state agencies, identify state laws and rules that may
15 inhibit effective fiscal decisions by institutions of higher education;

16 (2) Select one research and one regional university to participate
17 in the pilot program;

18 (3) Work with state agencies to exempt participating institutions
19 from state rules that inhibit effective fiscal decisions;

20 (4) By December 1, 1996, report to the governor and appropriate
21 legislative committees with a preliminary report on the progress of the
22 pilot program and with a list of state laws and rules that may need to
23 be revised in order to encourage effective fiscal decisions by
24 institutions of higher education.

25 This section shall expire June 30, 2001.

26 **Sec. 302.** RCW 43.19.19054 and 1975-'76 2nd ex.s. c 21 s 7 are each
27 amended to read as follows:

28 The provisions of RCW 43.19.1905 shall not apply to materials,
29 supplies, and equipment purchased for resale to other than public
30 agencies by state agencies, including educational institutions. In
31 addition, RCW 43.19.1905 shall not apply to purchases by institutions
32 of higher education participating in the fiscal autonomy pilot program
33 under section 301 of this act or liquor purchased by the state for
34 resale under the provisions of Title 66 RCW.

1 **Sec. 303.** RCW 41.06.382 and 1979 ex.s. c 46 s 1 are each amended
2 to read as follows:

3 (1) Nothing contained in this chapter shall prohibit any
4 institution of higher education, as defined in RCW 28B.10.016, or
5 related board from purchasing services by contract with individuals or
6 business entities if such services were regularly purchased by valid
7 contract at such institution prior to April 23, 1979: PROVIDED, That
8 except as provided in subsection (2) of this section, no such contract
9 may be executed or renewed if it would have the effect of terminating
10 classified employees or classified employee positions existing at the
11 time of the execution or renewal of the contract.

12 (2) An institution of higher education participating in the fiscal
13 autonomy pilot program under section 301 of this act may purchase
14 services by contract with individuals or business entities if the
15 contract would not result in increased expenditures of public funds for
16 the contracted service and if the contract would not result in the
17 termination of classified employees employed at the institution on the
18 effective date of this section.

19 **Sec. 304.** RCW 43.88.110 and 1994 c 219 s 5 are each amended to
20 read as follows:

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

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

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

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

36 (4) Except as provided in subsection (11) of this section, the
37 office of financial management shall develop a method for monitoring

1 capital appropriations and expenditures that will capture at least the
2 following elements:

3 (a) Appropriations made for capital projects including
4 transportation projects;

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

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

8 (d) Comparisons of estimated construction start and completion
9 dates with actual dates;

10 (e) Documentation of fund shifts between projects.

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

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

20 (a) Evaluation of facility program requirements and consistency
21 with long-range plans;

22 (b) Utilization of a system of cost, quality, and performance
23 standards to compare major capital construction projects; and

24 (c) A requirement to incorporate value-engineering analysis and
25 constructability review into the project schedule.

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

35 (7) If at any time during the fiscal period the governor projects
36 a cash deficit in a particular fund or account as defined by RCW
37 43.88.050, the governor shall make across-the-board reductions in
38 allotments for that particular fund or account so as to prevent a cash
39 deficit, unless the legislature has directed the liquidation of the

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

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

1 (9) Except as provided in subsection (11) of this section, the
2 director of financial management shall monitor agency operating
3 expenditures against the approved statement of proposed expenditures
4 and shall provide the legislature with quarterly explanations of major
5 variances.

6 (10) The director of financial management may exempt certain public
7 funds from the allotment controls established under this chapter if it
8 is not practical or necessary to allot the funds. With the exception
9 of exemptions that may be granted to institutions of higher education
10 that are participating in the fiscal autonomy pilot program under
11 section 301 of this act, allotment control exemptions expire at the end
12 of the fiscal biennium for which they are granted. The director of
13 financial management shall report any exemptions granted under this
14 subsection to the legislative fiscal committees.

15 (11) In consultation with the higher education coordinating board,
16 the director of the office of financial management shall develop and
17 implement a simplified allotment and reporting procedure for
18 institutions of higher education participating in the fiscal autonomy
19 pilot program under section 301 of this act.

20 **PART 4 - MISCELLANEOUS**

21 **Sec. 401.** RCW 28B.50.095 and 1991 c 238 s 36 are each amended to
22 read as follows:

23 In addition to other powers and duties, the college board may issue
24 rules (~~(and regulations)~~) permitting a student to register at more than
25 one community and technical college, provided that such student shall
26 pay tuition and fees as if the student were registered at a single
27 college, but not to exceed tuition and fees charged a full-time student
28 as established (~~(by RCW 28B.15.502)~~) under chapter 28B.15 RCW.

29 NEW SECTION. **Sec. 402.** The following acts or parts of acts are
30 each repealed:

31 (1) RCW 28B.15.202 and 1993 sp.s. c 18 s 8, 1993 c 379 s 202, 1992
32 c 231 s 7, 1985 c 390 s 19, 1982 1st ex.s. c 37 s 18, & 1981 c 257 s 6;

33 (2) RCW 28B.15.402 and 1993 sp.s. c 18 s 11, 1993 c 379 s 203, 1992
34 c 231 s 10, 1989 c 245 s 1, 1985 c 390 s 24, 1982 1st ex.s. c 37 s 19,
35 & 1981 c 257 s 7; and

1 (3) RCW 28B.15.502 and 1993 sp.s. c 18 s 12, 1993 c 379 s 204, 1992
2 c 231 s 11, 1991 c 353 s 2, 1985 c 390 s 25, 1982 1st ex.s. c 37 s 10,
3 & 1981 c 257 s 8.

4 NEW SECTION. **Sec. 403.** Captions and part headings used in this
5 act do not constitute any part of the law.

6 NEW SECTION. **Sec. 404.** Sections 101 through 115, 201, 202, 204,
7 301 through 304, and 401 through 403 of this act are necessary for the
8 immediate preservation of the public peace, health, or safety, or
9 support of the state government and its existing public institutions,
10 and shall take effect July 1, 1995.

11 NEW SECTION. **Sec. 405.** Section 203 of this act shall take effect
12 July 1, 1997.

13 NEW SECTION. **Sec. 406.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected."

17 **SSB 5325** - H COMM AMD
18 By Committee on Higher Education

19 ADOPTED AS AMENDED 4/12/95

20 On page 1, line 1 of the title, after "matters;" strike the
21 remainder of the title and insert "amending RCW 28B.15.005, 28B.15.041,
22 28B.15.066, 28B.15.067, 28B.15.070, 28B.15.076, 28B.15.740,
23 43.19.19054, 41.06.382, 43.88.110, and 28B.50.095; reenacting and
24 amending RCW 28B.15.031 and 28B.15.820; adding new sections to chapter
25 28B.15 RCW; adding a new section to chapter 28B.80 RCW; creating new
26 sections; repealing RCW 28B.15.202, 28B.15.402, and 28B.15.502;
27 providing effective dates; and declaring an emergency."

--- END ---