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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

37 (f) For nonresident first professional students: One hundred
38 sixty-seven percent of the tuition fees charged to nonresident graduate

1 and law students.

2 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
3 for resident undergraduate students and all other resident students not
4 enrolled in first professional, graduate, or law programs shall
5 increase five percent each year above the rate charged during the
6 previous academic year. For the 1995-96 and 1996-97 academic years,
7 base tuition fees for all other students shall increase five percent
8 each year above the rate charged during the previous academic year to
9 students in the same tuition categories.

10 (3) Surcharge tuition. State universities may annually assess a
11 surcharge in addition to base tuition fees. The amount of the
12 surcharge assessed in any year shall not be included in base tuition
13 fees in the next academic year. In any academic year, the maximum
14 percentage surcharge levied on base tuition shall be as follows:

15 (a) For full-time resident undergraduate students and other full-
16 time resident students not in first professional, graduate, or law
17 programs, a maximum of ten percent. A surcharge under this subsection
18 (3)(a) shall not be levied before the 1997-98 academic year;

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

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

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

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

30 (b) Nonresident undergraduate students and all other nonresident
31 students not in graduate study or law programs or enrolled in programs
32 leading to a first professional degree: Four and one-half of one
33 percent;

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

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

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

39 (f) Nonresident first professional 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 (f)
3 of this section.

4 NEW SECTION. **Sec. 103.** TUITION FEES--REGIONAL UNIVERSITIES--
5 BUILDING FEES. Tuition fees charged to all full-time students at the
6 regional universities for other than the summer term shall be as
7 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 regional
11 universities as set forth in (a) through (d) of this subsection.
12 However, if educational costs decrease, or increase at a rate less than
13 four percent over the previous year's educational costs, base tuition
14 fees shall increase a minimum of four percent each year above the
15 tuition fees rate charged the previous year. If educational costs
16 increase at a rate greater than six percent over the previous academic
17 year's educational costs, base tuition fees shall increase a maximum of
18 six 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 undergraduate students and all other resident students
22 not in graduate study programs: Thirty-one and one-half of one percent
23 of undergraduate educational costs;

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

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

29 (d) Nonresident graduate students: Ninety-two percent of graduate
30 educational costs.

31 (2) For the 1995-96 and 1996-97 academic years, base tuition fees
32 for resident undergraduate students and all other resident students not
33 enrolled in graduate programs shall increase five percent each year
34 above the rate charged during the previous academic year. For the
35 1995-96 and 1996-97 academic years, base tuition fees for all other
36 students shall increase five percent each year above the rate charged
37 during the previous academic year to students in the same tuition
38 categories.

1 (3) Surcharge tuition. The regional universities may annually
2 assess a surcharge in addition to base tuition fees. The amount of the
3 surcharge assessed in any year shall not be included in base tuition
4 fees in the next academic year. In any academic year, the maximum
5 percentage surcharge levied on base tuition shall be as follows:

6 (a) For full-time resident undergraduate students and other full-
7 time resident students not in graduate programs, a maximum of ten
8 percent. A surcharge under this subsection (3)(a) shall not be levied
9 before the 1997-98 academic year;

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

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

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

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

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

22 (c) Resident graduate students: Two and one-half of one percent;
23 and

24 (d) Nonresident graduate students: Three percent.

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

28 NEW SECTION. **Sec. 104.** TUITION FEES--THE EVERGREEN STATE
29 COLLEGE--BUILDING FEES. Tuition fees charged to all full-time students
30 at The Evergreen State College for other than the summer term shall be
31 as follows:

32 (1) Base tuition. Base tuition fees shall be calculated as a
33 percent of the per student undergraduate or graduate educational costs
34 at The Evergreen State College as set forth in (a) through (d) of this
35 subsection. However, beginning with the 1996-97 academic year, if
36 educational costs decrease, or increase at a rate less than four
37 percent over the previous year's educational costs, base tuition fees
38 shall increase a minimum of four percent each year above the tuition

1 fees rate charged the previous year. Beginning with the 1996-97
2 academic year, if educational costs increase at a rate greater than six
3 percent over the previous academic year's educational costs, base
4 tuition fees shall increase a maximum of six percent each academic year
5 above the tuition fees rate charged the previous year. The following
6 calculations shall be used to determine base tuition under this
7 section:

8 (a) Resident undergraduate students and all other resident students
9 not in graduate study programs: Thirty-two percent of undergraduate
10 educational costs;

11 (b) Nonresident undergraduate students and all other nonresident
12 students not in graduate study programs: One hundred sixteen percent
13 of undergraduate educational costs;

14 (c) Resident graduate students: Forty-five percent of graduate
15 educational costs; and

16 (d) Nonresident graduate students: One hundred forty-five and one-
17 half of one percent of graduate educational costs.

18 (2) Surcharge tuition. Beginning in the 1997-98 academic year, The
19 Evergreen State College may annually assess a surcharge in addition to
20 base tuition fees. The amount of the surcharge assessed in any year
21 shall not be included in base tuition fees the next year. In any
22 academic year, the maximum percentage surcharge levied on base tuition
23 shall be as follows:

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

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

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

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

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

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

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

1 and

2 (d) Nonresident graduate students: Three percent.

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

6 NEW SECTION. Sec. 105. TUITION FEES--COMMUNITY COLLEGES--BUILDING
7 FEES. Total tuition fees at each community college for full-time
8 students for other than the summer term shall be set by the state board
9 for community and technical colleges as follows:

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

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

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

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

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

1 special needs of individual colleges within the system as well as the
2 system as a whole. The board may permit surcharge amounts to vary
3 among colleges. In any academic year, the maximum percentage surcharge
4 levied on base tuition shall be as follows:

5 (a) For full-time resident students, a maximum of ten percent. A
6 surcharge under this subsection (3)(a) shall not be levied before the
7 1997-98 academic year; and

8 (b) For full-time nonresident students, a maximum of thirty
9 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. 106.** 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. 107.** 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. 108.** 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. 109.** 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. 110.** 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 108 of this act, program fees under
24 section 106 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. 111.** 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. 112.** 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), 104(2), and
18 105(3) of this act and minus the amount of waived operating fees
19 authorized under RCW 28B.15.910;

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

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

28 (4) The general fund state appropriation shall not be reduced by
29 the amount of revenue collected from tuition fees surcharges authorized
30 under sections 102(3), 103(3), 104(2), and 105(3) of this act.

31 **Sec. 113.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to
32 read as follows:

33 (1) Base tuition fees shall be established and adjusted annually
34 under the provisions of this chapter beginning with the 1987-88
35 academic year. Such fees shall be identical, subject to other
36 provisions of this chapter, for students enrolled at either state
37 university, for students enrolled at the regional universities ~~((and))~~,

1 for students enrolled at The Evergreen State College, and for students
2 enrolled at any community college. Base tuition fees shall reflect the
3 undergraduate and graduate educational costs of the state universities,
4 the regional universities, The Evergreen State College, and the
5 community colleges, respectively, in ~~((the amounts prescribed in))~~
6 accordance with the provisions of this chapter.

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

10 **Sec. 114.** RCW 28B.15.070 and 1992 c 231 s 5 are each amended to
11 read as follows:

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

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

29 (3) In order to conduct the study required by subsection (2) of
30 this section, the higher education coordinating board, in cooperation
31 with the institutions of higher education, shall develop a methodology
32 that requires the collection of comparable educational cost data, which
33 utilizes a faculty activity analysis or similar instrument.

34 **Sec. 115.** RCW 28B.15.076 and 1989 c 245 s 4 are each amended to
35 read as follows:

36 The higher education coordinating board shall determine and
37 transmit amounts constituting approved undergraduate and graduate

1 educational costs to the several boards of regents and trustees of the
2 state institutions of higher education by November 10 of each even-
3 numbered year except the year 1990 for which the transmittal shall be
4 made by December 17. Base tuition fees shall be based on such costs in
5 accordance with the provisions of this chapter.

6 NEW SECTION. Sec. 116. A new section is added to chapter 28B.15
7 RCW to read as follows:

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

13 **PART 2 - FINANCIAL AID**

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

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

20 (1) Except as provided in subsection (2) of this section, the total
21 dollar amount of tuition and fee waivers awarded by the governing
22 boards shall not exceed four percent, except for the community colleges
23 considered as a whole, such amount shall not exceed three percent of an
24 amount determined by estimating the total collections from tuition and
25 services and activities fees had no such waivers been made, and
26 deducting the portion of that total amount that is attributable to the
27 difference between resident and nonresident fees: PROVIDED, That at
28 least three-fourths of the dollars waived shall be)) for needy students
29 who are eligible for resident tuition and fee rates pursuant to RCW
30 28B.15.012 and 28B.15.013((: PROVIDED FURTHER, That the remainder of
31 the dollars waived, not to exceed one-fourth of the total, may be
32 applied to)). Subject to the limitations of RCW 28B.15.910, the
33 governing boards of the state universities, the regional universities,
34 The Evergreen State College, and the community colleges may waive all
35 or a portion of tuition and fees for other students at the discretion
36 of the governing boards, except on the basis of participation in

1 intercollegiate athletic programs(~~(:— PROVIDED FURTHER, That the~~
2 ~~waivers for undergraduate and graduate students of foreign nations~~
3 ~~under RCW 28B.15.556 are not subject to the limitation under this~~
4 ~~section)), not to exceed three-fourths of one percent of gross
5 authorized operating fees revenue under RCW 28B.15.910 for the
6 community colleges considered as a whole and not to exceed one percent
7 of gross authorized operating fees revenue for the other institutions
8 of higher education.~~

9 (2) In addition to the tuition and fee waivers provided in
10 subsection (1) of this section and subject to the provisions of RCW
11 28B.15.455 (~~and~~), 28B.15.460, and 28B.15.910, a total dollar amount
12 of tuition and fee waivers awarded by any state university, regional
13 university, or state college under this chapter, not to exceed one
14 percent, as calculated in subsection (1) of this section, may be used
15 for the purpose of achieving or maintaining gender equity in
16 intercollegiate athletic programs. At any institution that has an
17 underrepresented gender class in intercollegiate athletics, any such
18 waivers shall be awarded:

19 (a) First, to members of the underrepresented gender class who
20 participate in intercollegiate athletics, where such waivers result in
21 saved or displaced money that can be used for athletic programs for the
22 underrepresented gender class. Such saved or displaced money shall be
23 used for programs for the underrepresented gender class; and

24 (b) Second, (i) to nonmembers of the underrepresented gender class
25 who participate in intercollegiate athletics, where such waivers result
26 in saved or displaced money that can be used for athletic programs for
27 members of the underrepresented gender class. Such saved or displaced
28 money shall be used for programs for the underrepresented gender class;
29 or (ii) to members of the underrepresented gender class who participate
30 in intercollegiate athletics, where such waivers do not result in any
31 saved or displaced money that can be used for athletic programs for
32 members of the underrepresented gender class.

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

35 (1) Each institution of higher education, except technical
36 colleges, shall deposit a minimum of two and one-half percent of
37 revenues collected from tuition and services and activities fees in an
38 institutional financial aid fund that is hereby created and which shall

1 be held locally. Moneys in the fund shall be used only for the
2 following purposes: (a) To make guaranteed long-term loans to eligible
3 students as provided in subsections (3) through (8) of this section;
4 (b) to make short-term loans as provided in subsection (9) of this
5 section; or (c) to provide financial aid to needy students as provided
6 in subsection (10) of this section.

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

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

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

29 (5) Each institution is responsible for collection of guaranteed
30 long-term loans made under this section and shall exercise due
31 diligence in such collection, maintaining all necessary records to
32 insure that maximum repayments are made. Institutions shall cooperate
33 with other lenders and the Washington student loan guaranty
34 association, or its successor agency, in the coordinated collection of
35 guaranteed loans, and shall assure that the guarantability of the loans
36 is not violated. Collection and servicing of guaranteed long-term
37 loans under this section shall be performed by entities approved for
38 such servicing by the Washington student loan guaranty association or
39 its successor agency: PROVIDED, That institutions be permitted to

1 perform such servicing if specifically recognized to do so by the
2 Washington student loan guaranty association or its successor agency.
3 Collection and servicing of guaranteed long-term loans made by
4 community colleges under subsection (1) of this section shall be
5 coordinated by the state board for community and technical colleges and
6 shall be conducted under procedures adopted by the state board.

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

18 (7) The governing boards of the state universities, the regional
19 universities, and The Evergreen State College, and the state board for
20 community and technical colleges, on behalf of the community colleges,
21 shall each adopt necessary rules and regulations to implement this
22 section.

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

28 (9) Short-term loans, not to exceed one year, may be made from the
29 institutional financial aid fund to students enrolled in the
30 institution. No such loan shall be made to any student who is known by
31 the institution to be in default or delinquent in the payment of any
32 outstanding student loan. A short-term loan may be made only if the
33 institution has ample evidence that the student has the capability of
34 repaying the loan within the time frame specified by the institution
35 for repayment.

36 (10) Any moneys deposited in the institutional financial aid fund
37 that are not used in making long-term or short-term loans may be used
38 by the institution for locally-administered financial aid programs for
39 needy students, such as need-based institutional employment programs or

1 need-based tuition and fee scholarship or grant programs. These funds
2 shall be used in addition to and not to replace institutional funds
3 that would otherwise support these locally-administered financial aid
4 programs. First priority in the use of these funds shall be given to
5 needy students who have accumulated excessive educational loan burdens.
6 An excessive educational loan burden is a burden that will be difficult
7 to repay given employment opportunities and average starting salaries
8 in the student's chosen fields of study. Second priority in the use of
9 these funds shall be given to needy single parents, to assist these
10 students with their educational expenses, including expenses associated
11 with child care and transportation.

12 NEW SECTION. **Sec. 203.** It is the intent of the legislature to
13 restructure the state's system of financial aid. Funding levels for
14 the state's system of financial aid are subject to available funds.
15 The restructured financial aid system shall be known as college
16 promise. In designing college promise, the higher education
17 coordinating board shall follow these goals:

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

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

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

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

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

31 (c) Consistent with federal law, simplify the financial aid
32 application process;

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

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

37 (f) Deliver clear and timely information to current and future
38 postsecondary students about the costs of attending college and

1 available financial aid.

2 (2) For the state need grant program under RCW 28B.10.790 through
3 28B.10.824: As funds are available, expand the program to include new
4 populations of resident students in the following priority order,
5 ensuring that undergraduate students with the most demonstrated
6 financial need receive full grants before less needy students receive
7 any grant:

8 (a) Low-income undergraduates;

9 (b) Lower middle-income undergraduates;

10 (c) Middle-income undergraduates; and

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

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

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

23 (a) Specific program eligibility measures;

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

27 (c) Estimates of the costs for each state financial aid program,
28 including the state need grant program under RCW 28B.10.790 through
29 28B.10.824; the state work-study program under chapter 28B.12 RCW; and
30 the educational opportunity grant program under chapter 28B.101 RCW to
31 accommodate any new aid applicants estimated under (b) of this
32 subsection, as offset by nonstate sources of aid.

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

PART 3 - MISCELLANEOUS

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Sec. 301. RCW 28B.50.095 and 1991 c 238 s 36 are each amended to read as follows:

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

NEW SECTION. **Sec. 302.** The following acts or parts of acts are each repealed:

- (1) RCW 28B.15.202 and 1993 sp.s. c 18 s 8, 1993 c 379 s 202, 1992 c 231 s 7, 1985 c 390 s 19, 1982 1st ex.s. c 37 s 18, & 1981 c 257 s 6;
- (2) RCW 28B.15.402 and 1993 sp.s. c 18 s 11, 1993 c 379 s 203, 1992 c 231 s 10, 1989 c 245 s 1, 1985 c 390 s 24, 1982 1st ex.s. c 37 s 19, & 1981 c 257 s 7; and
- (3) RCW 28B.15.502 and 1993 sp.s. c 18 s 12, 1993 c 379 s 204, 1992 c 231 s 11, 1991 c 353 s 2, 1985 c 390 s 25, 1982 1st ex.s. c 37 s 10, & 1981 c 257 s 8.

NEW SECTION. **Sec. 303.** Captions and part headings used in this act do not constitute any part of the law.

NEW SECTION. **Sec. 304.** Sections 101 through 116, 201, 202, 204, and 301 through 303 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1995.

NEW SECTION. **Sec. 305.** Section 203 of this act shall take effect July 1, 1997.

NEW SECTION. **Sec. 306.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

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

3

4 On page 1, line 1 of the title, after "matters;" strike the
5 remainder of the title and insert "amending RCW 28B.15.005, 28B.15.041,
6 28B.15.066, 28B.15.067, 28B.15.070, 28B.15.076, 28B.15.740, and
7 28B.50.095; reenacting and amending RCW 28B.15.031 and 28B.15.820;
8 adding new sections to chapter 28B.15 RCW; creating new sections;
9 repealing RCW 28B.15.202, 28B.15.402, and 28B.15.502; providing
10 effective dates; and declaring an emergency."

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