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HOUSE BILL 1725

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State of Washington

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2013 Regular Session

By Representatives Tarleton, Haler, Pollet, Haigh, Wylie, Roberts, Farrell, Riccelli, Sawyer, Fitzgibbon, Sells, Ryu, Zeiger, and Tharinger

Read first time 02/06/13. Referred to Committee on Higher Education.

1 AN ACT Relating to creating the tuition support fund program; and  
2 adding a new chapter to Title 28B RCW.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the  
5 affordability of all higher education programs has decreased in recent  
6 years due to increases in tuition, and that affordability is the major  
7 barrier to access. Some students are deterred by the price of  
8 postsecondary education and do not apply, while others, already  
9 enrolled, face unexpected increases in tuition that may be beyond their  
10 ability to pay and they may be forced to drop out.

11 (2) The legislature intends to create greater affordability and  
12 predictability for students enrolling in postsecondary programs in  
13 order to reduce the burden of tuition increases.

14 (3) The legislature recognizes that the value of programs that help  
15 low-income and middle-income students and their families save for and  
16 pay for higher education such as the advanced tuition payment program  
17 and the state need grant. It is the intent of the legislature to build  
18 on the success of these programs by engaging the employer and

1 foundation communities to offer tuition support and to partner in the  
2 postsecondary preparation needs of the future workforce and a  
3 prosperous economy.

4 NEW SECTION. **Sec. 2.** The definitions in this section apply  
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Fund administrator" means the private nonprofit corporation  
7 that is registered under Title 24 RCW and qualified as a tax-exempt  
8 entity under section 501(c)(3) of the federal internal revenue code,  
9 that will serve as the private partner in the public-private  
10 partnership under this chapter.

11 (2) "GET units" means tuition units under the advanced college  
12 tuition payment program in chapter 28B.95 RCW.

13 (3) "Institution of higher education" has the same meaning as in  
14 RCW 28B.92.030.

15 (4) "Office" means the office of student financial assistance.

16 (5) "Postsecondary program" means any certificate, degree,  
17 apprenticeship, or college preparatory program offered at an  
18 institution of higher education.

19 (6) "Program administrator" means the office of student financial  
20 assistance.

21 NEW SECTION. **Sec. 3.** (1) The tuition support fund program is  
22 established. The purpose of the program is to provide financial  
23 support to students who, due to lack of financial means, cannot afford  
24 to enroll in, or continue their postsecondary program. Students may  
25 receive tuition support fund program awards as grants or GET units if  
26 they are enrolled in a qualified program and can demonstrate financial  
27 need.

28 (2) The program shall be administered by the office.

29 (3) The fund administrator shall solicit contributions to the  
30 tuition support fund account in section 8 of this act.

31 (4) The total annual amount of each tuition support fund award may  
32 vary, but shall not exceed the annual cost of resident undergraduate  
33 tuition fees and mandatory fees at the University of Washington. An  
34 eligible recipient may receive a tuition support fund award for up to  
35 one hundred eighty quarter credits, or the semester equivalent, or for  
36 up to five years, whichever comes first.

1 (5) Scholarships shall be awarded only to the extent that funds are  
2 available for that purpose in the tuition support fund account.

3 NEW SECTION. **Sec. 4.** (1) An eligible student is a student who:

4 (a) Is eligible for resident tuition and fee rates as defined in  
5 RCW 28B.15.012;

6 (b) Can demonstrate financial need as provided in RCW 28B.92.060;  
7 and

8 (c) Has declared an intention to complete a postsecondary program  
9 at an institution of higher education;

10 (2) An eligible recipient is an eligible student who:

11 (a) Has been awarded a tuition support fund award in accordance  
12 with the selection criteria and process established by the program  
13 administrator; and

14 (b) Maintains satisfactory academic progress, as defined by the  
15 institution of higher education where the student is enrolled.

16 NEW SECTION. **Sec. 5.** If a student who received a tuition support  
17 fund award ceases to be enrolled in an institution of higher education,  
18 withdraws, or is no longer enrolled in a qualified program, or  
19 otherwise is no longer eligible to receive a tuition support fund  
20 award, the student must notify the program administrator as soon as  
21 practicable and is not eligible for further tuition support fund  
22 awards.

23 NEW SECTION. **Sec. 6.** The office must:

24 (1) Purchase GET units from the tuition support fund account to be  
25 owned and held in trust by the office, for the purpose of tuition  
26 support fund awards in the form of GET units as provided for in this  
27 chapter;

28 (2) Distribute tuition support fund awards in the form of GET units  
29 on behalf of eligible recipients. In order to ensure the purchaser  
30 does not lose value, these GET units shall not be distributed in fewer  
31 than five years or at the time when the purchase value exceeds the  
32 payout value, whichever occurs first;

33 (3) Distribute tuition support fund grants as they become available  
34 as provided in section 8 of this act through direct payments from the  
35 tuition support fund account, to institutions of higher education;

1 (4) Develop and implement an application, selection, and  
2 notification process for awarding tuition support fund awards that  
3 aligns with the state need grant program in RCW 28B.92.060;

4 (5) Establish rules for award repayment, approved leaves of  
5 absence, deferments, and exceptions to recognize extenuating  
6 circumstances that may impact students similar to the state need grant  
7 program in RCW 28B.92.060;

8 (6) Contract with a fund administrator, outlining expected  
9 deliverables and due dates. Deliverables must include a comprehensive  
10 strategy to solicit funds, development of goals for enlarging the  
11 tuition support fund account, a plan for developing relationships with  
12 potential employers, businesses, and foundation contributors, and  
13 methods for assessing progress in meeting goals;

14 (7) Provide information to institutions of higher education, at  
15 least once per year, to provide training on the tuition support fund  
16 program and tools for administering the program alongside other state  
17 financial aid programs; and

18 (8) Report to the governor and the legislature on tuition support  
19 fund awards and recipient outcomes, including any recommendations for  
20 improvement of administration or program design.

21 NEW SECTION. **Sec. 7.** The fund administrator shall:

22 (1) Solicit grants and donations from private sources such as  
23 employers, businesses, and foundations to support the tuition support  
24 fund program;

25 (2) Coordinate with the program administrator to deposit solicited  
26 funds in the tuition support fund account; and

27 (3) Report to the program administrator on progress in meeting  
28 deliverables at least four times per year.

29 NEW SECTION. **Sec. 8.** (1) The tuition support fund account is  
30 created in the custody of the state treasurer.

31 (2) The office shall deposit into the account all moneys received  
32 for the tuition support fund account. The account must be self-  
33 sustaining.

34 (3)(a) Expenditures from the account must be used for tuition  
35 support fund awards in the form of grants or GET units.

1 (b) Twenty percent of the contributions must be held in the account  
2 to accrue interest.

3 (c) Forty percent shall be distributed for tuition support fund  
4 grants and forty percent shall be for the purposes of purchasing GET  
5 units.

6 (d) Purchased GET units shall be owned and held in trust by the  
7 office.

8 (4) With the exception of the operating costs associated with the  
9 management of the account by the treasurer's office as authorized in  
10 chapter 43.79A RCW, the account shall be credited with all investment  
11 income earned by the account.

12 (5) Disbursements from the account are exempt from appropriations  
13 and the allotment provisions of chapter 43.88 RCW.

14 (6) Disbursements from the account shall be made only on the  
15 authorization of the office.

16 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute  
17 a new chapter in Title 28B RCW.

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