H-1779.2

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**SUBSTITUTE HOUSE BILL 1556**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Hargrove, Walkinshaw, Zeiger, Pollet, Van Werven, Bergquist, Ortiz-Self, and Parker)

AN ACT Relating to strengthening the Washington advanced college tuition payment program by setting new requirements on the purchase and use of tuition units; amending RCW 28B.95.080; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature intends to strengthen the Washington advanced college tuition payment program by allowing purchasers to buy more tuition units per beneficiary and allowing beneficiaries to use more units per year.

**Sec.**  RCW 28B.95.080 and 2011 1st sp.s. c 12 s 3 are each amended to read as follows:

(1)(a) The governing body shall annually evaluate, and cause to be evaluated by the state actuary, the soundness of the account and determine the additional assets needed, if any, to defray the obligations of the account. The governing body may, at its discretion, consult with a nationally recognized actuary for periodic assessments of the account.

(b) If funds are determined by the governing body, based on actuarial analysis to be insufficient to ensure the actuarial soundness of the account, the governing body shall adjust the price of subsequent tuition credit purchases to ensure its soundness.

(c) If there are insufficient numbers of new purchases to ensure the actuarial soundness of the account, the governing body shall request such funds from the legislature as are required to ensure the integrity of the program. Funds may be appropriated directly to the account or appropriated under the condition that they be repaid at a later date. The repayment shall be made at such time that the account is again determined to be actuarially sound.

(2)(a) Beginning on the effective date of this section and until the threshold in (b) of this subsection is reached, the governing body shall add to its annual evaluation under this section the following: A determination of whether adding minimum limits of (i) eight hundred for the number of tuition units or units that may be purchased on behalf of any one beneficiary; and (ii) two hundred for the number of tuition units or units that may be used in any one year, would cause the program's funded status to meet the threshold described in (b) of this subsection.

(b) If adding the minimum limits described in (a) of this subsection would not increase the probability of program insolvency above point one percent the governing body must administratively implement these minimum limits.

(c) Once implemented, the governing body may not set the number of tuition units that may be purchased on behalf of any one beneficiary or used in any one year, below the minimum limits described in this section without specific statutory authorization.

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