

**E2SHB 2158 - S AMD 836**

By Senator Holy

**NOT ADOPTED 04/28/2019**

1 On page 3, line 1, after "account." strike all material through  
2 "appropriation."

3 Beginning on page 3, line 11, strike all of sections 3 through 80  
4 and insert the following:

5 "NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04  
6 RCW to read as follows:

7 The legislature intends to secure additional revenue via  
8 surcharges targeted towards certain industries including select  
9 advanced computing businesses.

10 The legislature intends the provisions of this act to be applied  
11 broadly in favor of application of the surcharges. To achieve this  
12 intent, any provision within this act that is deemed to be ambiguous  
13 by a court of competent jurisdiction, the board of tax appeals, or  
14 any other judicial or administrative body, should be construed in  
15 favor of application of the surcharges.

16 (1)(a) Beginning with business activities occurring on or after  
17 January 1, 2020, in addition to the taxes imposed under RCW  
18 82.04.290(2), a workforce education investment surcharge is imposed  
19 on specified persons. The surcharge is equal to the total amount of  
20 tax payable by the person on business activities taxed under RCW  
21 82.04.290(2), before application of any tax credits, multiplied by  
22 the rate of twenty percent.

23 (b) For specified persons who report under one or more tax  
24 classifications, this surcharge applies only to business activities  
25 taxed under RCW 82.04.290(2).

26 (c) The surcharge imposed under this subsection (1) must be  
27 reported and paid in a manner and frequency as required by the  
28 department.

29 (2) For the purposes of this section, "specified person" means a  
30 person who is not subject to the surcharge under subsection (4) of  
31 this section and who is primarily engaged within this state in any  
32 combination of the following activities:

1 (a) Computer software publishing or publishing and reproduction.  
2 Establishments in this industry carry out operations necessary for  
3 producing and distributing computer software, such as designing,  
4 providing documentation, assisting in installation, and providing  
5 support services to software purchasers. These establishments may  
6 design, develop, and publish, or publish only. These establishments  
7 may publish and distribute software remotely through subscriptions  
8 and downloads;

9 (b) Conducting original investigation undertaken on a systematic  
10 basis to gain new knowledge or the application of research findings  
11 or other scientific knowledge for the creation of new or  
12 significantly improved products or processes. Techniques may include  
13 modeling and simulation. The industries within this industry group  
14 are defined on the basis of the domain of research and on scientific  
15 expertise of the establishment;

16 (c) Putting capital at risk in the process of underwriting  
17 securities issues or in making markets for securities and commodities  
18 and those acting as agents or brokers between buyers and sellers of  
19 securities and commodities, usually charging a commission;

20 (d) Providing expertise in the field of information technologies  
21 through one or more of the following activities: (i) Writing,  
22 modifying, testing, and supporting computer software to meet the  
23 needs of a particular customer; (ii) planning and designing computer  
24 systems that integrate computer hardware, computer software, and  
25 communication technologies; (iii) on-site management and operation of  
26 clients' computer systems and data processing facilities; or (iv)  
27 other professional and technical computer-related advice and  
28 services;

29 (e) Performing central banking functions, such as issuing  
30 currency, managing the nation's money supply and international  
31 reserves, holding deposits that represent the reserves of other banks  
32 and other central banks, and acting as a fiscal agent for the central  
33 government;

34 (f) (i) Purchasing access and network capacity from owners and  
35 operators of telecommunications networks and reselling wired and  
36 wireless telecommunications services, except satellite, to businesses  
37 and households; (ii) providing specialized telecommunications  
38 services, such as satellite tracking, communications telemetry, and  
39 radar station operation; (iii) providing satellite terminal stations  
40 and associated facilities connected with one or more terrestrial

1 systems and capable of transmitting telecommunications to, and  
2 receiving telecommunications from, satellite systems; or (iv)  
3 providing internet access services or voice over internet protocol  
4 services via client-supplied telecommunications connections.  
5 Establishments in this industry do not operate as telecommunications  
6 carriers. Mobile virtual network operators are included in this  
7 industry;

8 (g) (i) Acting as principals in buying or selling financial  
9 contracts, except investment bankers, securities dealers, and  
10 commodity contracts dealers; (ii) acting as agents or brokers, except  
11 securities brokerages and commodity contracts brokerages, in buying  
12 or selling financial contracts; or (iii) providing other investment  
13 services except securities and commodity exchanges, such as portfolio  
14 management, investment advice, and trust, fiduciary, and custody  
15 services;

16 (h) Supplying information, such as news reports, articles,  
17 pictures, and features, to the news media. This industry comprises  
18 establishments primarily engaged in providing library or archive  
19 services. These establishments are engaged in maintaining collections  
20 of documents and facilitating the use of these documents as required  
21 to meet the informational, research, educational, or recreational  
22 needs of their user. These establishments may also acquire, research,  
23 store, preserve, and generally make accessible to the public  
24 historical documents, photographs, maps, audio material, audiovisual  
25 material, and other archival material of historical interest. All or  
26 portions of these collections may be accessible electronically. This  
27 industry comprises establishments engaged in: (i) Publishing and  
28 broadcasting content on the internet exclusively; or (ii) operating  
29 web sites that use a search engine to generate and maintain extensive  
30 databases of internet addresses and content in an easily searchable  
31 format, known as web search portals. The publishing and broadcasting  
32 establishments in this industry do not provide traditional versions  
33 of the content they publish or broadcast. They provide textual,  
34 audio, or video content of general or specific interest on the  
35 internet exclusively. Establishments known as web search portals  
36 often provide additional internet services, such as email,  
37 connections to other web sites, auctions, news, and other limited  
38 content, and serve as a home base for internet users. This industry  
39 comprises establishments primarily engaged in providing other

1 information services, except news syndicates, libraries, archives,  
2 internet publishing and broadcasting, and web search portals;

3 (i) Architectural, engineering, and related services, such as  
4 drafting services, building inspection services, geophysical  
5 surveying and mapping services, surveying and mapping, except  
6 geophysical services and testing services;

7 (j) Retailing all types of merchandise using nonstore means, such  
8 as catalogs, toll-free telephone numbers, electronic media, such as  
9 interactive television or the internet, or selling directly to  
10 consumers in a nonretail, physical environment. Included in this  
11 industry are establishments primarily engaged in retailing from  
12 catalog showrooms of mail-order houses;

13 (k) Providing advice and assistance to businesses and other  
14 organizations on management, environmental, scientific, and technical  
15 issues;

16 (l) Providing infrastructure for hosting or data processing  
17 services. These establishments may provide specialized hosting  
18 activities, such as web hosting, streaming services, or application  
19 hosting, or they may provide general time-share mainframe facilities  
20 to clients. Data processing establishments provide complete  
21 processing and specialized reports from data supplied by clients or  
22 provide automated data processing and data entry services;

23 (m) Facilitating credit intermediation by performing activities,  
24 such as arranging loans by bringing borrowers and lenders together  
25 and clearing checks and credit card transactions;

26 (n) Offering legal services, such as those offered by offices of  
27 lawyers, offices of notaries, and title abstract and settlement  
28 offices, and paralegal services;

29 (o) Operating or providing access to transmission facilities and  
30 infrastructure that they own or lease for the transmission of voice,  
31 data, text, sound, and video using wired telecommunications networks.  
32 Transmission facilities may be based on a single technology or a  
33 combination of technologies. Establishments in this industry use the  
34 wired telecommunications network facilities that they operate to  
35 provide a variety of services, such as wired telephony services,  
36 including voice over internet protocol services, wired audio and  
37 video programming distribution, and wired broadband internet  
38 services. By exception, establishments providing satellite television  
39 distribution services using facilities and infrastructure that they  
40 operate are included in this industry;

1 (p) Providing telecommunications services to other establishments  
2 in the telecommunications and broadcasting industries by forwarding  
3 and receiving communications signals via a system of satellites or  
4 reselling satellite telecommunications;

5 (q) Operating and maintaining switching and transmission  
6 facilities to provide communications via the airwaves. Establishments  
7 in this industry have spectrum licenses and provide services using  
8 that spectrum, such as cellular phone services, paging services,  
9 wireless internet access, and wireless video services;

10 (r) Extending credit or lending funds raised by credit market  
11 borrowing, such as issuing commercial paper or other debt instruments  
12 or by borrowing from other financial intermediaries;

13 (s) Underwriting annuities and insurance policies and investing  
14 premiums to build up a portfolio of financial assets to be used  
15 against future claims. Direct insurance carriers are establishments  
16 that are primarily engaged in initially underwriting and assuming the  
17 risk of annuities and insurance policies. Reinsurance carriers are  
18 establishments that are primarily engaged in assuming all or part of  
19 the risk associated with an existing insurance policy originally  
20 underwritten by another insurance carrier. Industries are defined in  
21 terms of the type of risk being insured against, such as death, loss  
22 of employment because of age or disability, or property damage.  
23 Contributions and premiums are set on the basis of actuarial  
24 calculations of probable payouts based on risk factors from  
25 experience tables and expected investment returns on reserves;

26 (t) Merchant wholesale distribution of photographic equipment and  
27 supplies and office, computer, and computer peripheral equipment and  
28 medical, dental, hospital, ophthalmic, and other commercial and  
29 professional equipment and supplies;

30 (u) Operating studios and facilities for the broadcasting of  
31 programs on a subscription or fee basis. The broadcast programming is  
32 typically narrowcast in nature. These establishments produce  
33 programming in their own facilities or acquire programming from  
34 external sources. The programming material is usually delivered to a  
35 third party, such as cable systems or direct-to-home satellite  
36 systems, for transmission to viewers;

37 (v) Publishing newspapers, magazines, other periodicals, books,  
38 directories and mailing lists, and other works, such as calendars,  
39 greeting cards, and maps. These works are characterized by the  
40 intellectual creativity required in their development and are usually

1 protected by copyright. Publishers distribute or arrange for the  
2 distribution of these works. Publishing establishments may create the  
3 works in-house, or contract for, purchase, or compile works that were  
4 originally created by others. These works may be published in one or  
5 more formats, such as print or electronic form, including proprietary  
6 electronic networks. Establishments in this industry may print,  
7 reproduce, or offer direct access to the works themselves or may  
8 arrange with others to carry out such functions. Establishments that  
9 both print and publish may fill excess capacity with commercial or  
10 job printing. However, the publishing activity is still considered to  
11 be the primary activity of these establishments;

12 (w) Generating, transmitting, or distributing electric power.  
13 Establishments in this industry group may perform one or more of the  
14 following activities: (i) Operate generation facilities that produce  
15 electric energy; (ii) operate transmission systems that convey the  
16 electricity from the generation facility to the distribution system;  
17 or (iii) operate distribution systems that convey electric power  
18 received from the generation facility or the transmission system to  
19 the final consumer;

20 (x) Providing specialized design services including interior  
21 design, industrial design, graphic design, and others, but not  
22 including architectural, engineering, and computer systems design;

23 (y) Assigning rights to assets, such as patents, trademarks,  
24 brand names, or franchise agreements, for which a royalty payment or  
25 licensing fee is paid to the asset holder;

26 (z) Acting as agents in selling annuities and insurance policies  
27 or providing other employee benefits and insurance related services,  
28 such as claims adjustment and third-party administration;

29 (aa) Business-to-business electronic markets that bring together  
30 buyers and sellers of goods using the internet or other electronic  
31 means and generally receive a commission or fee for the service.  
32 Business-to-business electronic markets for durable and nondurable  
33 goods are included in this industry. This industry comprises  
34 wholesale trade agents and brokers acting on behalf of buyers or  
35 sellers in the wholesale distribution of goods. Agents and brokers do  
36 not take title to the goods being sold but rather receive a  
37 commission or fee for their service. Agents and brokers for all  
38 durable and nondurable goods are included in this industry;

39 (bb) Accepting deposits or share deposits and in lending funds  
40 from these deposits. Within this group, industries are defined on the

1 basis of differences in the types of deposit liabilities assumed and  
2 in the nature of the credit extended;

3 (cc) (i) Manufacturing complete aircraft, missiles, or space  
4 vehicles; (ii) manufacturing aerospace engines, propulsion units,  
5 auxiliary equipment or parts; (iii) developing and making prototypes  
6 of aerospace products; (iv) aircraft conversion; or (v) complete  
7 aircraft or propulsion systems overhaul and rebuilding;

8 (dd) Advertising, public relations, and related services, such as  
9 media buying, independent media representation, outdoor advertising,  
10 direct mail advertising, advertising material distribution services,  
11 and other services related to advertising;

12 (ee) Providing services, such as auditing of accounting records,  
13 designing accounting systems, preparing financial statements,  
14 developing budgets, preparing tax returns, processing payrolls,  
15 bookkeeping, and billing;

16 (ff) The independent practice of general or specialized medicine  
17 or surgery by businesses comprised of one or more health  
18 practitioners having the degree of doctor of medicine or doctor of  
19 osteopathy. These practitioners operate private or group practices in  
20 their own offices or in the facilities of others, such as hospitals  
21 or health maintenance organization medical centers;

22 (gg) Providing a range of outpatient services, such as family  
23 planning, diagnosis and treatment of mental health disorders and  
24 alcohol and other substance abuse, and other general or specialized  
25 outpatient care by businesses with medical staff;

26 (hh) Pooling securities or other assets, except insurance and  
27 employee benefit funds, on behalf of shareholders, unit holders, or  
28 beneficiaries, by legal entities such as investment pools or funds;

29 (ii) Promoting the interests of an organization's members, except  
30 religious organizations, social advocacy organizations, and civic and  
31 social organizations. Examples of establishments in this industry are  
32 business associations, professional organizations, labor unions, and  
33 political organizations;

34 (jj) Holding the securities of or other equity interests in  
35 companies and enterprises for the purpose of owning a controlling  
36 interest or influencing management decisions or businesses that  
37 administer, oversee, and manage other establishments of the company  
38 or enterprise and that normally undertake the strategic or  
39 organizational planning and decision-making role of the company or

1 enterprise. Establishments that administer, oversee, and manage may  
2 hold the securities of the company or enterprise;

3 (kk) For medical and diagnostic laboratories, providing analytic  
4 or diagnostic services, including body fluid analysis and diagnostic  
5 imaging, generally to the medical profession or to the patient on  
6 referral from a health practitioner;

7 (ll) Serving as offices of chief executives and their advisory  
8 committees and commissions. This industry includes offices of the  
9 president, governors, and mayors, in addition to executive advisory  
10 commissions. This industry comprises government establishments  
11 serving as legislative bodies and their advisory committees and  
12 commissions. Included in this industry are legislative bodies, such  
13 as congress, state legislatures, and advisory and study legislative  
14 commissions. This industry comprises government establishments  
15 primarily engaged in public finance, taxation, and monetary policy.  
16 Included are financial administration activities, such as monetary  
17 policy, tax administration and collection, custody and disbursement  
18 of funds, debt and investment administration, auditing activities,  
19 and government employee retirement trust fund administration. This  
20 industry comprises government establishments serving as councils and  
21 boards of commissioners or supervisors and such bodies where the  
22 chief executive is a member of the legislative body itself. This  
23 industry comprises American Indian and Alaska Native governing  
24 bodies. Establishments in this industry perform legislative,  
25 judicial, and administrative functions for their American Indian and  
26 Alaska Native lands. Included in this industry are American Indian  
27 and Alaska Native councils, courts, and law enforcement bodies. This  
28 industry comprises government establishments primarily engaged in  
29 providing general support for government. Such support services  
30 include personnel services, election boards, and other general  
31 government support establishments that are not classified elsewhere  
32 in public administration;

33 (mm) Providing a range of office administrative services, such as  
34 financial planning, billing and recordkeeping, personnel, and  
35 physical distribution and logistics, for others on a contract or fee  
36 basis. These establishments do not provide operating staff to carry  
37 out the complete operations of a business;

38 (nn) Providing professional, scientific, or technical services  
39 including marketing research, public opinion polling, photographic  
40 services, translation and interpretation services, and veterinary



1 services. This category does not include legal services, accounting,  
2 tax preparation, bookkeeping, architectural, engineering, and related  
3 services, specialized design services, computer systems design,  
4 management, scientific and technical consulting services, scientific  
5 research and development services, or advertising services;

6 (oo) The independent practice of general or specialized dentistry  
7 or dental surgery by businesses comprised of one or more health  
8 practitioners having the degree of doctor of dental medicine, doctor  
9 of dental surgery, or doctor of dental science. These practitioners  
10 operate private or group practices in their own offices or in the  
11 facilities of others, such as hospitals or health maintenance  
12 organization medical centers. They may provide either comprehensive  
13 preventive, cosmetic, or emergency care, or specialize in a single  
14 field of dentistry;

15 (pp) The independent practice of general or specialized medicine  
16 or surgery, or general or specialized dentistry or dental surgery, by  
17 businesses comprised of one or more independent health practitioners,  
18 other than physicians and dentists;

19 (qq) Providing ambulatory health care services.

20 (3) (a) (i) For the purposes of this section, a person is primarily  
21 engaged within this state in any combination of the activities  
22 described in subsection (2) of this section if more than fifty  
23 percent of the person's cumulative gross amount reportable under this  
24 chapter during the entire current or immediately preceding calendar  
25 year was generated from engaging in any one or more of the activities  
26 described in subsection (2) of this section. For purposes of this  
27 subsection, "gross amount reportable" means the total value of  
28 products, gross proceeds of sales, and gross income of the business,  
29 reportable to the department before application of any tax  
30 deductions.

31 (ii) If a person was not primarily engaged within this state in  
32 any combination of the activities described in subsection (2) of this  
33 section during the immediately preceding year, and the person is  
34 unsure whether the person will be subject to the workforce investment  
35 surcharge for the current calendar year until the close of the  
36 current calendar year, the person must, if necessary, file corrected  
37 returns with the department of revenue to pay any additional tax due  
38 under this section for the current calendar year. Payment of  
39 additional tax, along with corrected returns, is due and payable when  
40 the person's last return for the calendar year during which the tax

1 liability accrued is due and payable. Additional tax due under this  
2 section is subject to penalties and interest as provided under  
3 chapter 82.32 RCW only if the tax is not paid in full by the date due  
4 as provided in this subsection (3)(a)(ii).

5 (b) The entire amount of gross income of the business received by  
6 a person pursuant to a contract under which the person is obligated  
7 to perform any activity described under subsection (2) of this  
8 section is deemed to be generated from engaging in any one or more of  
9 the activities described in subsection (2) of this section.

10 (4)(a) Beginning with business activities occurring on or after  
11 January 1, 2020, in addition to the taxes imposed under RCW  
12 82.04.290(2), a workforce education investment surcharge is imposed  
13 on select advanced computing businesses as follows:

14 (i) For an affiliated group that has worldwide gross revenue of  
15 more than twenty-five billion dollars, but not more than one hundred  
16 billion dollars, during the entire current or immediately preceding  
17 calendar year, the surcharge is equal to the total amount of tax  
18 payable by each member of the affiliated group on all business  
19 activities taxed under RCW 82.04.290(2), before application of any  
20 tax credits, multiplied by the rate of thirty-three and one-third  
21 percent.

22 (ii) For an affiliated group that has worldwide gross revenue of  
23 more than one hundred billion dollars during the entire current or  
24 immediately preceding calendar year, the surcharge is equal to the  
25 total amount of tax payable by each member of the affiliated group on  
26 all business activities taxed under RCW 82.04.290(2), before  
27 application of any tax credits, multiplied by the rate of sixty-six  
28 and two-thirds percent.

29 (b) In no case will the combined surcharge imposed under this  
30 subsection (4) paid by all members of an affiliated group be less  
31 than four million dollars or more than seven million dollars  
32 annually.

33 (c) For persons subject to the surcharge imposed under this  
34 subsection (4) that report under one or more tax classifications, the  
35 surcharge applies only to business activities taxed under RCW  
36 82.04.290(2).

37 (d) The surcharge imposed under this subsection (4) must be  
38 reported and paid in a manner and frequency as required by the  
39 department.

1 (e) To aid in the effective administration of the surcharge in  
2 this subsection (4), the department may require persons believed to  
3 be engaging in advanced computing or affiliated with a person  
4 believed to be engaging in advanced computing to disclose whether  
5 they are a member of an affiliated group and, if so, to identify all  
6 other members of the affiliated group subject to the surcharge. If  
7 the department determines that a person, with intent to evade the  
8 surcharge under this subsection (4), failed to fully comply with this  
9 subsection (4)(e), the seven million dollar limitation in (b) of this  
10 subsection (4) does not apply to the person's affiliated group.

11 (f) For the purposes of this subsection (4) the following  
12 definitions apply:

13 (i) "Advanced computing" means designing or developing computer  
14 software or computer hardware, whether directly or contracting with  
15 another person, including modifications to computer software or  
16 computer hardware, cloud computing services, or operating an online  
17 marketplace, an online search engine, or online social networking  
18 platform;

19 (ii) "Affiliate" and "affiliated" means a person that directly or  
20 indirectly, through one or more intermediaries, controls, is  
21 controlled by, or is under common control with another person;

22 (iii) "Affiliated group" means a group of two or more persons  
23 that are affiliated with each other;

24 (iv) "Cloud computing services" means on-demand delivery of  
25 computing resources, such as networks, servers, storage,  
26 applications, and services, over the internet;

27 (v) "Control" means the possession, directly or indirectly, of  
28 more than fifty percent of the power to direct or cause the direction  
29 of the management and policies of a person, whether through the  
30 ownership of voting shares, by contract, or otherwise; and

31 (vi) "Select advanced computing business" means a person who is a  
32 member of an affiliated group with at least one member of the  
33 affiliated group engaging in the business of advanced computing, and  
34 the affiliated group has worldwide gross revenue of more than twenty-  
35 five billion dollars during the entire current or immediately  
36 preceding calendar year. A person who is primarily engaged within  
37 this state in the provision of commercial mobile service, as that  
38 term is defined in 47 U.S.C Sec. 332(d)(1), shall not be considered a  
39 select advanced computing business. A person who is primarily engaged  
40 in this state in the operation and provision of access to

1 transmission facilities and infrastructure that the person owns or  
2 leases for the transmission of voice, data, text, sound, and video  
3 using wired telecommunications networks shall not be considered a  
4 select advanced computing business.

5 (5) The workforce education investment surcharges under this  
6 section do not apply to any hospital as defined in RCW 70.41.020,  
7 including any hospital that comes within the scope of chapter 71.12  
8 RCW if the hospital is also licensed under chapter 70.41 RCW.

9 (6) Revenues from the surcharges under this section must be  
10 deposited directly into the workforce education investment account  
11 established in section 2 of this act.

12 (7) The department has the authority to determine through an  
13 audit or other investigation whether a person is subject to the  
14 surcharges imposed in this section. The department's determination  
15 that a person is subject to the surcharge is presumed to be correct  
16 unless the person shows by clear, cogent, and convincing evidence  
17 that the department's determination was incorrect.

18 (8) Revenue from the workforce education investment surcharges  
19 shall be transferred to the workforce education investment account  
20 established in section 2 of this act. With the funds provided by the  
21 transfer to the workforce education investment account, the office of  
22 financial management shall allocate to the state board for community  
23 and technical colleges and to each of the four-year institutions of  
24 higher education an amount that is equal to the net revenue loss from  
25 resident undergraduate tuition operating fees based on state-  
26 supported full-time equivalent enrollment received for the 2017-2019  
27 fiscal biennium under RCW 28B.15.067. The net revenue loss shall be  
28 adjusted for inflation in subsequent biennia.

29 (9) As used in this section and RCW 28B.15.069, "inflation" shall  
30 be based on the consumer price index, using the official current  
31 base, compiled by the bureau of labor statistics, United States  
32 department of labor for the state of Washington. If the bureau of  
33 labor statistics develops more than one consumer price index for  
34 areas within the state, the index covering the greatest number of  
35 people and covering areas exclusively within the boundaries of the  
36 state shall be used.

37 **Sec. 4.** RCW 28B.15.067 and 2015 3rd sp.s. c 36 s 3 are each  
38 amended to read as follows:

1 (1) Tuition fees shall be established under the provisions of  
2 this chapter.

3 (2) Beginning in the 2011-12 academic year and through the  
4 2014-15 academic year, reductions or increases in full-time tuition  
5 fees shall be as provided in the omnibus appropriations act for  
6 resident undergraduate students at community and technical colleges.

7 (3)(a) In the 2015-16 and 2016-17 academic years, tuition  
8 operating fees for resident undergraduates at community and technical  
9 colleges excluding applied baccalaureate degrees as defined in RCW  
10 28B.50.030, shall be five percent less than the 2014-15 academic year  
11 tuition operating fee.

12 (b) Beginning in the 2019-20 academic year, tuition operating  
13 fees for resident undergraduates at community and technical colleges  
14 shall be twenty-five percent less than the 2018-19 academic year  
15 tuition operating fees.

16 (c) Beginning in the ((2017-18)) 2020-21 academic year, tuition  
17 operating fees for resident undergraduates at community and technical  
18 colleges excluding applied baccalaureate degrees as defined in RCW  
19 28B.50.030, may increase by no more than the average annual  
20 percentage growth rate in the median hourly wage for Washington for  
21 the previous fourteen years as the wage is determined by the federal  
22 bureau of labor statistics.

23 (4) The governing boards of the state universities, regional  
24 universities, and The Evergreen State College; and the state board  
25 for community and technical colleges may reduce or increase full-time  
26 tuition fees for all students other than resident undergraduates,  
27 including nonresident students, summer school students, and students  
28 in other self-supporting degree programs. Percentage increases in  
29 full-time tuition may exceed the fiscal growth factor. Except during  
30 the 2013-2015 fiscal biennium, the state board for community and  
31 technical colleges may pilot or institute differential tuition  
32 models. The board may define scale, scope, and rationale for the  
33 models.

34 (5)(a) Beginning with the 2011-12 academic year and through the  
35 end of the 2014-15 academic year, the governing boards of the state  
36 universities, the regional universities, and The Evergreen State  
37 College may reduce or increase full-time tuition fees for all  
38 students, including summer school students and students in other  
39 self-supporting degree programs. Percentage increases in full-time  
40 tuition fees may exceed the fiscal growth factor. Reductions or

1 increases may be made for all or portions of an institution's  
2 programs, campuses, courses, or students; however, during the  
3 2013-2015 fiscal biennium, reductions or increases in tuition must be  
4 uniform among resident undergraduate students.

5 (b) Prior to reducing or increasing tuition for each academic  
6 year, the governing boards of the state universities, the regional  
7 universities, and The Evergreen State College shall consult with  
8 existing student associations or organizations with student  
9 undergraduate and graduate representatives regarding the impacts of  
10 potential tuition increases. Each governing board shall make public  
11 its proposal for tuition and fee increases twenty-one days before the  
12 governing board of the institution considers adoption and allow  
13 opportunity for public comment. However, the requirement to make  
14 public a proposal for tuition and fee increases twenty-one days  
15 before the governing board considers adoption shall not apply if the  
16 omnibus appropriations act has not passed the legislature by May  
17 15th. Governing boards shall be required to provide data regarding  
18 the percentage of students receiving financial aid, the sources of  
19 aid, and the percentage of total costs of attendance paid for by aid.

20 (c) Prior to reducing or increasing tuition for each academic  
21 year, the state board for community and technical college system  
22 shall consult with existing student associations or organizations  
23 with undergraduate student representation regarding the impacts of  
24 potential tuition increases. The state board for community and  
25 technical colleges shall provide data regarding the percentage of  
26 students receiving financial aid, the sources of aid, and the  
27 percentage of total costs of attendance paid for by aid.

28 (6) (a) In the 2015-16 academic year, full-time tuition operating  
29 fees for resident undergraduates for state universities, regional  
30 universities, The Evergreen State College, and applied baccalaureate  
31 degrees as defined in RCW 28B.50.030 shall be five percent less than  
32 the 2014-15 academic year tuition operating fee.

33 (b) Beginning with the 2016-17 academic year, full-time tuition  
34 operating fees for resident undergraduates for:

35 (i) State universities shall be fifteen percent less than the  
36 2014-15 academic year tuition operating fee; and

37 (ii) Regional universities, The Evergreen State College, and  
38 applied baccalaureate degrees as defined in RCW 28B.50.030 shall be  
39 twenty percent less than the 2014-15 academic year tuition operating  
40 fee.

1       (c) In the 2019-20 academic year, full-time tuition operating  
2 fees for resident undergraduates for state universities, regional  
3 universities, and The Evergreen State College shall be twenty-five  
4 percent less than the 2018-19 academic year tuition operating fee.

5       (d) Beginning with the ((2017-18)) 2020-21 academic year, full-  
6 time tuition operating fees for resident undergraduates in (b) of  
7 this subsection may increase by no more than the average annual  
8 percentage growth rate in the median hourly wage for Washington for  
9 the previous fourteen years as the wage is determined by the federal  
10 bureau of labor statistics.

11       (7) The tuition fees established under this chapter shall not  
12 apply to high school students enrolling in participating institutions  
13 of higher education under RCW 28A.600.300 through 28A.600.400.

14       (8) The tuition fees established under this chapter shall not  
15 apply to eligible students enrolling in a dropout reengagement  
16 program through an interlocal agreement between a school district and  
17 a community or technical college under RCW 28A.175.100 through  
18 28A.175.110.

19       (9) The legislative advisory committee to the committee on  
20 advanced tuition payment established in RCW 28B.95.170 shall:

21       (a) Review the impact of differential tuition rates on the funded  
22 status and future unit price of the Washington advanced college  
23 tuition payment program; and

24       (b) No later than January 14, 2013, make a recommendation to the  
25 appropriate policy and fiscal committees of the legislature regarding  
26 how differential tuition should be addressed in order to maintain the  
27 ongoing solvency of the Washington advanced college tuition payment  
28 program.

29       (10) As a result of any changes in tuition under section 3,  
30 chapter 36, Laws of 2015 3rd sp. sess., the governing boards of the  
31 state universities, the regional universities, and The Evergreen  
32 State College shall not reduce resident undergraduate enrollment  
33 below the 2014-15 academic year levels."

**E2SHB 2158** - S AMD **836**  
By Senator Holy

**NOT ADOPTED 04/28/2019**

1        On page 1, beginning on line 2 of the title, after "jobs;" strike  
2 all material through "dates" on line 21 and insert "amending RCW  
3 28B.15.067; adding a new section to chapter 43.79 RCW; adding a new  
4 section to chapter 82.04 RCW; and creating a new section"

EFFECT: Strikes all appropriations and policy changes in the workforce education investment act. Requires OFM to appropriate business and occupation tax revenue from the workforce education investment account to the institutions of higher education in an amount at least equal to a twenty-five percent reduction in resident undergraduate operating fees. In 2019-20, institutions of higher education are required to reduce resident undergraduate tuition operating fees by 25%.

--- END ---