
ENGROSSED SUBSTITUTE HOUSE BILL 1603

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Locke, Jacobsen, Quall, Shin, R. Johnson, Zellinsky, Pruitt, Carlson, Jones, Basich, Wang, Patterson, Thibaudeau, R. Meyers, Kessler, Bray, Campbell, Dorn, G. Fisher, Springer, Karahalios, Roland, Eide, Sheldon, Finkbeiner, Ogden, Orr, Wineberry, Voloria, Morris, Hansen and Wolfe)

Read first time 03/03/93.

1 AN ACT Relating to higher education; amending RCW 28B.15.031,
2 28B.15.067, 28B.15.070, 28B.15.202, 28B.15.402, 28B.15.502, 28B.15.820,
3 28B.15.910, 28B.101.040, and 28B.12.040; adding new sections to chapter
4 28B.15 RCW; adding new sections to chapter 28B.10 RCW; adding new
5 sections to chapter 28B.80 RCW; creating new sections; and repealing
6 RCW 28B.15.065 and 28B.15.824.

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

8 NEW SECTION. **Sec. 1.** This act shall be known as the college
9 promise act.

10 **Sec. 2.** RCW 28B.15.031 and 1987 c 15 s 2 are each amended to read
11 as follows:

12 The term "operating fees" as used in this chapter shall include the
13 fees, other than building fees, charged all students registering at the
14 state's colleges and universities but shall not include fees for short
15 courses, self-supporting degree credit programs and courses, marine
16 station work, experimental station work, correspondence or extension
17 courses, and individual instruction and student deposits or rentals,
18 disciplinary and library fines, which colleges and universities shall

1 have the right to impose, laboratory, gymnasium, health, and student
2 activity fees, or fees, charges, rentals, and other income derived from
3 any or all revenue producing lands, buildings and facilities of the
4 colleges or universities heretofore or hereafter acquired, constructed
5 or installed, including but not limited to income from rooms,
6 dormitories, dining rooms, hospitals, infirmaries, housing or student
7 activity buildings, vehicular parking facilities, land, or the
8 appurtenances thereon, or such other special fees as may be established
9 by any college or university board of trustees or regents from time to
10 time. All moneys received as operating fees at any institution of
11 higher education shall be (~~transmitted to the state treasurer within~~
12 ~~thirty-five days of receipt to be deposited in the state general fund~~)
13 deposited in a local account containing only operating fees revenue and
14 related interest: PROVIDED, That two and one-half percent of moneys
15 received as operating fees, and an additional forty percent or more of
16 moneys received from charging operating fees above statutory minimum
17 levels be exempt from such deposit and be retained by the institutions
18 for the purposes of RCW 28B.15.820(~~(:—PROVIDED FURTHER, That money~~
19 ~~received by institutions of higher education from the periodic payment~~
20 ~~plan authorized by RCW 28B.15.411 shall be transmitted to the state~~
21 ~~treasurer within five days following the close of registration of the~~
22 ~~appropriate quarter or semester)~~).

23 **Sec. 3.** RCW 28B.15.067 and 1992 c 231 s 4 are each amended to read
24 as follows:

25 (1) (~~Tuition fees shall be established and adjusted annually under~~
26 ~~the provisions of this chapter beginning with the 1987-88 academic~~
27 ~~year. Such fees shall be identical, subject to other provisions of~~
28 ~~this chapter, for students enrolled at either state university, for~~
29 ~~students enrolled at the regional universities and The Evergreen State~~
30 ~~College and for students enrolled at any community college. Tuition~~
31 ~~fees shall reflect the undergraduate and graduate educational costs of~~
32 ~~the state universities, the regional universities and the community~~
33 ~~colleges, respectively, in the amounts prescribed in this chapter.)
34 By July 1st of each year, the governing boards of the state universities,
35 the regional universities, The Evergreen State College, and the state
36 board for community and technical colleges shall set tuition fees and
37 student services and activities fees of the respective institutions,
38 subject to any minimum and maximum tuition fee amounts established and~~

1 adjusted annually by the higher education coordinating board under the
2 provisions of this chapter. Rates may vary by term.

3 (2) By July 1st of each year, each institution of higher education
4 and the state board for community and technical colleges shall report
5 the following to the higher education coordinating board: (a) Annual
6 tuition rates in effect beginning with the subsequent fall term; and
7 (b) steps taken to ensure that resident graduate and resident
8 professional students are not denied access due to a lack of financial
9 aid if resident graduate or resident professional rates are raised
10 above the minimum amounts established and adjusted annually by the
11 higher education coordinating board under the provisions of this
12 chapter.

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

16 **Sec. 4.** RCW 28B.15.070 and 1992 c 231 s 5 are each amended to read
17 as follows:

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

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

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

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

3 (4) Beginning with the 1993-94 academic year, based on the most
4 recent cost study, the higher education coordinating board shall
5 determine annual minimum and maximum tuition fees.

6 NEW SECTION. Sec. 5. The following acts or parts of acts are each
7 repealed:

8 (1) RCW 28B.15.065 and 1977 ex.s. c 322 s 6; and

9 (2) RCW 28B.15.824 and 1992 c 231 s 36.

10 **Sec. 6.** RCW 28B.15.202 and 1992 c 231 s 7 are each amended to read
11 as follows:

12 Minimum and maximum tuition fees and maximum services and
13 activities fees at the University of Washington ((and at Washington
14 State University)) for other than the summer term shall be as follows:

15 (1) For full-time resident undergraduate students ((and all other
16 full-time resident students not in graduate study programs or enrolled
17 in programs leading to the degrees of doctor of medicine, doctor of
18 dental surgery, and doctor of veterinary medicine)) who have
19 accumulated less than one hundred thirty percent of the minimum number
20 of credit hours required for the students' degree programs, the maximum
21 total tuition fees shall be ((thirty-three percent)) one-third of the
22 per student undergraduate educational costs at the state universities
23 computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That
24 the building fees for each academic year shall be ((one hundred and
25 twenty dollars)) six percent of total tuition fees.

26 (2) For full-time resident undergraduate students who do not meet
27 the requirements of subsection (1) of this section, and full-time
28 resident postbaccalaureate students not enrolled in graduate or law
29 programs or in programs leading to degrees of doctor of medicine or
30 doctor of dental surgery, the minimum total tuition fees shall be
31 twenty-three percent, and the maximum total tuition fees shall be forty
32 percent of the per student graduate educational costs at the state
33 universities computed as provided in RCW 28B.15.067 and 28B.15.070:
34 PROVIDED, That the building fees for each academic year shall be six
35 percent of total tuition fees.

36 ((+2)) (3) For full-time resident graduate and law students not
37 enrolled in programs leading to the degrees of doctor of medicine((7))

1 and doctor of dental surgery~~((, and doctor of veterinary medicine))~~,
2 the minimum total tuition fees shall be twenty-three percent, and the
3 maximum total tuition fees shall be forty percent of the per student
4 graduate educational costs at the state universities computed as
5 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
6 fees for each academic year shall be ~~((one hundred and twenty dollars))~~
7 four percent of total tuition fees. Tuition rates may vary by program.

8 ~~((+3))~~ (4) For full-time resident students enrolled in programs
9 leading to the degrees of doctor of medicine~~((,))~~ and doctor of dental
10 surgery, ~~((and doctor of veterinary medicine,))~~ the total minimum
11 tuition fees shall be one hundred sixty-seven percent of ~~((such))~~ the
12 minimum fees charged in subsection ~~((+2))~~ (3) of this section:
13 PROVIDED, That the building fees for each academic year shall be
14 ~~((three hundred and forty two dollars))~~ six percent of total tuition
15 fees. Tuition rates may vary by program.

16 ~~((+4))~~ (5) For full-time nonresident undergraduate students and
17 ~~((such))~~ other full-time nonresident students not in graduate study
18 programs or enrolled in programs leading to the degrees of doctor of
19 medicine~~((,))~~ and doctor of dental surgery~~((, or doctor of veterinary~~
20 ~~medicine))~~, the minimum total tuition fees shall be one hundred percent
21 of the per student undergraduate educational costs at the state
22 universities computed as provided in RCW 28B.15.067 and 28B.15.070:
23 PROVIDED, That the building fees for each academic year shall be
24 ~~((three hundred and fifty four dollars))~~ six percent of total tuition
25 fees.

26 ~~((+5))~~ (6) For full-time nonresident graduate and law students not
27 enrolled in programs leading to the degrees of doctor of medicine~~((,))~~
28 and doctor of dental surgery~~((, and doctor of veterinary medicine))~~,
29 the minimum total tuition fees shall be sixty percent of the per
30 student graduate educational costs at the state universities computed
31 as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the
32 building fees for each academic year shall be ~~((three hundred and~~
33 ~~fifty four dollars))~~ four percent of total tuition fees. Tuition rates
34 may vary by program.

35 ~~((+6))~~ (7) For full-time nonresident students enrolled in programs
36 leading to the degrees of doctor of medicine~~((,))~~ and doctor of dental
37 surgery~~((, and doctor of veterinary medicine,))~~ the minimum total
38 tuition fees shall be one hundred sixty-seven percent of such fees
39 charged in subsection ~~((+5))~~ (6) of this section: PROVIDED, That the

1 building fees for each academic year shall be (~~five hundred and fifty-~~
2 ~~five dollars.~~

3 (~~7~~)) four percent of total tuition fees. Tuition rates may vary
4 by program.

5 (8) The governing board(~~s~~) of the (~~state universities~~)
6 University of Washington shall charge to and collect from each student,
7 a services and activities fee. The governing board may increase the
8 existing fee annually, consistent with budgeting procedures set forth
9 in RCW 28B.15.045, by a percentage not to exceed the annual percentage
10 increase in resident undergraduate tuition fees: PROVIDED, That such
11 percentage increase shall not apply to that portion of the services and
12 activities fee previously committed to the repayment of bonded debt.
13 The services and activities fee committee provided for in RCW
14 28B.15.045 may initiate a request to the governing board for a fee
15 increase.

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

18 Minimum and maximum tuition fees and maximum services and
19 activities fees at Washington State University for other than the
20 summer term shall be as follows:

21 (1) For full-time resident undergraduate students who have
22 accumulated less than one hundred thirty percent of the minimum number
23 of credit hours required for the students' degree programs, the maximum
24 total tuition fees shall be one-third of the per student undergraduate
25 educational costs at the state universities computed as provided in RCW
26 28B.15.070: PROVIDED, That the building fees for each academic year
27 shall be six percent of total tuition fees.

28 (2) For full-time resident undergraduate students who do not meet
29 the requirements of subsection (1) of this section and full-time
30 resident postbaccalaureate students not enrolled in graduate programs
31 or in programs leading to the degree of doctor of veterinary medicine,
32 the minimum total tuition fees shall be twenty-three percent, and the
33 maximum total tuition fees shall be forty percent of the per student
34 graduate educational costs at the state universities computed as
35 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
36 fees for each academic year shall be six percent of total tuition fees.

37 (3) For full-time resident graduate students not enrolled in
38 programs leading to the degree of doctor of veterinary medicine, the

1 minimum total tuition fees shall be twenty-three percent, and the
2 maximum total tuition fees shall be forty percent of the per student
3 graduate educational costs at the state universities computed as
4 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
5 fees for each academic year shall be four percent of total tuition
6 fees. Tuition rates may vary by program.

7 (4) For full-time resident students enrolled in programs leading to
8 the degree of doctor of veterinary medicine, the minimum total tuition
9 fees shall be one hundred sixty-seven percent of such fees charged in
10 subsection (3) of this section: PROVIDED, That the building fees for
11 each academic year shall be six percent of total tuition fees. Tuition
12 rates may vary by program.

13 (5) For full-time nonresident undergraduate students and
14 nonresident students not in graduate study programs or enrolled in
15 programs leading to the degree of doctor of veterinary medicine, the
16 minimum total tuition fees shall be one hundred percent of the per
17 student undergraduate educational costs at the state universities
18 computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That
19 the building fees for each academic year shall be six percent of total
20 tuition fees.

21 (6) For full-time nonresident graduate students not enrolled in
22 programs leading to the degree of doctor of veterinary medicine, the
23 minimum total tuition fees shall be sixty percent of the per student
24 graduate educational costs at the state universities computed as
25 provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building
26 fees for each academic year shall be four percent of total tuition
27 fees. Tuition rates may vary by program.

28 (7) For full-time nonresident students enrolled in programs leading
29 to the degree of doctor of veterinary medicine, the minimum total
30 tuition fees shall be one hundred sixty-seven percent of such fees
31 charged in subsection (6) of this section: PROVIDED, That the building
32 fees for each academic year shall be four percent of total tuition
33 fees. Tuition rates may vary by program.

34 (8) The governing board of Washington State University shall charge
35 to and collect from each student a services and activities fee. The
36 governing board may increase the existing fee, consistent with
37 budgeting procedures set forth in RCW 28B.15.045, by a percentage not
38 to exceed the annual percentage increase in resident undergraduate
39 tuition fees: PROVIDED, That such percentage increase shall not apply

1 to that portion of the services and activities fee previously committed
2 to the repayment of bonded debt. The services and activities fee
3 committee provided for in RCW 28B.15.045 may initiate a request to the
4 governing board for a fee increase.

5 **Sec. 8.** RCW 28B.15.402 and 1992 c 231 s 10 are each amended to
6 read as follows:

7 Minimum and maximum tuition fees and maximum services and
8 activities fees at the regional universities and The Evergreen State
9 College for other than the summer term shall be as follows:

10 (1) Except as provided for in section 10 of this act, for full-time
11 resident undergraduate students ((and all other full-time resident
12 students not in graduate study programs)) who have accumulated less
13 than one hundred thirty percent of the minimum number of credit hours
14 needed for the students' degree programs, the maximum total tuition
15 fees shall be twenty-five percent of the per student undergraduate
16 educational costs at the regional universities computed as provided in
17 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
18 each academic year shall be ((seventy-six dollars and fifty cents))
19 five percent of total tuition fees.

20 (2) For full-time resident undergraduate students who do not meet
21 the requirements of subsection (1) of this section and full-time
22 resident postbaccalaureate students not enrolled in graduate programs,
23 the minimum total tuition fees shall be twenty-three percent, and the
24 maximum total tuition fees shall be forty percent of the per student
25 graduate educational costs at the regional universities computed as
26 provided in RCW 28B.15.067 and 28B.15. 070: PROVIDED, That the
27 building fees for each academic year shall be five percent of total
28 tuition fees.

29 (3) For full-time resident graduate students, the minimum total
30 tuition fees shall be twenty-three percent, and the maximum total
31 tuition fees shall be forty percent of the per student graduate
32 educational costs at the regional universities computed as provided in
33 RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for
34 each academic year shall be ((seventy-six dollars and fifty cents))
35 three percent of total tuition fees. Tuition rates may vary by
36 program.

37 ((+3)) (4) Except as provided for in section 10 of this act, for
38 full-time nonresident undergraduate students and all other full-time

1 nonresident students not in graduate study programs, the minimum total
2 tuition fees shall be one hundred percent of the per student
3 undergraduate educational costs at the regional universities computed
4 as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the
5 building fees for each academic year shall be (~~two hundred and ninety-~~
6 ~~five dollars and fifty cents~~) five percent of total tuition fees.

7 (~~(4)~~) (5) For full-time nonresident graduate students, the
8 minimum total tuition fees shall be seventy-five percent of the per
9 student graduate educational costs at the regional universities
10 computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That
11 the building fees for each academic year shall be (~~two hundred and~~
12 ~~ninety-five dollars and fifty cents~~) four percent of total tuition
13 fees. Tuition rates may vary by program.

14 (~~(5)~~) (6) The governing boards of each of the regional
15 universities and The Evergreen State College shall charge to and
16 collect from each student, a services and activities fee. The
17 governing board may increase the existing fee annually, consistent with
18 budgeting procedures set forth in RCW 28B.15.045, by a percentage not
19 to exceed the annual percentage increase in resident undergraduate
20 tuition fees: PROVIDED, That such percentage increase shall not apply
21 to that portion of the services and activities fee previously committed
22 to the repayment of bonded debt. The services and activities fee
23 committee provided for in RCW 28B.15.045 may initiate a request to the
24 governing board for a fee increase.

25 **Sec. 9.** RCW 28B.15.502 and 1992 c 231 s 11 are each amended to
26 read as follows:

27 Minimum and maximum tuition fees and maximum services and
28 activities fees at each community college for other than the summer
29 term shall be set by the state board for community and technical
30 colleges as follows:

31 (1) For full-time resident students, the maximum total tuition fees
32 shall be twenty-three percent of the per student educational costs at
33 the community colleges computed as provided in RCW 28B.15.067 and
34 28B.15.070: PROVIDED, That the building fees for each academic year
35 shall be (~~one hundred and twenty-seven dollars and fifty cents~~)
36 fourteen percent of tuition fees.

37 (2) For full-time nonresident students, the minimum total tuition
38 fees shall be one hundred percent of the per student educational costs

1 at the community colleges computed as provided in RCW 28B.15.067 and
2 28B.15.070: PROVIDED, That the building fees for each academic year
3 shall be (~~four hundred and three dollars and fifty cents~~) ten percent
4 of tuition fees.

5 (3) The governing boards of each of the state community colleges
6 shall charge to and collect from each student a services and activities
7 fee. Each governing board may increase the existing fee annually,
8 consistent with budgeting procedures set forth in RCW 28B.15.045, by a
9 percentage not to exceed the annual percentage increase in resident
10 student tuition fees: PROVIDED, That such percentage increase shall
11 not apply to that portion of the services and activities fee previously
12 committed to the repayment of bonded debt. The services and activities
13 fee committee provided for in RCW 28B.15.045 may initiate a request to
14 the governing board for a fee increase.

15 (4) Tuition and services and activities fees consistent with
16 subsection (3) of this section shall be set by the state board for
17 community and technical colleges for summer school students unless the
18 community college charges fees in accordance with RCW 28B.15.515.

19 Subject to the limitations of RCW 28B.15.910, each governing board
20 may charge such fees for ungraded courses, noncredit courses, community
21 services courses, and self-supporting courses as it, in its discretion,
22 may determine, consistent with the rules and regulations of the state
23 board for community and technical colleges.

24 Before June 30, 1995, no individual waiver program under this
25 section may be reduced by more than twice the percentage reduction
26 required in operating fee foregone revenue from tuition waivers in the
27 biennial state appropriations act.

28 NEW SECTION. **Sec. 10.** A new section is added to chapter 28B.15
29 RCW to read as follows:

30 (1) Eastern Washington University may, on a pilot basis for the
31 1993-1995 biennium, increase tuition and vary rates by program, for
32 students enrolled in certain high-cost undergraduate programs in the
33 allied health sciences. For programs in which tuition is increased,
34 the university shall ensure that resident students are not denied
35 access due to a lack of financial aid. Except for moneys deposited in
36 the institutional long-term loan fund under RCW 28B.15.031, additional
37 moneys received from the increase shall be used for improvements in the
38 respective programs. By January 1, 1995, the university shall report

1 to the higher education coordinating board, and the higher education
2 and fiscal committees of the house of representatives and the senate
3 regarding the impact of any increased rates on program quality and
4 access.

5 (2) This section shall expire June 30, 1995.

6 NEW SECTION. **Sec. 11.** A new section is added to chapter 28B.15
7 RCW to read as follows:

8 It is the intent of the legislature that:

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

12 (1) The appropriation shall be reduced by the amount of operating
13 fees revenue estimated to be collected from students enrolled at the
14 state-funded enrollment level specified in the omnibus biennial
15 operating appropriations act, and paying fees at the minimum or maximum
16 rates established in this chapter, minus obligations under RCW
17 28B.15.820 and 43.99I.040 and minus the amount of waived operating fees
18 authorized under RCW 28B.15.910;

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

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

27 (4) The appropriation shall not be reduced by revenue resulting
28 from operating fee rates being set above the minimum rates established
29 in this chapter, nor shall the appropriation be increased as a result
30 of operating fee rates established below the maximum rates established
31 in this chapter.

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

34 For the purpose of charging tuition fees and services and
35 activities fees, in any academic term a full-time undergraduate student
36 is a student registered for ten or more credit hours.

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

3 It is the intent of the legislature that resident students and
4 students with limited financial resources not be adversely impacted as
5 a result of revised tuition policies. These revised tuition policies
6 include permitting institutional governing boards to charge tuition
7 fees above statutory minimum levels; vary tuition for different
8 graduate programs; and retain operating fees locally. By October 30th
9 of each even-numbered year, the higher education coordinating board
10 shall provide a tuition and fees report to the governor and appropriate
11 legislative committees. The report shall include, but need not be
12 limited to: The number of resident and nonresident students enrolled
13 at each public college and university; a comparison of resident to
14 nonresident enrollment over time; any impact of differential
15 programmatic tuition rates on needy students; any impact of
16 institutional tuition and enrollment policies on the board's goals as
17 outlined in the master plan update; and recommendations for any
18 legislation needed to maintain enrollment opportunities for resident
19 students.

20 NEW SECTION. **Sec. 14.** A new section is added to chapter 28B.15
21 RCW to read as follows:

22 Subject to the limitations of RCW 28B.15.910, the governing boards
23 of the state universities, regional universities, and The Evergreen
24 State College may waive all or a portion of tuition fees for full-time
25 resident undergraduate students who have accumulated more than one
26 hundred thirty percent of the minimum number of credit hours required
27 for the students' degree programs, and for full-time resident
28 postbaccalaureate students who are not enrolled in graduate or law
29 programs or in programs leading to a degree in doctor of medicine,
30 doctor of dental surgery, or doctor of veterinary medicine.

31 **Sec. 15.** RCW 28B.15.820 and 1985 c 390 s 35 are each amended to
32 read as follows:

33 (1) Each (~~(institution of higher education)~~) state university,
34 regional university, The Evergreen State College, and community college
35 shall deposit two and one-half percent of revenues collected from
36 tuition and services and activities fees in an institutional long-term
37 loan fund which is hereby created and which shall be held locally.

1 Moneys in such fund shall be used to make guaranteed loans to eligible
2 students except as provided for in subsection (10) of this section.

3 (2) An "eligible student" for the purposes of this section is a
4 student who is registered for at least six credit hours or the
5 equivalent(~~((7))~~); who is eligible for resident tuition and fee rates as
6 defined in RCW 28B.15.012 (~~((through 28B.15.015,))~~) and 28B.15.013; and
7 who is a "needy student" as defined in RCW 28B.10.802.

8 (3) The amount of the loans made under subsection (1) of this
9 section shall not exceed the demonstrated financial need of the
10 student. Each institution shall establish loan terms and conditions
11 which shall be consistent with the terms of the guaranteed loan program
12 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
13 amended. All loans made shall be guaranteed by the Washington student
14 loan guaranty association or its successor agency. Institutions are
15 hereby granted full authority to operate as an eligible lender under
16 the guaranteed loan program.

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

25 (5) Each institution is responsible for collection of loans made
26 under subsection (1) of this section and shall exercise due diligence
27 in such collection, maintaining all necessary records to insure that
28 maximum repayments are made. Institutions shall cooperate with other
29 lenders and the Washington student loan guaranty association, or its
30 successor agency, in the coordinated collection of guaranteed loans,
31 and shall assure that the guarantability of the loans is not violated.
32 Collection and servicing of loans under subsection (1) of this section
33 shall be performed by entities approved for such servicing by the
34 Washington student loan guaranty association or its successor agency:
35 PROVIDED, That institutions be permitted to perform such servicing if
36 specifically recognized to do so by the Washington student loan
37 guaranty association or its successor agency. Collection and servicing
38 of loans made by community colleges under subsection (1) of this
39 section shall be coordinated by the state board for community and

1 technical colleges ((education)) and shall be conducted under
2 procedures adopted by such state board.

3 (6) Receipts from payment of interest or principal or any other
4 subsidies to which institutions as lenders are entitled, which are paid
5 by or on behalf of borrowers of funds under subsection (1) of this
6 section, shall be deposited in each institution's general local fund
7 and shall be used to cover the costs of making the loans under
8 subsection (1) of this section and maintaining necessary records and
9 making collections under subsection (5) of this section: PROVIDED,
10 That such costs shall not exceed five percent of aggregate outstanding
11 loan principle. Institutions shall maintain accurate records of such
12 costs, and all receipts beyond those necessary to pay such costs, shall
13 be used for the support of the institution's operating budget.

14 (7) The boards of regents of the state universities, the boards of
15 trustees of the regional universities and The Evergreen State College,
16 and the state board for community and technical colleges ((education)),
17 on behalf of the community colleges, shall each adopt necessary rules
18 and regulations to implement this section.

19 (8) Lending activities under this section shall be directed toward
20 students who would not normally have access to educational loans from
21 private financial institutions in Washington state, and maximum use
22 shall be made of secondary markets in the support of loan
23 consolidation.

24 (9) Short-term interim loans, not to exceed one hundred twenty
25 days, may be made from the institutional long-term loan fund to
26 students eligible for guaranteed student loans and whose receipt of
27 such loans is pending. Such short-term loans shall not be subject to
28 the guarantee restrictions or the constraints of federal law imposed by
29 subsection (3) of this section. No such loan shall be made to any
30 student who is known by the institution to be in default or delinquent
31 in the payment of any outstanding student loan.

32 (10) Any moneys deposited in the institutional long-term loan fund
33 ((which)) that are not used in making long or short term loans ((~~or~~
34 ~~transferred to institutional operating budgets~~)) may be used by the
35 institution for locally-administered financial aid programs for needy
36 students, such as need-based institutional employment programs or need-
37 based tuition and fee waiver programs. These funds shall be used in
38 addition to and not to replace institutional funds which would
39 otherwise support these locally-administered financial aid programs.

1 (a) Except moneys received from charging operating fees above
2 statutory minimum levels, priority in the use of these funds shall be
3 given to needy students who have accumulated excessive educational loan
4 burdens. An excessive educational loan burden is a burden that will be
5 difficult to repay given employment opportunities and average starting
6 salaries in the student's chosen fields of study.

7 (b) Except as provided for in (c) of this subsection, any moneys in
8 the fund received from charging operating fees above statutory minimum
9 levels shall be used for needy resident graduate and law students, and
10 resident students enrolled in programs leading to a doctoral degree in
11 medicine, dental surgery, or veterinary medicine.

12 (c) At Eastern Washington University, any money in the fund
13 received from charging operating fees above statutory minimum levels in
14 undergraduate programs in the allied health sciences shall be used for
15 needy resident undergraduate students enrolled in those programs.

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

18 Each technical college shall deposit two and one-half percent of
19 revenues collected from tuition and fees into a local financial aid
20 fund. Moneys in the fund shall be used to provide financial aid to
21 needy students who are posthigh school students, and who demonstrate
22 the financial inability to meet the total cost of board, room, books,
23 and tuition and fees.

24 **Sec. 17.** RCW 28B.15.910 and 1992 c 231 s 33 are each amended to
25 read as follows:

26 (1) Except for revenue waived under programs listed in subsection
27 (3) of this section, and unless otherwise expressly provided in the
28 omnibus state appropriations act, the total amount of operating fee
29 revenue waived, exempted, or reduced by a state university, a regional
30 university, The Evergreen State College, or the community colleges as
31 a whole, shall not exceed the percentage of total net authorized
32 operating fees revenue set forth below. As used in this section, "net
33 authorized operating fees revenue" means the estimated gross operating
34 fees revenue as estimated under RCW 82.33.020, before granting any
35 waivers, minus obligations under RCW 28B.15.820. This limitation
36 applies to all tuition waiver programs established before or after July
37 1, 1992.

1	(a) University of Washington	21 percent
2	(b) Washington State University	20 percent
3	(c) Eastern Washington University	11 percent
4	(d) Central Washington University	8 percent
5	(e) Western Washington University	10 percent
6	(f) The Evergreen State College	6 percent
7	(g) Community colleges as a whole	35 percent

8 (2) The limitations in subsection (1) of this section apply to
9 waivers, exemptions, or reductions in operating fees contained in the
10 following:

- 11 (a) RCW 28B.10.265;
- 12 (b) RCW 28B.15.014;
- 13 (c) RCW 28B.15.100;
- 14 (d) RCW 28B.15.225;
- 15 (e) RCW 28B.15.380;
- 16 (f) Ungraded courses under RCW 28B.15.502(4);
- 17 (g) RCW 28B.15.520;
- 18 (h) RCW 28B.15.526;
- 19 (i) RCW 28B.15.527;
- 20 (j) RCW 28B.15.543;
- 21 (k) RCW 28B.15.545;
- 22 (l) RCW 28B.15.555;
- 23 (m) RCW 28B.15.556;
- 24 (n) RCW 28B.15.615;
- 25 (o) RCW 28B.15.620;
- 26 (p) RCW 28B.15.628;
- 27 (q) RCW 28B.15.725;
- 28 (r) RCW 28B.15.730;
- 29 (s) RCW 28B.15.740;
- 30 (t) RCW 28B.15.750;
- 31 (u) RCW 28B.15.756;
- 32 (v) RCW 28B.50.259;
- 33 (w) RCW 28B.70.050; (~~and~~)
- 34 (x) RCW 28B.80.580; and
- 35 (y) RCW 28B.15.--- (section 14 of this act).

36 (3) The limitations in subsection (1) of this section do not apply
37 to waivers, exemptions, or reductions in services and activities fees
38 contained in the following:

- 39 (a) RCW 28B.15.522;

- 1 (b) RCW 28B.15.535;
2 (c) RCW 28B.15.540; and
3 (d) RCW 28B.15.558.

4 NEW SECTION. **Sec. 18.** It is the intent of the legislature to
5 restructure and fully fund the state's system of financial aid. The
6 restructured financial aid system shall be known as college promise.

7 NEW SECTION. **Sec. 19.** (1) The higher education coordinating board
8 shall restructure the state's financial aid programs into a
9 comprehensive and coordinated system of assistance known as college
10 promise. College promise shall expand and modify three existing
11 programs for needy students: The state need grant program under RCW
12 28B.10.790 through 28B.10.824; the state work study program under
13 chapter 28B.12 RCW; and the educational opportunity grant program under
14 chapter 28B.101 RCW. In addition, college promise may include a
15 demonstration project to assist needy students whose parents did not
16 complete a degree or certificate from an institution of higher
17 education. College promise shall be implemented beginning in the 1995-
18 96 academic year.

19 (2) By January 1, 1994, the higher education coordinating board, in
20 consultation with the house of representatives and senate higher
21 education and fiscal committees, and the institutions of higher
22 education, shall develop a detailed implementation plan for college
23 promise. In preparing the plan, the board shall follow the goals and
24 priorities set forth in sections 20 and 21 of this act. The plan shall
25 include, but not be limited to:

26 (a) Specific program eligibility measures and application
27 procedures for the new populations of state financial aid recipients
28 identified in section 21 of this act;

29 (b) Specific need analysis criteria and asset protection
30 allowances;

31 (c) Estimates of how many state residents, both those who are
32 currently enrolled in a college or university, and those not currently
33 enrolled, would be eligible and would apply for aid under the expanded
34 eligibility criteria identified in section 21 of this act. The
35 estimates, developed in consultation with the office of financial
36 management, the office of the superintendent of public instruction, and

1 other agencies as appropriate, shall take into account state economic
2 and demographic factors and other appropriate information;

3 (d) Estimates of where the new aid applicants identified under (c)
4 of this subsection would choose to enroll by type of institution and
5 level of program; and

6 (e) Estimates of the costs for each state financial aid program,
7 including the state need grant program under RCW 28B.10.790 through
8 28B.10.824; the state work study program under chapter 28B.12 RCW; and
9 the educational opportunity grant program under chapter 28B.101 RCW to
10 accommodate any new aid applicants estimated under (c) of this
11 subsection, as offset by nonstate sources of aid. Separate cost
12 estimates shall be made for each of the new aid populations identified
13 under section 21 of this act.

14 (3) It is the intent of the legislature that the cost estimates
15 completed under subsection (2) of this section shall be the basis for
16 determining funding levels for state financial aid programs for each
17 year of the 1995-97 biennium.

18 (4) The methodologies used to estimate costs under subsection (2)
19 of this section shall be used for the annual cost estimates required
20 under section 22 of this act.

21 (5) The plan completed under subsection (2) of this section shall
22 be deemed approved on June 30, 1994, unless legislation is enacted to
23 alter the policies set forth in the plan. The board shall also propose
24 to the legislature any changes to the laws governing state financial
25 aid programs that it deems necessary to accomplish the purposes of
26 college promise.

27 NEW SECTION. **Sec. 20.** In restructuring the state's financial aid
28 programs, the higher education coordinating board shall follow these
29 goals:

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

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

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

35 (ii) Provide more self-help opportunities than grant aid to middle-
36 income students, and approximately equal amounts of self-help
37 opportunities and grant aid to low-income and lower middle-income
38 students. Self-help opportunities include work study and loans;

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

5 (c) Consistent with federal law, simplify the financial aid
6 application process;

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

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

11 (f) Deliver clear and timely information to current and future
12 postsecondary students about the costs of attending college and
13 available financial aid.

14 (2) For the state need grant program under RCW 28B.10.790 through
15 28B.10.824: As funds are available, expand the program to include new
16 populations of resident students in the following priority order,
17 ensuring that undergraduate students with the most demonstrated
18 financial need receive full grants before less needy students receive
19 any grant:

20 (a) Low-income undergraduates;

21 (b) Lower middle-income undergraduates;

22 (c) Middle-income undergraduates; and

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

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

28 (4) For students whose parents did not complete a higher education
29 degree or certificate: Determine the feasibility of providing grants
30 to needy first generation scholars.

31 NEW SECTION. **Sec. 21.** In implementing the goals for expanding
32 financial aid to needy undergraduate students, the board shall be
33 guided by the following matrix. The matrix defines income levels, and
34 for each level, the funding priority, and the assistance mix goal.
35 Income levels shall be adjusted annually for family size and changes in
36 the state's median income. It is the intent of the legislature these
37 goals not impair the ability of financial aid officers to adjust aid
38 packages to meet the needs of students. However, it is the further

1 intent of the legislature that financial aid officers, insofar as
2 possible attempt to implement these goals.

3 Goals for Funding Needy Undergraduate Students

4 Classification:	Low-income	Lower middle-income	Middle-income
5 Family			
6 Income:	0-\$20,864	\$20,865-\$31,296	\$31,297-\$52,160
7 (1991 dollars,			
8 family of four)			
9 Percentage	Fifty percent	Fifty-one to	Seventy-six
10 of State		seventy-five	to one hundred
11 Median		percent	twenty-five
12 Income:			percent
13 Priority for			
14 Receiving			
15 Grants:	First	Second	Third
16 Assistance	One-half	One-half	Up to one-third
17 Mix goal:	grants	grants	grants
18	One-half	One-half	Two-thirds
19 work study	work study	work study	work study
20 and loans	and loans	and loans	and loans

21 NEW SECTION. **Sec. 22.** By September 1st of each even-numbered
22 year, the higher education coordinating board shall adopt an estimate
23 of the amount of funding, annualized for each fiscal year, that will be
24 needed during the ensuing biennium to fully fund each of the state's
25 student financial aid programs including but not limited to: RCW
26 28B.10.210 through 28B.10.220, 28B.10.790 through 28B.10.824, chapters
27 28B.12, 28B.101, and 28B.102 RCW, and, if funded, the first generation
28 scholars demonstration project. The board shall report its findings to
29 the governor, and the house of representatives and senate fiscal and
30 higher education committees.

31 NEW SECTION. **Sec. 23.** In administering the state student
32 financial aid program, also known as the state need grant program,
33 under RCW 28B.10.790 through 28B.10.824, the higher education
34 coordinating board shall proceed substantially as follows unless it
35 determines that a modification is required in order to conform with
36 federal law or to improve the administration of the program, consistent
37 with the purposes of this chapter.

1 (1) Define and assist additional populations of needy students as
2 funding becomes available, in the priorities described in section 20 of
3 this act, and using income level classification definitions as
4 described in section 21 of this act.

5 (2) In calculating eligibility for aid, where not otherwise
6 inconsistent with federal or state law, shelter home equity on a
7 family's principal place of residence and shelter a reasonable amount
8 of savings and a reasonable portion of farm or business net worth, in
9 order to equitably evaluate family ability to pay.

10 (3) To the extent feasible, adjust the student budget of a needy
11 student with disabilities to reflect otherwise unfunded equipment or
12 assistance needed to reasonably accommodate the student in a
13 postsecondary education or training program.

14 **Sec. 24.** RCW 28B.101.040 and 1990 c 288 s 6 are each amended to
15 read as follows:

16 Grants may be used by eligible participants to attend any public or
17 private college or university in the state of Washington that is
18 accredited by an accrediting association recognized by rule of the
19 higher education coordinating board and that has an existing unused
20 capacity. Grants shall not be used to attend any branch campus or
21 educational program established under chapter 28B.45 RCW. The
22 participant shall not be eligible for a grant if it will be used for
23 any programs that include religious worship, exercise, or instruction
24 or to pursue a degree in theology. Each participating student may
25 receive up to two thousand five hundred dollars per academic year, not
26 to exceed the student's demonstrated financial need for the course of
27 study.

28 NEW SECTION. **Sec. 25.** A new section is added to chapter 28B.80
29 RCW to read as follows:

30 With the exception of institutions of higher education as defined
31 in RCW 28B.10.016, any institution of postsecondary education that
32 enrolls students receiving state-funded financial aid shall: (1) For
33 Washington residents, match the total amount of the state financial aid
34 grant funds received by all enrolled students at that institution from
35 the state need grant and equal opportunity grant programs, with an
36 equal amount of institutionally raised grant funds from nongovernmental
37 sources, and (2) enter into new or honor existing transfer agreements

1 with institutions of higher education as defined in RCW 28B.10.016.
2 The higher education coordinating board shall adopt rules to implement
3 these requirements. The rules shall ensure that all institutional
4 matching grant funds go to students who are needy as defined in RCW
5 28B.10.802(3) and who are residents of the state of Washington.
6 "Residents of the state of Washington" means that the students would be
7 eligible to pay resident tuition rates under RCW 28B.15.011 through
8 28B.15.013 if they were enrolled at a state institution of higher
9 education as defined in RCW 28B.10.016.

10 **Sec. 26.** RCW 28B.12.040 and 1985 c 370 s 58 are each amended to
11 read as follows:

12 The higher education coordinating board shall develop and
13 administer the college work-study program and shall be authorized to
14 enter into agreements with employers and eligible institutions for the
15 operation of the program. These agreements shall include such
16 provisions as the higher education coordinating board may deem
17 necessary or appropriate to carry out the purposes of this chapter.

18 With the exception of off-campus community service placements, the
19 share from ((funds)) moneys disbursed under the college work-study
20 program of the compensation of students employed under such program in
21 accordance with such agreements shall not exceed eighty percent of the
22 total such compensation paid such students.

23 By rule, the board shall define community service placements and
24 may determine any salary matching requirements for any community
25 service employers.

26 NEW SECTION. **Sec. 27.** A new section is added to chapter 28B.80
27 RCW to read as follows:

28 The higher education coordinating board may design a demonstration
29 project to assist needy first generation college students to obtain
30 either a community or technical college degree or certificate, or a
31 baccalaureate degree. Through the project, a needy student, as defined
32 in RCW 28B.10.802(3), who attends a Washington institution of higher
33 education that is accredited by an accrediting association recognized
34 by the board by rule, and whose parents did not complete a degree or
35 certificate from an institution of higher education, may receive a
36 grant of up to fifteen hundred dollars per year, not to exceed the
37 student's documented need. The grant may be renewable each year, if

1 the student makes satisfactory academic progress. Grants awarded to
2 any one student shall not exceed a cumulative total of nine thousand
3 dollars for an individual pursuing a baccalaureate degree or five
4 thousand dollars for a student pursuing a community or technical
5 college degree or certificate. Before seeking funding for the program,
6 the board shall submit to the governor and the legislature a plan for
7 implementing the project. The plan shall include a provision for
8 verification of student eligibility to participate in the demonstration
9 project.

10 NEW SECTION. **Sec. 28.** If specific funding for section 16 of this
11 act, referencing this act by bill number, is not provided by June 30,
12 1993, in the omnibus appropriations act, section 16 of this act is null
13 and void.

14 NEW SECTION. **Sec. 29.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 30.** Sections 18 through 23 of this act are each
19 added to chapter 28B.10 RCW.

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