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SENATE BILL 5484

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State of Washington

64th Legislature

2015 Regular Session

By Senators Bailey, Baumgartner, Becker, Lias, Kohl-Welles, Chase, and Hasegawa; by request of Office of Financial Management

Read first time 01/22/15. Referred to Committee on Higher Education.

1 AN ACT Relating to modifying provisions related to tuition  
2 setting authority at public institutions of higher education;  
3 amending RCW 28B.15.031, 28B.15.067, and 28B.15.102; and repealing  
4 RCW 28B.15.068 and 28B.15.101.

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

6 **Sec. 1.** RCW 28B.15.031 and 2012 c 230 s 6 are each amended to  
7 read as follows:

8 (1) The term "operating fees" as used in this chapter shall  
9 include the fees, other than building fees, charged all students  
10 registering at the state's colleges and universities but shall not  
11 include fees for short courses, self-supporting degree credit  
12 programs and courses, marine station work, experimental station work,  
13 correspondence or extension courses, and individual instruction and  
14 student deposits or rentals, disciplinary and library fines, which  
15 colleges and universities shall have the right to impose, laboratory,  
16 gymnasium, health, technology and student activity fees, or fees,  
17 charges, rentals, and other income derived from any or all revenue  
18 producing lands, buildings and facilities of the colleges or  
19 universities heretofore or hereafter acquired, constructed or  
20 installed, including but not limited to income from rooms,  
21 dormitories, dining rooms, hospitals, infirmaries, housing or student

1 activity buildings, vehicular parking facilities, land, or the  
2 appurtenances thereon, or such other special fees as may be  
3 established by any college or university board of trustees or regents  
4 from time to time. All moneys received as operating fees at any  
5 institution of higher education shall be deposited in a local account  
6 containing only operating fees revenue and related interest:  
7 PROVIDED, That a minimum of five percent of operating fees shall be  
8 retained by ~~((the))~~ any four-year institution~~((s))~~ of higher  
9 education that ~~((increase))~~ increased tuition for resident  
10 undergraduate students above assumed tuition increases in the  
11 2011-2013 or 2013-2015 omnibus appropriations act, a minimum of four  
12 percent of operating fees shall be retained by four-year institutions  
13 of higher education that ~~((do))~~ did not increase tuition for resident  
14 undergraduates above assumed increases in the 2011-2013 or 2013-2015  
15 omnibus appropriations act, and a minimum of three and one-half  
16 percent of operating fees shall be retained by the community and  
17 technical colleges for the purposes of RCW 28B.15.820. At least  
18 thirty percent of operating fees required to be retained by the four-  
19 year institutions for purposes of RCW 28B.15.820 shall be used only  
20 for the purposes of RCW 28B.15.820(10).

21 (2) In addition to the three and one-half percent of operating  
22 fees retained by the institutions under subsection (1) of this  
23 section, up to three percent of operating fees charged to students at  
24 community and technical colleges shall be transferred to the  
25 community and technical college innovation account for the  
26 implementation of the college board's strategic technology plan in  
27 RCW 28B.50.515. The percentage to be transferred to the community and  
28 technical college innovation account shall be determined by the  
29 college board each year but shall not exceed three percent of the  
30 operating fees collected each year.

31 (3) Local operating fee accounts shall not be subject to  
32 appropriation by the legislature but shall be subject to allotment  
33 procedures by budget program and fiscal year under chapter 43.88 RCW.

34 **Sec. 2.** RCW 28B.15.067 and 2013 2nd sp.s. c 4 s 958 are each  
35 amended to read as follows:

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

38 (2) ~~((Beginning in the 2011-12 academic year,))~~ Reductions or  
39 increases in full-time tuition fees shall be as provided in the

1 omnibus appropriations act for resident undergraduate students at  
2 four-year institutions of higher education and community and  
3 technical colleges. The governing boards of the state universities,  
4 regional universities, and The Evergreen State College; and the state  
5 board for community and technical colleges may reduce or increase  
6 full-time tuition fees for all students other than resident  
7 undergraduates, including nonresident students, summer school  
8 students, and students in other self-supporting degree programs(~~(-~~  
9 ~~Percentage increases in full-time tuition)~~), and increases may exceed  
10 the fiscal growth factor. (~~(Except during the 2013-2015 fiscal~~  
11 ~~biennium)~~) Subject to biennial approval in the omnibus appropriations  
12 act, the state board for community and technical colleges and the  
13 governing boards of the state universities, regional universities,  
14 and The Evergreen State College may pilot or institute differential  
15 tuition models. The boards may define scale, scope, and rationale for  
16 the models. However, differential tuition models shall not be  
17 implemented during the 2015-2017 biennium.

18 (3)(a) (~~(Beginning with the 2011-12 academic year and through the~~  
19 ~~end of the 2014-15 academic year, the governing boards of the state~~  
20 ~~universities, the regional universities, and The Evergreen State~~  
21 ~~College may reduce or increase full-time tuition fees for all~~  
22 ~~students, including summer school students and students in other~~  
23 ~~self-supporting degree programs. Percentage increases in full-time~~  
24 ~~tuition fees may exceed the fiscal growth factor. Reductions or~~  
25 ~~increases may be made for all or portions of an institution's~~  
26 ~~programs, campuses, courses, or students; however, during the~~  
27 ~~2013-2015 fiscal biennium, reductions or increases in tuition must be~~  
28 ~~uniform among resident undergraduate students.~~

29 ~~(b))~~ Prior to reducing or increasing tuition for each academic  
30 year, the governing boards of the state universities, the regional  
31 universities, and The Evergreen State College shall consult with  
32 existing student associations or organizations with student  
33 undergraduate and graduate representatives regarding the impacts of  
34 potential tuition increases. Each governing board shall make public  
35 its proposal for tuition and fee increases twenty-one days before the  
36 governing board of the institution considers adoption and allow  
37 opportunity for public comment. However, the requirement to make  
38 public a proposal for tuition and fee increases twenty-one days  
39 before the governing board considers adoption shall not apply if the  
40 omnibus appropriations act has not passed the legislature by May

1 15th. Governing boards shall be required to provide data regarding  
2 the percentage of students receiving financial aid, the sources of  
3 aid, and the percentage of total costs of attendance paid for by aid.

4 ~~((e))~~ (b) Prior to reducing or increasing tuition for each  
5 academic year, the state board for community and technical college  
6 system shall consult with existing student associations or  
7 organizations with undergraduate student representation regarding the  
8 impacts of potential tuition increases. The state board for community  
9 and technical colleges shall provide data regarding the percentage of  
10 students receiving financial aid, the sources of aid, and the  
11 percentage of total costs of attendance paid for by aid.

12 ~~(4) ((Beginning with the 2015-16 academic year through the  
13 2018-19 academic year, the governing boards of the state  
14 universities, regional universities, and The Evergreen State College  
15 may set tuition for resident undergraduates as follows:~~

16 ~~(a) If state funding for a college or university falls below the  
17 state funding provided in the operating budget for fiscal year 2011,  
18 the governing board may increase tuition up to the limits set in (d)  
19 of this subsection, reduce enrollments, or both;~~

20 ~~(b) If state funding for a college or university is at least at  
21 the level of state funding provided in the operating budget for  
22 fiscal year 2011, the governing board may increase tuition up to the  
23 limits set in (d) of this subsection and shall continue to at least  
24 maintain the actual enrollment levels for fiscal year 2011 or  
25 increase enrollments as required in the omnibus appropriations act;~~

26 ~~(c) If state funding is increased so that combined with resident  
27 undergraduate tuition the sixtieth percentile of the total per-  
28 student funding at similar public institutions of higher education in  
29 the global challenge states under RCW 28B.15.068 is exceeded, the  
30 governing board shall decrease tuition by the amount needed for the  
31 total per student funding to be at the sixtieth percentile under RCW  
32 28B.15.068; and~~

33 ~~(d) The amount of tuition set by the governing board for an  
34 institution under this subsection (4) may not exceed the sixtieth  
35 percentile of the resident undergraduate tuition of similar public  
36 institutions of higher education in the global challenge states.~~

37 ~~(5))~~ The tuition fees established under this chapter shall not  
38 apply to high school students enrolling in participating institutions  
39 of higher education under RCW 28A.600.300 through 28A.600.400.

1       ~~((6))~~ (5) The tuition fees established under this chapter shall  
2 not apply to eligible students enrolling in a dropout reengagement  
3 program through an interlocal agreement between a school district and  
4 a community or technical college under RCW 28A.175.100 through  
5 28A.175.110.

6       ~~((7))~~ (6) The tuition fees established under this chapter shall  
7 not apply to eligible students enrolling in a community or technical  
8 college participating in the pilot program under RCW 28B.50.534 for  
9 the purpose of obtaining a high school diploma.

10       ~~((8) Beginning in the 2019-20 academic year, reductions or  
11 increases in full-time tuition fees for resident undergraduates at  
12 four-year institutions of higher education shall be as provided in  
13 the omnibus appropriations act.~~

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

16       ~~(a) Review the impact of differential tuition rates on the funded  
17 status and future unit price of the Washington advanced college  
18 tuition payment program; and~~

19       ~~(b) No later than January 14, 2013, make a recommendation to the  
20 appropriate policy and fiscal committees of the legislature regarding  
21 how differential tuition should be addressed in order to maintain the  
22 ongoing solvency of the Washington advanced college tuition payment  
23 program.)~~

24       **Sec. 3.** RCW 28B.15.102 and 2014 c 162 s 1 are each amended to  
25 read as follows:

26       (1) ~~((Beginning with the 2011-12 academic year,))~~ Any four-year  
27 institution of higher education that ~~((increases))~~ increased tuition  
28 beyond levels assumed in the 2011-2013 or 2013-2015 omnibus  
29 appropriations act is subject to the financial aid requirements  
30 included in this section ~~((and shall remain subject to these  
31 requirements through the 2018-19 academic year))~~.

32       (2) ~~((Beginning July 1, 2011, each))~~ Four-year institutions of  
33 higher education that ~~((raises))~~ increased tuition beyond levels  
34 assumed in the 2011-2013 or 2013-2015 omnibus appropriations act  
35 ~~((shall, in a manner consistent with the goal of enhancing the  
36 quality of and access to their institutions,))~~ must provide financial  
37 aid to offset full-time tuition fees for resident undergraduate  
38 students as follows:

1 (a) Subtract from the full-time tuition fees an amount that is  
2 equal to the maximum amount of a state need grant award that would be  
3 given to an eligible student with a family income at or below fifty  
4 percent of the state's median family income as determined by the  
5 student achievement council; and

6 (b) Offset the remainder as follows:

7 (i) Students with demonstrated need whose family incomes are at  
8 or below fifty percent of the state's median family income shall  
9 receive financial aid equal to one hundred percent of the remainder  
10 if an institution's full-time tuition fees for resident undergraduate  
11 students is five percent or greater of the state's median family  
12 income for a family of four as provided by the student achievement  
13 council;

14 (ii) Students with demonstrated need whose family incomes are  
15 greater than fifty percent and no more than seventy percent of the  
16 state's median family income shall receive financial aid equal to  
17 seventy-five percent of the remainder if an institution's full-time  
18 tuition fees for resident undergraduate students is ten percent or  
19 greater of the state's median family income for a family of four as  
20 provided by the student achievement council;

21 (iii) Students with demonstrated need whose family incomes exceed  
22 seventy percent and are less than one hundred percent of the state's  
23 median family income shall receive financial aid equal to fifty  
24 percent of the remainder if an institution's full-time tuition fees  
25 for resident undergraduate students is fifteen percent or greater of  
26 the state's median family income for a family of four as provided by  
27 the student achievement council; and

28 (iv) Students with demonstrated need whose family incomes are at  
29 or exceed one hundred percent and are no more than one hundred  
30 twenty-five percent of the state's median family income shall receive  
31 financial aid equal to twenty-five percent of the remainder if an  
32 institution's full-time tuition fees for resident undergraduate  
33 students is twenty percent or greater of the state's median family  
34 income for a family of four as provided by the student achievement  
35 council.

36 (3) The financial aid required in subsection (2) of this section  
37 shall:

38 (a) Be reduced by the amount of other financial aid awards, not  
39 including the state need grant;

40 (b) Be prorated based on credit load; and

1 (c) Only be provided to students up to demonstrated need.

2 (4) Financial aid sources and methods may be:

3 (a) Tuition revenue or locally held funds;

4 (b) Tuition waivers created by a four-year institution of higher  
5 education for the specific purpose of serving low and middle-income  
6 students; or

7 (c) Local financial aid programs.

8 (5) Use of tuition waivers as specified in subsection (4)(b) of  
9 this section shall not be included in determining total state tuition  
10 waiver authority as defined in RCW 28B.15.910.

11 (6) By December 31st every year, four-year institutions of higher  
12 education that ~~((increase))~~ increased tuition beyond levels assumed  
13 in the 2011-2013 or 2013-2015 omnibus appropriations act ~~((after~~  
14 ~~January 1, 2011,))~~ shall report to the governor and relevant  
15 committees of the legislature on the effectiveness of the various  
16 sources and methods of financial aid in mitigating tuition increases.  
17 ~~((A key purpose of these reports is to provide information regarding~~  
18 ~~the results of the decision to grant tuition setting authority to the~~  
19 ~~four-year institutions of higher education and whether tuition~~  
20 ~~setting authority should continue to be granted to the institutions~~  
21 ~~or revert back to the legislature after consideration of the impacts~~  
22 ~~on students, including educational access, affordability, and~~  
23 ~~quality.))~~ These reports shall include:

24 (a) The amount of financial aid provided to middle-income and  
25 low-income resident students with demonstrated need in the aggregate  
26 and per student;

27 (b) An itemization of the sources and methods of financial aid  
28 provided by the four-year institution of higher education in the  
29 aggregate and per student for resident undergraduate students;

30 (c) An analysis of the combined impact of federal tuition tax  
31 credits and financial aid provided by the institution of higher  
32 education on the net cost to students and their families resulting  
33 from tuition increases;

34 (d) In cases where tuition increases are greater than those  
35 assumed in the omnibus appropriations act at any four-year  
36 institution of higher education, the institution must include an  
37 explanation in its report of why this increase was necessary and how  
38 the institution will mitigate the effects of the increase. The  
39 institution must include in this section of its report a plan and  
40 specific timelines; and

1 (e) An analysis of changes in resident student enrollment  
2 patterns, participation rates, graduation rates, and debt load, by  
3 race and ethnicity, gender, state and county of origin, age, and  
4 socioeconomic status, and a plan to mitigate effects of reduced  
5 diversity due to tuition increases. This analysis shall include  
6 disaggregated data for resident students in the following income  
7 brackets:

8 (i) Up to seventy percent of the median family income;

9 (ii) Between seventy-one percent and one hundred twenty-five  
10 percent of the median family income; and

11 (iii) Above one hundred twenty-five percent of the median family  
12 income.

13 (7) Beginning in the 2012-13 academic year, the University of  
14 Washington shall enroll during each academic year at least the same  
15 number of resident first-year undergraduate students at the Seattle  
16 campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10  
17 academic year. This requirement shall not apply to nonresident  
18 undergraduate and graduate and professional students.

19 NEW SECTION. **Sec. 4.** The following acts or parts of acts are  
20 each repealed:

21 (1) RCW 28B.15.068 (Estimates of per-student funding level and  
22 tuition—Reports—"Global challenge states"—Communication regarding  
23 available tax credits—Tuition mitigation plans) and 2012 c 229 s 525,  
24 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10 s 7,  
25 2009 c 540 s 1, & 2007 c 151 s 1; and

26 (2) RCW 28B.15.101 (Authority to modify tuition rates—  
27 Performance-based measures and goals—Institutional performance plans)  
28 and 2011 1st sp.s. c 10 s 5.

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