
SUBSTITUTE HOUSE BILL 1696

State of Washington

64th Legislature

2015 Regular Session

By House Higher Education (originally sponsored by Representative Haler; by request of Office of Financial Management)

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, the state board for community and technical colleges may~~
12 ~~pilot or institute differential tuition models. The board may define~~
13 ~~scale, scope, and rationale for the models.)~~)

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

25 ~~(b))~~ Prior to reducing or increasing tuition for each academic
26 year, the governing boards of the state universities, the regional
27 universities, and The Evergreen State College shall consult with
28 existing student associations or organizations with student
29 undergraduate and graduate representatives regarding the impacts of
30 potential tuition increases. Each governing board shall make public
31 its proposal for tuition and fee increases twenty-one days before the
32 governing board of the institution considers adoption and allow
33 opportunity for public comment. However, the requirement to make
34 public a proposal for tuition and fee increases twenty-one days
35 before the governing board considers adoption shall not apply if the
36 omnibus appropriations act has not passed the legislature by May
37 15th. Governing boards shall be required to provide data regarding
38 the percentage of students receiving financial aid, the sources of
39 aid, and the percentage of total costs of attendance paid for by aid.

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

9 ~~(4) ((Beginning with the 2015-16 academic year through the~~
10 ~~2018-19 academic year, the governing boards of the state~~
11 ~~universities, regional universities, and The Evergreen State College~~
12 ~~may set tuition for resident undergraduates as follows:~~

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

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

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

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

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

37 ~~((6))~~ (5) The tuition fees established under this chapter shall
38 not apply to eligible students enrolling in a dropout reengagement
39 program through an interlocal agreement between a school district and

1 a community or technical college under RCW 28A.175.100 through
2 28A.175.110.

3 ~~((7))~~ (6) The tuition fees established under this chapter shall
4 not apply to eligible students enrolling in a community or technical
5 college participating in the pilot program under RCW 28B.50.534 for
6 the purpose of obtaining a high school diploma.

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

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

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

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

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

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

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

36 (a) Subtract from the full-time tuition fees an amount that is
37 equal to the maximum amount of a state need grant award that would be
38 given to an eligible student with a family income at or below fifty

1 percent of the state's median family income as determined by the
2 student achievement council; and

3 (b) Offset the remainder as follows:

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

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

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

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

33 (3) The financial aid required in subsection (2) of this section
34 shall:

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

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

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

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

40 (a) Tuition revenue or locally held funds;

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

4 (c) Local financial aid programs.

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

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

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

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

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

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

38 (e) An analysis of changes in resident student enrollment
39 patterns, participation rates, graduation rates, and debt load, by
40 race and ethnicity, gender, state and county of origin, age, and

1 socioeconomic status, and a plan to mitigate effects of reduced
2 diversity due to tuition increases. This analysis shall include
3 disaggregated data for resident students in the following income
4 brackets:

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

6 (ii) Between seventy-one percent and one hundred twenty-five
7 percent of the median family income; (~~and~~)

8 (iii) Between one hundred twenty-six percent and one hundred
9 seventy-five percent of the median family income;

10 (iv) Between one hundred seventy-six percent and two hundred
11 twenty-five percent of the median family income; and

12 (v) Above (~~one~~) two hundred twenty-five percent of the median
13 family income.

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

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

22 (1) RCW 28B.15.068 (Estimates of per-student funding level and
23 tuition—Reports—"Global challenge states"—Communication regarding
24 available tax credits—Tuition mitigation plans) and 2012 c 229 s 525,
25 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10 s 7,
26 2009 c 540 s 1, & 2007 c 151 s 1; and

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

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