
HOUSE BILL 1955

State of Washington

65th Legislature

2017 Regular Session

By Representatives Bergquist and Pollet

1 AN ACT Relating to increasing the dependability of the guaranteed
2 education tuition program; amending RCW 28B.95.030; creating a new
3 section; providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 28B.95.030 and 2016 c 69 s 4 are each amended to
6 read as follows:

7 (1) The Washington advanced college tuition payment program shall
8 be administered by the committee on advanced tuition payment which
9 shall be chaired by the director of the office. The committee shall
10 be supported by staff of the office.

11 (2)(a) The Washington advanced college tuition payment program
12 shall consist of the sale of tuition units, which may be redeemed by
13 the beneficiary at a future date for an equal number of tuition units
14 regardless of any increase in the price of tuition, that may have
15 occurred in the interval, except as provided in subsection (7) of
16 this section.

17 (b) Each purchase shall be worth a specific number of or fraction
18 of tuition units at each state institution of higher education as
19 determined by the governing body, except as provided in subsection
20 (7) of this section.

1 (c) The number of tuition units necessary to pay for a full
2 year's, full-time undergraduate tuition and fee charges at a state
3 institution of higher education shall be set by the governing body at
4 the time a purchaser enters into a tuition unit contract, except as
5 provided in subsection (7) of this section.

6 (d) The governing body may limit the number of tuition units
7 purchased by any one purchaser or on behalf of any one beneficiary,
8 however, no limit may be imposed that is less than that necessary to
9 achieve four years of full-time, undergraduate tuition charges at a
10 state institution of higher education. The governing body also may,
11 at its discretion, limit the number of participants, if needed, to
12 ensure the actuarial soundness and integrity of the program.

13 (e) While the Washington advanced college tuition payment program
14 is designed to help all citizens of the state of Washington, the
15 governing body may determine residency requirements for eligible
16 purchasers and eligible beneficiaries to ensure the actuarial
17 soundness and integrity of the program.

18 (3)(a) No tuition unit may be redeemed until two years after the
19 purchase of the unit.

20 (b) Units may be redeemed for enrollment at any institution of
21 higher education that is recognized by the internal revenue service
22 under chapter 529 of the internal revenue code. Units may also be
23 redeemed to pay for dual credit fees.

24 (c) Units redeemed at a nonstate institution of higher education
25 or for graduate enrollment shall be redeemed at the rate for state
26 public institutions in effect at the time of redemption.

27 (4) The governing body shall determine the conditions under which
28 the tuition benefit may be transferred to another family member. In
29 permitting such transfers, the governing body may not allow the
30 tuition benefit to be bought, sold, bartered, or otherwise exchanged
31 for goods and services by either the beneficiary or the purchaser.

32 (5) The governing body shall administer the Washington advanced
33 college tuition payment program in a manner reasonably designed to be
34 actuarially sound, such that the assets of the trust will be
35 sufficient to defray the obligations of the trust including the costs
36 of administration. The governing body may, at its discretion,
37 discount the minimum purchase price for certain kinds of purchases
38 such as those from families with young children, as long as the
39 actuarial soundness of the account is not jeopardized.

1 ~~(6) ((The governing body shall annually determine current value~~
2 ~~of a tuition unit))~~ (a) For the 2017-18 academic year, the governing
3 body shall set the payout value for tuition units redeemed during
4 that academic year to one hundred twenty dollars per tuition unit.

5 (b) Beginning with the 2018-19 academic year, when the funded
6 status of the program is equal to or greater than one hundred ten
7 percent, the payout value of a tuition unit must increase by three
8 percent annually. When the funded status of the program is below one
9 hundred ten percent, the payout value of a tuition unit must increase
10 by one percent annually.

11 (c) If one percent of tuition and fees at the most expensive
12 state university exceeds the payout value of a tuition unit as
13 calculated in this subsection (6) in any given year, the payout value
14 of the tuition unit must increase to equal one percent of tuition and
15 fees at the most expensive state university.

16 (7) For the 2015-16 and 2016-17 academic years only, the
17 governing body shall set the payout value for units redeemed during
18 that academic year only at one hundred seventeen dollars and eighty-
19 two cents per unit. For academic years after the 2016-17 academic
20 year, the governing body shall make program adjustments it deems
21 necessary and appropriate to ensure that the total payout value of
22 each account on October 9, 2015, is not decreased or diluted as a
23 result of the initial application of any changes in tuition under
24 section 3, chapter 36, Laws of 2015 3rd sp. sess. In the event the
25 committee or governing body provides additional units under chapter
26 36, Laws of 2015 3rd sp. sess., the committee and governing body
27 shall also increase the maximum number of units that can be redeemed
28 in any year to mitigate the reduction in available account value
29 during any year as a result of chapter 36, Laws of 2015 3rd sp. sess.
30 The governing body must notify holders of tuition units after the
31 adjustment in this subsection is made and must include a statement
32 concerning the adjustment.

33 (8) The governing body shall promote, advertise, and publicize
34 the Washington advanced college tuition payment program. Materials
35 and online publications advertising the Washington advanced college
36 tuition payment program shall include a disclaimer that the
37 Washington advanced college tuition payment program's guarantee is
38 that one hundred tuition units will equal one year of full-time,
39 resident, undergraduate tuition at the most expensive state

1 institution of higher education, and that if resident, undergraduate
2 tuition is reduced, a tuition unit may lose monetary value.

3 (9) In addition to any other powers conferred by this chapter,
4 the governing body may:

5 (a) Impose reasonable limits on the number of tuition units or
6 units that may be used in any one year;

7 (b) Determine and set any time limits, if necessary, for the use
8 of benefits under this chapter;

9 (c) Impose and collect administrative fees and charges in
10 connection with any transaction under this chapter;

11 (d) Appoint and use advisory committees and the state actuary as
12 needed to provide program direction and guidance;

13 (e) Formulate and adopt all other policies and rules necessary
14 for the efficient administration of the program;

15 (f) Consider the addition of an advanced payment program for room
16 and board contracts and also consider a college savings program;

17 (g) Purchase insurance from insurers licensed to do business in
18 the state, to provide for coverage against any loss in connection
19 with the account's property, assets, or activities or to further
20 insure the value of the tuition units;

21 (h) Make, execute, and deliver contracts, conveyances, and other
22 instruments necessary to the exercise and discharge of its powers and
23 duties under this chapter;

24 (i) Contract for the provision for all or part of the services
25 necessary for the management and operation of the program with other
26 state or nonstate entities authorized to do business in the state;

27 (j) Contract for other services or for goods needed by the
28 governing body in the conduct of its business under this chapter;

29 (k) Contract with financial consultants, actuaries, auditors, and
30 other consultants as necessary to carry out its responsibilities
31 under this chapter;

32 (l) Solicit and accept cash donations and grants from any person,
33 governmental agency, private business, or organization; and

34 (m) Perform all acts necessary and proper to carry out the duties
35 and responsibilities of this program under this chapter.

36 NEW SECTION. **Sec. 2.** This act shall be known as the guaranteed
37 education tuition dependability act.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect July 1, 2017.

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