

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs
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## Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Student Achievement Council	1.6	566,000	566,000	566,000	.9	322,000	322,000	322,000	.9	322,000	322,000	322,000
Student Achievement Council	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	7,543	7,543	7,543	.0	0	0	0	.0	0	0	0
Western Washington University	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
<b>Total \$</b>	<b>1.6</b>	<b>573,543</b>	<b>573,543</b>	<b>573,543</b>	<b>0.9</b>	<b>322,000</b>	<b>322,000</b>	<b>322,000</b>	<b>0.9</b>	<b>322,000</b>	<b>322,000</b>	<b>322,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Ramona Nabors, OFM	<b>Phone:</b> (360) 742-8948	<b>Date Published:</b> Revised 3/12/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 101-Caseload Forecast Council
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Elaine Deschamps	Phone: 360-664-9371	Date: 03/09/2025
Agency Approval: Elaine Deschamps	Phone: 360-664-9371	Date: 03/09/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 2 of the bill provides new formulas for calculating the Washington College Grant and repeals the current formulas in Section 5, starting with the 2026-27 school year. Section 4 amends the CFC statute to change the formula references.

The CFC will continue to forecast the Washington College Grant under this bill.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 340-Student Achievement Council
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.2	0.9	1.6	0.9	0.9
<b>Account</b>					
General Fund-State 001-1	405,000	161,000	566,000	322,000	322,000
<b>Total \$</b>	405,000	161,000	566,000	322,000	322,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Carla Idohl-Corwin	Phone: 360-485-1302	Date: 03/10/2025
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1 of SB5785 allows public institutions to increase their tuition operating fees for resident undergraduates in the 2026-27 academic year by no more than 5% above the tuition growth factor calculated by the Office of Financial Management (OFM).

Section 2 modifies RCW 28B.92 and limits the Washington College Grant (WCG) State Median Income (SMI) ranges for eligibility.

Changes to the WCG include:

\* WCG will be limited to households at or below 65% of the State Median Income (SMI). This bill removes eligibility for WCG for students in the 66-100% Median Family Income categories.

\* The amount a student is eligible to receive will be based on the household income, adjusted for family size, and the difference in the household's annual share of educational costs (based on the chart in the bill) with five different categories.

\* If a household's calculated share exceeds the maximum WCG award, no WCG award will be provided. This calculation would now use the State Median Income (2025) instead of the Median Family Income, which is based on Federal Low Income Home Energy Assistance Program (LIHEAP 2022) income levels that have a three-year lag.

Section 5 repeals RCW 28B.92.205, which defined financial need and WCG award level prorations based on the Median Family Income.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Cash receipts are indeterminate for any financial aid programs administered by the WSAC. Cash receipts would only apply to those individuals who utilize federal and or state financial aid grants. Because the enrollment and utilization rates of those opting to use financial aid grants are unknown, we are unable to anticipate who may owe a repayment of state grants as a result of not meeting satisfactory academic progress and program policy standards.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

SB 5785 grant expenditures are indeterminate as actual Washington College Grant (WCG) expenditures are dependent on enrollment patterns among sectors, variation in the distribution of students and apprentices across the defined State Median Income (SMI) versus Median Family Income (MFI) categories, the number of students attending less than half-time, and other financial aid awarded. WCG is a caseload forecasted program. The changes from this bill would reduce the number eligible for the Washington College Grant by approximately 17,500 recipients in the 66-100 Median Family Income categories.

The cost estimates for this bill fall outside of the Cost Model used for calculating WCG/College Bound Scholarship (CBS) estimates using Caseload Forecast Council data.

STAFFING (Program Administration)



Implementation of this bill will require significant changes to administrative IT systems and program staff will be heavily involved in program implementation activities with college partners and apprenticeship programs. Communication and training will be needed for colleges and apprenticeship programs, as well as with students and apprentices that will be impacted by this programmatic change.

FY26: \$405,000 (one time) for 1.0 FTE IT Developer, 0.3 FTE Associate Director, 0.3 FTE Assistant Director, 0.3 FTE Program Manager and 0.3 FTE Program Coordinator

FY27 and beyond: \$161,000 (annually) for 0.3 FTE IT Developer, 0.1 FTE Associate Director, 0.1 FTE Assistant Director, 0.2 FTE Program Manager and 0.2 FTE Program Coordinator

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	405,000	161,000	566,000	322,000	322,000
<b>Total \$</b>			405,000	161,000	566,000	322,000	322,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.2	0.9	1.6	0.9	0.9
A-Salaries and Wages	208,000	80,000	288,000	160,000	160,000
B-Employee Benefits	67,000	30,000	97,000	60,000	60,000
C-Professional Service Contracts					
E-Goods and Other Services	123,000	50,000	173,000	100,000	100,000
G-Travel	2,000	1,000	3,000	2,000	2,000
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	405,000	161,000	566,000	322,000	322,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Director	95,000	0.3	0.1	0.2	0.1	0.1
Associate Director	110,000	0.3	0.1	0.2	0.1	0.1
IT Developer	106,000	1.0	0.3	0.7	0.3	0.3
Program Coordinator	58,000	0.3	0.2	0.3	0.2	0.2
Program Manager B	76,000	0.3	0.2	0.3	0.2	0.2
<b>Total FTEs</b>		2.2	0.9	1.6	0.9	0.9

**III. D - Expenditures By Program (optional)**

<b>Program</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
Financial Aid and Grant Programs (030)	405,000	161,000	566,000	322,000	322,000
<b>Total \$</b>	405,000	161,000	566,000	322,000	322,000

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

WSAC would need to revise administrative rules for the WCG to conform with changes in statute.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

No Fiscal Impact

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 03/10/2025
Agency Approval: Michael Lantz	Phone: 2065437466	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Senate Bill 5785 temporarily modifies the maximum increase in tuition operating fees for resident undergraduate students attending public institutions of higher education and changes eligibility criteria and award amounts for the Washington College Grant (WCG).

Section 1 allows institutions of higher education, like the University of Washington (UW), to increase resident undergraduate (RUG) tuition operating fees by no more than five percentage points above the tuition growth factor calculated by the Office of Financial Management (OFM). Tuition operating fees for RUG students may increase to the extent necessary to support employee compensation costs and operate within state appropriations from the general fund and related funds for FY27. These allowances are limited to the 2026-27 academic year (AY), or FY27. Similar language is added regarding the authority to increase tuition for non-resident undergraduate students (NRUG), but it has no impact as institutional Boards already have that authority.

Section 2 creates a new section in RCW 28B.92 that changes eligibility criteria and award amounts for the WCG.

Sections 3 and 4 amend existing RCWs that mention RCW 28B.92.205 (current WCG eligibility criteria) so that the new WCG criteria established in Section 2 of the bill is referenced.

Section 5 repeals RCW 28B.92.205

Impacts to WCG are indeterminate, but modifying tuition operating fees for undergraduate students will impact revenues at the UW. Please see the cash receipts section for further explanation

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### SECTION 1

For AY26-27, public institutions of higher education may increase RUG tuition operating fees by no more than five percentage points above the tuition growth factor calculated by OFM. In addition, tuition operating fees for all undergraduate students (resident and non-resident) may only increase to the extent necessary to support employee compensation costs and operate within state appropriations from the general fund and related funds for FY27. Any increase above the allowable tuition growth factor in AY26-27 will result in additional tuition revenue at the UW. However, determinate figures cannot be calculated due to the following unknowns:

- The UW Board of Regents has not yet taken action on AY25-26 tuition rates;
- The AY26-27 tuition growth factor will not be calculated by OFM until October 2025;
- FY27 state funding for compensation and appropriations will not be known until the end of the 2025 state legislative session; and
- AY26-27 enrollment totals for resident and non-resident undergraduate students will not be calculated until the second Friday of the autumn quarter (Census Day).

These factors will all influence the calculations used to determine tuition increases for consideration by the UW Board of Regents in June 2026. Instead, we have provided a range of possible incremental revenue totals if we assume the current undergraduate enrollment totals and the tuition growth factor are maintained.

The AY24-25 RUG tuition operating fee at the UW is \$11,179. Tuition operating fees for AY25-26 are not yet set and will not be approved until June 2025 by the UW Board of Regents. If we assume that the current maximum tuition growth

factor (3.3%) was applied for AY25-26, this would result in a RUG tuition operating fee of \$11,548. Assuming flat enrollment, for every 1% increase to that rate to set RUG operating fees for AY26-27, the University could expect approximately \$2.8 million in incremental net tuition revenue.

## SECTION 2

Changes to WCG eligibility could affect enrollment or other institutional financial aid calculations at the UW. However, this impact is indeterminate due to unknown caseloads, tuition rates, and changes to federal financial aid policy.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 365-Washington State University
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Alex Scalzo	Phone: 5093351731	Date: 03/10/2025
Agency Approval: Christina Gregory	Phone: 5093359682	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1.(2).(c) of SB 5785: Higher Education Costs allows the state universities to increase tuition operating fees for resident undergraduate students by no more than five percent above the tuition grown factor calculated by the Office of Financial Management. Tuition operating fees may only increase to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds for fiscal year 2027 in the 2025-27 omnibus appropriations act. This section could impact net operating fee revenue at Washington State University (WSU).

Section 1.(3).(c) allows the state universities to increase tuition operating fees for nonresident undergraduates to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds for fiscal year 2027 in the 2025-27 omnibus appropriations act. WSU believes this section will have no impact since the WSU Board of Regents already has the authority to increase non-resident tuition rates at levels above those of resident rates.

Section 2 modifies the eligibility criteria for the Washington College Grant. It specifies that in addition to other eligibility requirements outlined in RCW 28B.92, students whose annual household income is at or below 65 percent of the annual state median income are eligible to receive the Washington College Grant. The amount a student may receive is dependent on the household's annual income, adjusted for household size, and the difference in the household's annual share of higher education costs provided in Section 2 and the maximum Washington College Grant. If the household's calculated share exceeds the maximum award, no award may be provided. The changes would be effective for the 2026-27 academic year. This section could affect student financial award amounts and student enrollment.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Section 1.(2).(c) would allow WSU to increase resident undergraduate operating fees up to five percent above the current maximum as defined by RCW 28B.15.067. The fiscal impact is indeterminate since 2026-27 tuition rates will not be considered by the WSU Board of Regents until Fall 2025 and the rate recommended to the Board will be influenced by several currently unknown factors, including: the maximum tuition rate increase as determined by the Office of Financial Management; the enacted state budget for the 2025-27 biennium, which may include state appropriations to increase employee compensation; and the collection of student feedback concerning increases to the operating fee.

The maximum increase for academic year 2025-26 is 3.3% as determined by the Office of Financial Management. The WSU Board of Regents approved the maximum increase of 3.3% in November 2024, increasing the annual resident operating fee to \$11,007. For purposes of the fiscal note, WSU estimates the annual net operating fees generated by each 1% increase to the resident undergraduate rate to be \$1,360,000 in fiscal year 2026-27, assuming no changes in student enrollment and the prior operating fee rate of \$11,007.

Changes to Washington College Grant eligibility in Section 1.(3).(c) could decrease award amounts and alter the financial aid calculation for current and prospective students, which could impact student enrollment. But the fiscal impact due to award eligibility changes is indeterminate due to factors that are unknown as this time; for example, potential changes to federal financial aid policy, expected student enrollment levels for 2026-27, and changes to the resident undergraduate tuition rate.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditures**

NONE

### **III. B - Expenditures by Object Or Purpose**

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### **III. D - Expenditures By Program (optional)**

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 370-Eastern Washington University
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Tammy Felicijan	Phone: (509) 359-7364	Date: 03/10/2025
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

SB 5785 provides additional increases for students' share of the education costs at institutions of higher education.

Sec 1 2(c) states that in the 2026-27 academic year, the tuition operating fees for resident undergraduates at the state universities, regional universities, and The Evergreen State College may increase by no more than five percent above the tuition growth factor calculated by the office of financial management in (a) of this subsection. Within the limitations of this subsection, tuition operating fees may only increase to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds, as defined in RCW 43.88.055, for fiscal year 2027 in the 2025-2027 omnibus operating appropriations act.

This adjustment to tuition setting authority is limited to the 2026-27 academic year and would not result in further increases in the forthcoming years.

The impact remains indeterminate due to uncertainty in:

FY27 funding for compensation and appropriations

FY27 enrollment numbers

State budget outcomes

OFM's tuition growth factor calculation (to be determined in October 2025)

The AY24-25 RUG tuition operating fee at the EWU is \$6,357. Tuition operating fees for AY25-26 are set to \$6,567, using the current 3.3% tuition growth factor. In AY26-27, if we assume that the tuition growth factor maintains at 3.3% the maximum percentage tuition operating fees could be raised is by 8.3%. Therefore, tuition operating fees at EWU may increase from \$6,783 (3.3% increase) to \$7,112 (8.3% increase) in AY26-27 for RUG students. Assuming flat enrollment, for every 1% increase to RUG operating fees for AY26-27, the University could expect approximately \$290,000 in incremental tuition revenue.

Potential revenue scenarios for FY27:

3.3% increase: Total estimated tuition revenue of \$957,000

8.3% increase: Total estimated tuition revenue of \$2,465,000

Incremental increase of \$1,508,000 if tuition is raised from 3.3% to 8.3%

The 8.3% increase shown above is for illustrative purposes only. The rate increase will be determined based on the many other factors described including the FY26 legislative session, compensation agreements, budget needs, and OFM's annual calculation. We also expect enrollment could decrease significantly due to the number of EWU students who would see reduced financial support under sections 2-5, which would reduce these estimates.

Sec 1 3(c) states that in the 2026-27 academic year, the tuition operating fees for nonresident undergraduates at the state universities, regional universities, and The Evergreen State College may increase to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds, as defined in RCW 43.88.055, for fiscal year 2027 in the 2025-2027 omnibus operating appropriations act.

The ability to increase nonresident undergraduate tuition as necessary already exists in law, so the addition of this language in this bill does not create any additional fiscal impacts.

Sec 2 includes language that provides students whose annual household income is at or below 65 percent of the annual state median income eligibility to receive the Washington college grant.

Changes in eligibility criteria and award amounts for the WA College Grant (WCG) could impact enrollment and financial aid distribution at EWU. While the specific effect on enrollment is indeterminate, students who become ineligible for the

WCG may face financial challenges that affect retention and new enrollments.

WCG 66% or higher (formerly MFI income) students will lose all WCG eligibility. At EWU, based on 2023-24, this is about 730 students and roughly \$3,500,000 in state aid.

Because of the “calculated share” part of the new eligibility formula, those still eligible may receive a lessor amount, potentially \$1,000,000 - \$2,000,000.

## II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

The impact remains indeterminate due to uncertainty in:

FY27 funding for compensation and appropriations

FY27 enrollment numbers

State budget outcomes

OFM’s tuition growth factor calculation (to be determined in October 2025)

The AY24-25 RUG tuition operating fee at the EWU is \$6,357. Tuition operating fees for AY25-26 are set to \$6,567, using the current 3.3% tuition growth factor. In AY26-27, if we assume that the tuition growth factor maintains at 3.3% the maximum percentage tuition operating fees could be raised is by 8.3%. Therefore, tuition operating fees at EWU may increase from \$6,783 (3.3% increase) to \$7,112 (8.3% increase) in AY26-27 for RUG students. Assuming flat enrollment, for every 1% increase to RUG operating fees for AY26-27, the University could expect approximately \$290,000 in incremental tuition revenue.

Potential revenue scenarios for FY27:

3.3% increase: Total estimated tuition revenue of 957,000

8.3% increase: Total estimated tuition revenue of \$2,465,000

Incremental increase of \$1,508,000 if tuition is raised from 3.3% to 8.3%

## II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

Higher education costs

Form FN (Rev 1/00) 204,797.00

FNS063 Individual State Agency Fiscal Note

370-Eastern Washington University

Request # 25-91-1

Bill # 5785 SB

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 375-Central Washington University
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Lisa Plesha	Phone: (509) 963-1233	Date: 03/10/2025
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Senate Bill 5785 modifies the maximum increase in tuition operating fees for resident undergraduate students attending public institutions of higher education for the 2026-27 academic year and changes eligibility criteria and award amounts for the Washington College Grant (WCG).

Section 1 allows higher education institutions, such as Central Washington University (CWU), to increase resident undergraduate tuition operating fees by as much as five percentage points above the tuition growth factor calculated by OFM. Tuition operating fees for resident undergraduate students may increase to the extent necessary to support employee compensation costs and to operate within state appropriations from the general fund and related funds for fiscal year 2027. These allowed increases are limited to the 2026-27 academic year. Similar allowances are provided for non-resident undergraduate students, but these modifications have no impact as our Board of Trustees already possess that authority.

Section 2 creates a new section in RCW 28B.92 establishing new Washington College Grant eligibility criteria and award amounts.

Sections 3 and 4 amend the existing RCWs that mention RCW 28B.92.205 to reference the newly established criteria in Section 2.

Section 5 repeals RCW 28B.92.205.

The impacts of these changes to WCG are indeterminate, but will likely result in hundreds of students losing or receiving a reduced grant award in the 2026-27 academic year. The allowable modifications to the tuition operating fees for undergraduate students will impact revenues at CWU, though to what extent remains indeterminate. Please see the cash receipts section for a more detailed explanation.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

For the Academic year 2026-27 public institutions of higher education may increase resident undergraduate tuition operating fees by as much as five percentage points above the tuition growth factor calculated by OFM. Under these provisions, tuition operating fees for all undergraduate students may only increase to the extent necessary to support employee compensation costs and operate within state appropriations from the general fund and related funds for fiscal year 2027. Any allowable increase that CWU may choose to adopt above the tuition growth factor will result in additional tuition revenues. However, those totals remain indeterminate due to several unknown factors, including that:

- CWU will not know what the tuition growth factor as calculated by OFM will be for the 2026-27 academic year until October 2025;
- State funding for compensation for the 2027 fiscal year will not be known until a conference budget is reached by the legislature at the end of the 2025 legislative session; and
- CWU will not be able to accurately forecast the 2026-27 academic year enrollment for resident and non-resident undergraduate students until much closer to the fall term of 2026.

In October 2024 the CWU Board of Trustees adopted a 3.3% tuition increase for all students for the 2025-26 academic year. In the 2025-26 academic year, full-time resident undergraduate students will pay \$7,469. If we assume no change to the tuition growth factor for the 2026-27 academic year, the maximum percentage tuition operating fees could be raised would be 8.3%. Therefore, tuition operating fees at CWU may increase from \$7,715 (3.3%) to \$8,089 (8.3%) for resident undergraduate students. Assuming flat enrollment CWU could expect an additional \$500,000 in incremental tuition revenue

for every 1% increase in tuition operating fees above the 3.3% assumed tuition growth factor.

Section 2

Changes to WCG eligibility would negatively impact CWU’s students, of which over 50% qualify for this program. If the income thresholds were significantly lowered, we would expect that many students would be unable to afford attendance at CWU. The Federal Pell Grant alone does not sufficiently support students attending an institution of higher education in Washington, and the Washington College Grant plays a crucial role in enabling students to enroll and succeed at CWU. Though the impacts on the 2026-27 academic year are still indeterminate due to unknown levels of enrollment and the number of students meeting the eligibility requirements for WCG, applying the MFI ranges for 2025-26 and assuming any student with an MFI of 65% or more would lose all eligibility for WCG, 735 admitted students would find themselves without this critical financial aid program. This translates to a loss of \$1.1 million in grant aid for our students. Additionally, in applying the formulas put forth by the bill, 1,129 of admitted students who would currently be eligible to receive the maximum WCG award would receive a reduced amount, creating a loss of \$1.9 million in WCG funding.

**II. C - Expenditures**

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

NONE

**III. B - Expenditures by Object Or Purpose**

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 376-The Evergreen State College
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 03/10/2025
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

SB 5785 relates to modifying the share of the costs being born by students in higher education.?

Section 1.2(a) revises RCW 28B.15.067 to allow for a one-time exception to the tuition setting authority process, as described below.?

Section 1.2(c) states that the tuition operating fees for the college may be increased for undergraduate resident students by no more than 5% above the Tuition Growth Factor (TGF) calculated by the Office of Financial Management (OFM). Tuition operating fees may only be increased to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds for fiscal year 2027.?

Section 1.3(c) states that in the 2026-27 academic year, the tuition operating fees for nonresident undergraduates at the college may increase to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds, as defined in RCW 43.88.055, for fiscal year 2027.?

Section 2.1 states that in addition to the other eligibility criteria, students whose annual household income is at or below 65 percent of the annual state median income are eligible to receive the Washington college grant. Beginning in the 2026-27 school year, the amount of the grant that a student may receive is dependent on the household's annual income, adjusted for household size, and the difference in the household's annual share of higher education costs and the maximum Washington college grant.?

Section 2.1 also states that beginning in academic year 2026-27, the household's annual share of higher education costs will be determined in proportion to the percentage of the household's adjusted income to the state median income. ?

Section 2.2 states that if the household's calculated share exceeds the maximum Washington college grant award, no award may be provided.?

Section 3.5(a)(i) requires that to qualify for the WCG, students must demonstrate financial need by establishing that their household income qualifies under section 2 of the bill.?

Section 4.7(c) states that the caseload forecast council will estimate the number of students who will be eligible for the WCG in accordance with section 2 of this bill.?

Section 6 states that sections 2 through 4 of this act would take effect on July 1, 2026.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Section 1 of this bill would allow the college to increase the tuition operating fee for resident undergraduate students for the 2026-27 school year by as much as 5% above the TGF calculated by OFM. It may only be raised, however, to the extent necessary to support employee compensation costs and to operate within the appropriations from the general fund and related funds for fiscal year 2027. While this may result in increased in revenue per student, the provisions that would constrict financial aid make it impossible to estimate the net fiscal impact.

First, although the bill would give Evergreen the authority to increase the RUG tuition operating fee by more than 5% above the TGF, the Board of Trustees would not act to set tuition rates for 2026-27 until fall of 2025, at the earliest. They will

need to consider a number of factors when making their determination about how much to raise tuition, and that will include a concern about potential harm to students.

Secondly, the TGF for 2026-27 is not yet available, and won't be until after October 15, 2025.

Third, there is still a fair amount of uncertainty about what the legislative budget appropriations to the college will be for the next biennium and particularly for FY 2027. Until the college knows what compensation increases it will need to implement, what level of budget reduction it will need to comply with, etc., it cannot know what level of tuition operating fee increase would be allowable based on the requirement that it may only increase it to the extent necessary to support employee compensation costs and operate within appropriations for FY 2027.

A fourth concern is the possible impact on enrollment created by the tuition increase and the potential loss of eligibility for some students caused by the revisions to the Washington College Grant (WCG) program. This is particularly problematic for the Shelton Promise program that relies heavily on this funding source.

The following factors prohibit our ability to accurately determine the revenue that might be generated by any increase in allowable tuition growth. If the following expectations hold true, the college can reasonably predict what the impact on the individual RUG student's tuition will be for 2026-27:

- The TGF for 2026-27 will not be calculated by OFM until October 2025;
- FY27 state funding for compensation and appropriations will not be known until the end of the 2025 legislative session; and
- 2026-27 enrollment will not be projected until fall 2025.

The tuition operating fee for resident undergraduate students in 2025-26 will be \$7,103. If we assume the TGF factor remains at 3.3% for 2026-27, the TOF for that academic year would be \$7,337. If the maximum tuition increase is applied in accordance with the one-time authority provided for in this bill, the TOF for that year would be \$7,693. If we further assume that enrollment remains flat for FY 2025-26 and FY 2026-27, the potential net revenue increase would be approximately \$108K for each 1% increase in the TOF.

In addition to the uncertainty about how much revenue would be generated by the authorization to increase tuition beyond the TGF, there are also negative revenue concerns related to the proposed revisions to RCW 28.92, the Washington College Grant. The new requirements for eligibility for the WCG, and the table for determining levels of maximum awards in section 2.1 and 2.2 would cause some of the college's students to lose eligibility for all or some of the WCG funds they have been counting on to pursue their education. We estimate that roughly 10% of our students who receive the Washington College Grant (about 100 to 120 students) would lose some or all of their WCG funds based on this bill, leaving either the college or the households to make up the difference if the students are to stay in school. Assuming that each FTE generates \$7,693 in net tuition operating revenue, the loss of 100 students would negatively impact tuition revenue by almost \$770K in FY 27.

Students in the college's new Shelton Promise program would be particularly hard hit by this revision as the program is heavily reliant on financial aid funding from Pell and Washington College grants. Approximately 74% of participants would lose all or part of the Washington College grant resulting in increased funding gaps that would need to be filled by alternative federal, state, or local funds.

Overshadowing all of this is the uncertainty about what federal financial aid policies will look like in the coming years.

## II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Evergreen students stand to lose more than \$240,000 in Washington College Grant funding as a result of the requirements in

section 2 of this bill. We estimate that roughly 100 to 120 students would lose some or all of their WCG award if this bill becomes law. But, since we do not know how many of these students would remain in school, or even how much tuition would be for 2026-27 at this point, the costs are indeterminate. For a fuller discussion of this issue, please see the Cash Receipts section of the fiscal note.

### **Part III: Expenditure Detail**

#### **III. A - Operating Budget Expenditures**

NONE

#### **III. B - Expenditures by Object Or Purpose**

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

#### **III. D - Expenditures By Program (optional)**

NONE

### **Part IV: Capital Budget Impact**

#### **IV. A - Capital Budget Expenditures**

NONE

#### **IV. B - Expenditures by Object Or Purpose**

NONE

#### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

### **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 380-Western Washington University
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.0	0.0	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	7,543	0	7,543	0	0
<b>Total \$</b>	7,543	0	7,543	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 03/12/2025
Agency Approval: Anna Hurst	Phone: 360-650-3569	Date: 03/12/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/12/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Fiscal Impacts of Senate Bill 5785 on Western Washington University:

Tuition adjustments under Section 1 allow WWU to increase resident undergraduate tuition operating fees by up to five percentage points above the tuition growth factor set by the Office of Financial Management (OFM). However, WWU's authority to set tuition rates remains unchanged, and any decision on increases will depend on state budget decisions in FY26. The revenue impact is uncertain due to factors such as state funding, enrollment changes, and OFM's tuition growth factor, which will be determined in October 2025. Assuming flat enrollment and a 3.3% increase in AY25-26, the University could expect approximately \$690,000 in incremental net tuition revenue for each 1% increase to resident undergraduate rates for AY26-27. However, tuition increases may impact enrollment, as financial strain could lead some students to withdraw or not enroll.

Changes to the Washington College Grant (WCG) eligibility criteria and award amounts in sections 2-5 could significantly impact student enrollment and financial aid at WWU. Approximately 1,200 students currently receiving the WCG would lose eligibility, creating a financial gap of around \$2 million. Across the university, up to \$20 million in WCG funding could be affected under the new tier system, potentially leading to enrollment changes, though the precise impact remains uncertain. Students who become ineligible may face financial difficulties, which could affect both retention and new enrollments. These changes in calculations for WA college grant are done by custom programming at the institution. The FA systems team would need to work with EAS to update the programming with these new parameters and calculations. As the current legislation is not entirely clear in how this will be proceeded, anticipate this could take 10% of the systems directors time over the next 6 months to implement, resulting in a salary and benefits cost of \$7,543.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Tuition Impacts (Section 1):

The impact remains indeterminate due to uncertainty in:

- FY27 funding needed for compensation and appropriations
- FY27 resident undergraduate (RUG) enrollment numbers
- State and federal budget outcomes
- OFM's tuition growth factor calculation (to be determined in October 2025)

The AY24-25 RUG tuition operating fee at WWU is \$7,488. Tuition operating fees for AY25-26 are not yet set and are pending approval by WWU Board of Trustees. If we assume that the current maximum tuition growth factor (3.3%) was applied, this would result in a RUG tuition operating fee of \$7,735 for AY25-26. In AY26-27, if we assume that the tuition growth factor maintains at 3.3% the maximum percentage tuition operating fees could be raised is by 8.3%. Therefore, tuition operating fees WWU may increase from \$7,990 (3.3% increase) to \$8,377 (8.3% increase) in AY26-27 for RUG students.

Assuming flat enrollment, for every 1% increase to RUG operating fees for AY26-27, the University could expect approximately \$690,000 in incremental net tuition revenue.

Washington College Grant Impacts (Sections 2-5):

Changes to eligibility for WCG could impact enrollment and financial aid distribution at WWU. While the financial impact of these changes is indeterminate, students who become ineligible for the WCG may face financial challenges that affect retention and new enrollments.

WWU currently has approximately 1,200 students eligible for the WCG who would become ineligible, resulting in an estimated \$2 million impact, and there is a total of \$20 million in WCG funding that could be affected across the university under the new tier system.

This change could lead to significant enrollment changes, possibly reducing any incremental revenue estimated from the higher tuition fee, though the exact impact remains indeterminate.

**Overall Conclusion**

- The bill's financial impact on WWU is indeterminate due to multiple unpredictable factors, including state budget allocations, enrollment fluctuations, tuition policy decisions, and financial aid eligibility changes.
- The Financial Aid Office anticipates significant enrollment impacts due to WA Grant reductions.
- The University's operating revenue from tuition may shift significantly based on compensation funding and enrollment trends, making it difficult to predict long-term financial effects.

**II. C - Expenditures**

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

WWU anticipates the need for an additional 0.05 FTE to support programming changes required for compliance with this bill in the first year. This legislation significantly changes the calculations for WA college grant. Currently all of this programming is done by custom programming at the institution. The FA systems team would need to work with EAS to update the programming with these new parameters and calculations. As the current legislation is not entirely clear in how this will be proceeded, anticipate this could take 10% of the systems directors time over the next 6 months to implement. The cost is \$7,543 in salary and benefits.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	7,543	0	7,543	0	0
<b>Total \$</b>			7,543	0	7,543	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. B - Expenditures by Object Or Purpose**

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1		0.0		
A-Salaries and Wages	5,758		5,758		
B-Employee Benefits	1,785		1,785		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	7,543	0	7,543	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Director of Financial Aid Systems	115,169	0.1		0.0		
<b>Total FTEs</b>		0.1		0.0		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5785 SB	<b>Title:</b> Higher education costs	<b>Agency:</b> 699-Community and Technica College System
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 03/07/2025
Agency Preparation: Stephanie Winner	Phone: 360-704-1023	Date: 03/10/2025
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 03/10/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This bill would modify current law to allow for a one-time increase in tuition beyond the tuition growth factor outlined in 28B.15.067 and change the eligibility criteria and award amounts for the Washington college grant.

Sec. 1 allows institutions of higher education, including community and technical colleges, to apply a one-time maximum five percent increase above the calculated tuition growth factor percentage to the tuition operating fee for resident undergraduates in academic year 2026-27. The amount of the increase and the use of the funds is limited to the amount necessary to continue operating under the omnibus appropriations act for 2025-27.

Sec. 2 creates a new section to RCW 28B.92 that changes eligibility criteria and award amounts for the Washington college grant.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

The following unknown factors make the cash receipt impact for this bill indeterminate:

- unknown tuition growth factor for AY 2026-27
- changes to financial aid and the impact on enrollment
- unknown amounts needed to operate under the 2025-27 omnibus appropriations act

#### Section 1

Estimating that the tuition growth factor, as determined by the federal bureau of labor statistics and calculated by the Office of Financial Management based on the previous 14 years prior, for AY 2026-27 would remain constant at 3.3% and assuming enrollment remains consistent with current projections, the one-time maximum increase over and above the tuition growth factor has the potential to net an increase of tuition operating fee collection across the system up to \$20 million, approximately \$4 million for every 1%.

#### Section 2

Changes to the Washington college grant may result in a drop in student enrollments and/or credit load from financial aid reduction.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

No fiscal impact. Based on the provisions of the bill that limits the increase to no more than five percent and not to exceed the amount necessary to continue operating under the enacted 2025-27 omnibus appropriations act, additional or new expenditures impacts are not expected.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*