

Multiple Agency Fiscal Note Summary

Bill Number: 5785 P SB S-2355.2	Title: 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.								
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	
Department of Corrections	.0	0	0	0	.0	0	0	0	.0	0	0	0	
Student Achievement Council	.8	281,000	281,000	281,000	.4	124,000	124,000	124,000	.4	124,000	124,000	124,000	
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	Fiscal note not available												
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0	
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												
Total \$	0.8	281,000	281,000	281,000	0.4	124,000	124,000	124,000	0.4	124,000	124,000	124,000	

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
Department of Corrections	.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	Fiscal note not available								
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								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Preliminary 4/ 1/2025
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Individual State Agency Fiscal Note

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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: 03/23/2025
Agency Preparation: Elaine Deschamps	Phone: 360-664-9371	Date: 03/24/2025
Agency Approval: Elaine Deschamps	Phone: 360-664-9371	Date: 03/24/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 03/27/2025

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.

The bill makes changes to eligibility requirements and rate calculations for the Washington College Grant program, and amends the College Bound Scholarship Program to limit the time of an award to six years.

The CFC estimates no fiscal impact, because these changes do not affect the ability of the CFC to produce the forecasts for the Washington College Grant and College Bound Scholarship programs.

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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 310-Department of Corrections
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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: 03/23/2025
Agency Preparation: Daniel Polimeni	Phone: 360-791-0201	Date: 03/28/2025
Agency Approval: Wendi Gunther	Phone: 360-789-4001	Date: 03/28/2025
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 03/31/2025

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.

An act concerning students’ share of education costs at institutions of higher education.

Section 1(2)(b) states for the 2026-2027 academic year, an increase in tuition for operating fees for resident undergraduates at the community and technical colleges by no more than five percent above the tuition growth factor calculated by the office of financial management. Within the limitations of this subsection, tuition operating fees may only increase to the extent necessary to operate within the appropriations from the general fund and related funds define in RCW 43.88.055, for the fiscal year 2027 in the 2025-2027 omnibus operating appropriations act.

Section 2(1), new Section, states in addition to other eligibility requirements outlined in this chapter, students whose annual household income is at or below 65 percent of the annual state median income are eligible to receive the Washington (WA) College grant.

Section 3(5)(b) states fees established under this chapter shall not apply to students incarcerated with the Department of Corrections (DOC) who are participating in credit-eligible postsecondary education courses and degree programs when the program expenses are funded by nontuition resources such as, but not limited to, grants, contracts, and donations.

Section 5 is a new section and provides an effective date of July 1, 2025.

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.

The DOC assumes at this time this bill will have no fiscal impact.

Currently, WA State Colleges have not yet received Pell grant utilization approval, however, in the future, this bill increases the tuition for students to attend college by seven to eight percent next academic year, off-setting state funding to support college operations.

In addition, SSB 5953, which was adopted last legislative session, compels DOC to cover the cost of tuition for individuals who are not eligible or who have exhausted their federal and state financial aid, this could increase the amount DOC will cover in tuition fees. This impact is unknown and will not be a reality until Pell grant utilization is approved.

The DOC will evaluate the fiscal impacts and may submit future budget requests to cover these costs should the legislation be enacted into session law.

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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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.
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Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.2	0.4	0.8	0.4	0.4
Account					
General Fund-State 001-1	219,000	62,000	281,000	124,000	124,000
Total \$	219,000	62,000	281,000	124,000	124,000

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: 03/23/2025
Agency Preparation: Carla Idohl-Corwin	Phone: 360-485-1302	Date: 03/26/2025
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 03/26/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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.

PSSB 5785 does the following:

Section 1 allows colleges at the public institutions to increase their tuition operating fees for the 2026-27 academic year by no more than 5 percent above the tuition growth factor. There are some restrictions related to extent necessary to operate with the near general fund appropriation for community and technical colleges. A similar limit is included for public baccalaureates to the extent necessary to support employee compensation and operate within Near General Fund appropriations for FY27.

Section 2 modifies the award amount for students attending four-year not-for-profit institutions to be the average of awards at the regional public baccalaureates beginning in the 2026-27 academic year.

Section 3 provides students with median family incomes of up to 65 percent to receive the maximum Washington College Grant for the 2025-26 award year.

Beginning with 2026-27, except for apprentices, student eligibility will be based on the following table:

Median Family Income Range	Award Amount
0 -55% MFI	Maximum award
56-60% MFI	70% of maximum award
61-65% MFI	60% of maximum award
66 - 70% MFI	50% of maximum award
71-100% MFI	No award

Beginning with 2026-27, students receiving Washington College Grant for apprenticeships, with incomes between 0-70 percent MFI, adjusted for family size, will receive 50 percent of the maximum award as defined in RCW 28B.92.030.

Section 4 modifies the College Bound Scholarship award time frame to require it is used within six years of receipt. This would restrict students to six years of usage whether they enroll immediately after high school or if they enroll one year after high school. This change would be effective July 1, 2025.

Section 5 makes the timeframe restrictions in Section 4 effective July 1, 2025.

In summary, PSSB 5785 removed from the original bill (SB 5785) the use of State Median Income and the use of a household's annual share of higher education costs in determining Washington College Grant Awards. It also removed the repeal of RCW 28B.92.205, restoring the definition of financial need and the WCG award level prorations by MFI, retaining 65 percent MFI award levels for FY26.

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.

PSSB 5785 expenditures are indeterminate because actual Washington College Grant (WCG) expenditures are dependent on enrollment patterns among sectors, variation in the distribution of students and apprentices across the defined 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. Additional indeterminate factors are the tuition increase rates that colleges may elect to implement between 0–5 percent in addition to the tuition growth factor which is currently 3.3 percent.

Recognizing that this an indeterminate fiscal note for the reasons mentioned above, an example is being provided below. Using a 5% tuition increase across the public institutions, changes proposed in the Median Family Income by award levels and the 4 year Not for Profit award amount changes in FY27, it is projected that the changes listed above would have the following impacts:

	FY26	FY27
WCG cost/savings	\$23,324,544	<\$15,707,047>
CBS cost/savings	<\$7,820,334>	\$ 900,308
NET cost/savings	\$15,504,210	<\$14,806,739>

(Note: This estimate uses Cost Model v9.2 of the shared cost model used by legislative staff, OFM and WSAC to estimate costs for WCG and CBS.)

Staffing (Program Administration)

Implementation of this bill will require changes to administrative IT systems and program staff will be 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: \$219,000 (one time) for 0.3 FTE IT developer, 0.3 FTE Associate Director, 0.3 FTE Assistant Director, and 0.3 FTE Program Coordinator
FY27 and beyond: \$62,000 annually for 0.1 FTE IT developer, 0.1 FTE Assistant Director, 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	219,000	62,000	281,000	124,000	124,000
Total \$			219,000	62,000	281,000	124,000	124,000

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	1.2	0.4	0.8	0.4	0.4
A-Salaries and Wages	111,000	32,000	143,000	64,000	64,000
B-Employee Benefits	35,000	6,000	41,000	12,000	12,000
C-Professional Service Contracts					
E-Goods and Other Services	67,000	23,000	90,000	46,000	46,000
G-Travel	1,000	1,000	2,000	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-					
Total \$	219,000	62,000	281,000	124,000	124,000

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		0.2		
IT Developer	106,000	0.3	0.1	0.2	0.1	0.1
Program Coordinator	58,000	0.3	0.2	0.3	0.2	0.2
Total FTEs		1.2	0.4	0.8	0.4	0.4

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Financial Aid and Grant Programs (030)	219,000	62,000	281,000	124,000	124,000
Total \$	219,000	62,000	281,000	124,000	124,000

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 Washington College Grant and College Bound Scholarship to conform with changes in statute.

Individual State Agency Fiscal Note

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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: 03/23/2025
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 03/26/2025
Agency Approval: Michael Lantz	Phone: 2065437466	Date: 03/26/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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.

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

Compared to the original bill, this draft no longer changes how eligibility criteria is determined for WCG, though it does modestly shift income eligibility for award amounts. Specifically, it continues to reestablish eligibility for the maximum WCG to families with 55% of the state median family income, adjusted for family size from 2026-27 onwards, and no longer includes families making above 70% of the median family income as WCG eligible. It also establishes prorated WCG amounts for families with incomes between 56 and 70% of the state median family income. Finally, in Section 4, it requires that College Bound Scholarship awards be used within six years of receipt.

This draft impacts WCG to a lesser degree than the original measure. While it still has an indeterminate impact, that impact is likely to be much smaller than the original. However, the predominant fiscal impacts from this bill are in Section 1, which remains unchanged in this draft. We have therefore submitted substantially similar fiscal estimates to the original.

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 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

The shift in maximum 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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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Agency Preparation: Alex Scalzo	Phone: 5093351731	Date: 03/27/2025
Agency Approval: Christina Gregory	Phone: 5093359682	Date: 03/27/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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) 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) 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 3 amends RCW 28B.92.205 to modify the eligibility criteria for the Washington College Grant. It specifies that in addition to other eligibility requirements outlined in RCW 28B.92, award amounts will be prorated based on a student’s household income as a percentage of the state median income, adjusted for household size. Students with incomes between 56 and 70 percent of the state median income will receive between 50 and 70 percent of the maximum Washington college grant amount. The changes would be effective for the 2026-27 academic year. This section could affect student financial award amounts and student enrollment.

Section 4(10)(a) of the bill amends RCW 28B.118.010 to specify that the College Bound Scholarship must be used within six years of receipt.

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) 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 3, which amends RCW 28B.92.205, modify income eligibility tiers and could decrease award amounts and alter financial aid calculations for current and prospective students, potentially impacting student enrollment. However, the fiscal impact of these eligibility changes is indeterminate due to several unknown factors, such as 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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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: 03/23/2025
Agency Preparation: Tammy Felicijan	Phone: (509) 359-7364	Date: 03/27/2025
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 03/27/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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 \$2,407,000
Incremental increase of \$1,450,000 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 3 1(b) states that Beginning with academic year 2026-27, except for students attending apprenticeship programs, grants for students with incomes between 56 and 70 percent of the state median family income, adjusted for family size, shall be prorated at the following percentages of the maximum Washington college grant amount:
(i) 70 percent for students with family incomes between 56 and 60 percent of the state median family income;

- (ii) 60 percent for students with family incomes between 61 and 65 percent of the state median family income; and
- (iii) 50 percent for students with family incomes between 66 and 70 percent of the state median family income.

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. For EWU, over 54% of undergraduate students receive Washington College Grant (WCG). Approximately 40% of those students would lose some financial aid.

Overall fiscal impact, both increases and decreases remain indeterminate at this time.

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%

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. For EWU, over 54% of undergraduate students receive Washington College Grant (WCG). Approximately 40% of those students would lose some financial aid.

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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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: 03/23/2025
Agency Preparation: Alexa Orcutt	Phone: 5099632955	Date: 03/27/2025
Agency Approval: Alexa Orcutt	Phone: 5099632955	Date: 03/27/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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.

5785 PSB section 2 amends RCW 28B.92.030 and adds to the definition of "maximum Washington college grant". Section 2(5)(b)(i) inserts an end date of the 2025-26 academic year (AY). Also inserts (b)(ii), which states starting the 2026-27 AY the average awards granted to students at the state colleges and regional universities pertaining to students attending private four-year not-for-profit IHE's.

Section 3 amends RCW 28B.92.205 strikes language in subsections (1-2), updates academic years, and decreases award amounts and eligibility starting the 2026-27 AY. Starting the 2026-2027 AY, the criteria for max award amount eligibility drops from 65% MFI to 55% MFI. Those that would meet the criteria to be in the 71-100% MFI range would no longer be eligible for the WCG.

Section 4 amends RCW 28B.118.010 to include that once awarded, the scholarship needs to be used within six years.

Section 5 states that section 4 is effective July 1, 2025.

5785 SB summary:

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.

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 2026-27 utilizing 2025-26 student data as of March 26, 2025*, and assuming any student with an MFI of 71% or more would lose all eligibility for WCG, approximately 630 admitted students would find themselves without this critical financial aid program. This translates to a loss of approximately \$700,000 in grant aid for our students at this point in time. Additionally, the scale adjustments to the MFI thresholds for students to receive the maximum award eligibility would affect approximately 270 admitted students who would currently be eligible to receive the maximum WCG award would receive a reduced amount, creating a loss of approximately \$800,000 in WCG funding. Again, this is still largely indeterminate due to all of the varying factors.

*The student data changes every week, as we are constantly packaging more potential financial aid offers.

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

Revised

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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:

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: 03/23/2025
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 03/27/2025
Agency Approval: Anna Hurst	Phone: 360-650-3569	Date: 03/27/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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:

Section 1 allows 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). WWU already has flexibility to increase nonresident undergraduate tuition operating fees. WWU's authority to set any tuition rate remains unchanged and must be approved by our Board of Directors, and any decision on increases will depend on state budget decisions in FY26.

Sections 2-5 change the Washington College Grant (WCG) eligibility criteria and award amounts. These changes are expected to significantly impact student enrollment and financial aid at WWU. Previous legislation would have excluded anyone above 65% MFI, but current legislation would only exclude those above 70% MFI. Approximately 1,000 students currently receiving the WCG would lose eligibility based on the 70% MFI, and more students could see changes to their award amounts. These changes would result in either increased costs to students and their families or a drop in retention & enrollment.

The net revenue impact of the tuition increase for resident undergraduate students is difficult to calculate due to factors such as enrollment changes resulting from an increased rate and the loss of WCG, as well as OFM's tuition growth factor which will be determined in October 2025.

Assuming flat enrollment and a 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 (approximately \$3.4 million if increased by 5%). However, WWU estimates that gains in tuition revenue due to a higher rate would be offset in part by an estimated 3% reduction in enrollment (approximately \$3 million) due to the rate increase and WCG changes.

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.

It is possible that decreases to enrollment could offset any incremental revenue estimated from the higher tuition fee, though the exact impact remains indeterminate due to factors described below.

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)
- Enrollment impacts associated with tuition increases

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 the WWU Board of Trustees. If we assume that the current maximum tuition growth factor (3%) is applied, this would result in a RUG tuition operating fee of \$7,713 for AY25-26. In AY26-27, if we assume the tuition growth factor remains at 3%, the maximum percentage tuition operating fees could be raised is by 8%. Therefore, tuition operating fees at WWU may increase from \$8,010 (3% increase) to \$8,330 (8% increase) in AY26-27 for RUG students.

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 1,000 students eligible for the WCG who would become ineligible as well as many students whose WCG award levels would be reduced starting AY26-27.

Estimated Cash Receipt Impact of Bill:

The net revenue impact of the tuition increase for resident undergraduate students is difficult to calculate due to factors such as enrollment changes resulting from an increased rate and the loss of WCG, as well as OFM's tuition growth factor which will be determined in October 2025. Assuming flat enrollment and a 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 (approximately \$3.4 million if increased by 5%). However, WWU estimates that gains in tuition revenue due to a higher rate would be offset in part by an estimated 3% reduction in enrollment (approximately \$3 million) due to the rate increase and WCG changes.

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.
- Enrollment impacts associated with tuition increases
- 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.

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

Bill Number: 5785 P SB S-2355.2	Title: Higher education costs	Agency: 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: 03/23/2025
Agency Preparation: Stephanie Winner	Phone: 360-704-1023	Date: 03/29/2025
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 03/29/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/01/2025

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.

The substitute version of this bill differs from the original in the following ways but does not change the fiscal note as originally written. The financial impact remains indeterminate.

- Sec. 2 amends definition of maximum Washington College Grant in RCW 28B.92.030
- Sec. 3 amends financial need eligibility requirements
 - AY24-25 and AY25-26 students with income at or below 60% state MFI, adjusted for family size, shall receive the maximum WCG
 - AY26-27 and beyond students with income at or below 55% state MFI, adjusted for family size, shall receive the maximum WCG
 - Until AY26-27 students with income between 56% and 100% state MFI, adjusted for family size, shall be prorated
 - Allows apprenticeship students with income between zero and 70% state MFI, adjusted for family size, shall receive 50% of the maximum WCG
- Sec. 4 adds timeline for use of scholarships and process for unused scholarship tuition units under RCW 28B.118.01.
- Sec. 5 states section 4 takes effect 7/1/2025

This bill seeks to 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 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 amends definitions of maximum Washington College Grant in RCW 28B.92.030.
- Sec. 3 changes eligibility criteria for the Washington college grant.
- Sec. 4 adds timeline for use of scholarships and process for unused scholarship tuition units under RCW 28B.118.01.
- Sec. 5 states section 4 takes effect 7/1/2025

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.