

HOUSE BILL REPORT

2SSB 5806

As Reported by House Committee On:

Higher Education
Appropriations

Title: An act relating to higher education costs.

Brief Description: Regarding tuition limits and billing disclosures.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Schoesler, Shin, Berkey, Delvin, Murray and Kohl-Welles).

Brief History:

Committee Activity:

Higher Education: 3/28/07, 3/30/07 [DP];

Appropriations: 3/31/07, 4/2/07 [DP].

Brief Summary of Second Substitute Bill

- Implements Washington Learns tuition policy recommendations.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 9 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Buri, Assistant Ranking Minority Member; Hasegawa, Jarrett, McIntire, Roberts and Sommers.

Staff: Jennifer Thornton (786-7111).

Background:

Legislation enacted in 2005 created a comprehensive education and finance study covering early learning, K-12, and higher education. This effort, known as Washington Learns, was comprised of a steering committee chaired by the Governor and advisory committees for each education sector. The steering and advisory committees were directed to conduct a comprehensive study of early learning, K-12, and higher education; to develop recommendations on how the state can best provide stable funding for early learning, public schools, and public colleges and universities; and to develop recommendations on specified

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policy issues. The Washington Learns final report, a culmination of the 18-month study, was completed in November 2006.

Summary of Bill:

Tuition increases for resident students are capped at 7 percent per year between the 2007-08 academic year and the 2016-17 academic year. A state goal is adopted that total per-student funding levels (from state appropriations plus tuition and fees) are at least the 60 percentile of total per-student funding at similar institutions in the Global Challenge States. In defining comparable per-student funding levels, the Office of Financial Management (OFM) shall adjust for regional cost-of-living differences, for differences in program offerings and the relative mix of lower division, upper division, and graduate students, and for accounting and reporting differences among the comparison institutions.

Without reducing enrollment levels below Fiscal Year 2007 budgeted levels, the OFM will establish a funding trajectory to reach this goal for each four-year institution and the community and technical college system by Fiscal Year 2017.

The OFM will report to the Governor, the Higher Education Coordinating Board and the Legislature on an annual basis, beginning September 2008, with updated estimates of total per-student funding that represents the 60th percentile funding goal and progress that has been made towards that goal for each institution.

The Global Challenge States are defined as the top performing states in the new economy index published by the Progressive Policy Institute. At least once every five years, the OFM must determine whether there should be changes to the list of states.

On billing statements to students, each institution must report the full cost of instruction, the amount collected from student tuition and fees, and the difference between the amounts for the full cost of instruction and student tuition and fees.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The long-term funding strategy for higher education in this bill recognizes the need for stable and predictable funding levels based on a combination of state resources and tuition. The goal linked to the Global Challenge States and recognition of state appropriations and tuition makes for strong financing. The concept of funding benchmarks and the reference

to similar institutions is important and will enable good comparisons for the system. This bill also has a provision for the Legislature to adjust funding as needed, which is significant.

(Opposed) None.

Persons Testifying: Senator Schoesler, prime sponsor; Deborah Frazier, State Board for Community and Technical Colleges; and Terry Teale, Council of Presidents.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 33 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Minority Report: Do not pass. Signed by 1 member: Representative Dunn.

Staff: Debbie Driver (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The bill establishes in statute a financing structure in higher education with important components including establishing a long-term goal, recognizing the relationship between tuition and state support, and directing the Legislature to review and adjust those variables as the economy dictates.

(Opposed) None.

Persons Testifying: Terry Teale, Council of Presidents.

Persons Signed In To Testify But Not Testifying: None.