

SENATE BILL REPORT

SB 5013

As Reported By Senate Committee On:
Higher Education, February 21, 2007

Title: An act relating to tuition setting authority.

Brief Description: Limiting tuition increase authority.

Sponsors: Senators Schoesler, Sheldon and Holmquist.

Brief History:

Committee Activity: Higher Education: 2/05/07, 2/21/07 [DPS-WM].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5013 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Kilmer, Vice Chair; Delvin, Ranking Minority Member; Berkey, Schoesler and Sheldon.

Staff: Aldo Melchiori (786-7439)

Background: Tuition rates at institutions of higher education are established by statute. Since 2003, changes in tuition rates for resident undergraduates have been provided in the omnibus appropriations act. This provision is set to expire during the 2008-09 academic year. At that time, unless different rates are adopted by the Legislature, the rates will remain unchanged.

For students, other than resident undergraduates, tuition rate increases and decreases have been controlled by the institutions themselves since 2003. This provision expires at the end of the 2008-09 academic year as well.

Summary of Bill: For students, other than resident undergraduates, the ability of the institutions to increase or decrease the tuition rate expires at the end of the 2006-07 year instead of the 2008-09 academic year. Beginning with the 2007-09 academic year, tuition increases for all undergraduate and graduate students may not exceed the rate of inflation or 50 percent of the students share of the cost of instruction per student. The tuition increases may only be modified by a two-thirds vote of each house of the Legislature.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Higher Education): Tuition increases for resident undergraduate students are limited to 5.5 percent per year. Institutions retain the authority to set graduate student

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tuition. The 2/3 vote requirement to change tuition rate increases is eliminated. Per student funding goals are established.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The best financial aid is affordable tuition for everyone. Grants and loans help low-income students, leaving middle-income students to feel the brunt of high tuition. People that are saving for higher education are unable to get rates of return on investments sufficient to keep up with tuition increases.

OTHER: The nexus of tuition and state support determines the quality of higher education in Washington. We need to keep the two sources of funding connected. Lower tuition can only be responsibly accommodated if the state increases support. When tuition rises, students expect improved instruction, smaller classes, and access to employment opportunities in Washington.

Persons Testifying: PRO: Senator Schoesler, prime sponsor; Sasha Sleiman, Washington Student Lobby.

OTHER: Terry Teale, Council of Presidents; Randy Hodgins, University of Washington.