

SENATE BILL REPORT

2SSB 5806

As Passed Senate, March 13, 2007

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: 2/15/07, 2/19/07 [DPS-WM].

Ways & Means: 3/02/07, 3/05/07 [DP2S, DNP].

Passed Senate: 3/13/07, 48-0.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5806 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)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5806 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senator Fairley.

Staff: Tim Yowell (786-7435)

Background: In 2005, the Legislature created a steering committee (Washington Learns) comprised of legislators, the Governor, and others, and three sector advisory committees on which legislators and others served. The steering and advisory committees were directed to conduct a comprehensive study of early learning, K-12, and higher education; to develop

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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 policy issues. The steering committee submitted an interim and a final report with recommendations to the Legislature.

Summary of Second Substitute Bill: Resident undergraduate tuition increases at each institution are limited to no more than 7 percent per year.

It is the goal of the state to increase funding at state colleges and universities, using state funds plus tuition combined, to at least the 60th percentile of comparable institutions in the Global Challenge States within ten years. The Office of Financial Management (OFM) reports on the progress made toward the state goal. In defining the 60th percentile goal, OFM controls for differences among the comparison institutions in cost-of-living, program and enrollment mix, and reporting and accounting practices. Decreasing student enrollment below 2007 budgeted levels is not allowed as a method of increasing per-student funding. A definition of the Global Challenge States is provided. At least once every five years, 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.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill (Higher Education): PRO: This bill sets a policy course for the state's higher education system. The goal is to provide opportunities for professional and personal development for our citizens. The Legislature retains tuition setting authority and that is important. The most important part of the bill is the funding roadmap. The aid package fills gaps in current student financial aid. The tuition increases should be used to enhance student services and experiences.

Persons Testifying (Higher Education): PRO: Senator Schoesler, prime sponsor; Deb Merle, Governor's Office; Patricia Chuntrill, J.W. Harrington, Council of Faculty Representatives; Terry Teale, Cindy Morana, Council of Presidents; Madeline Thompson, Workforce Training and Education Coordinating Board; Bill Grinstein, HECB; Nathaniel Hong, Washington Education Association; Phil Jack, American Federation of Teachers; Bryce McKibben, Washington Student Lobby; Randy Hodgins, University of Washington.

Staff Summary of Public Testimony on Substitute Bill (Ways & Means): PRO: Putting a cap on annual tuition increases is a reasonable and necessary thing to do. The Legislature would retain tuition-setting authority for resident undergraduates under this bill. The 7 percent is a cap—tuition wouldn't have to increase by that much. The "global challenge index" measures how equipped states are to compete effectively in high technology. Defining appropriate benchmarks for higher education funding has always been difficult and

contentious. Setting the "global challenge states" as a benchmark is a simple and elegant solution. It is wise to employ funding benchmarks, and to consider tuition and state funding together, as a package. Interstate comparisons need to be approached carefully, though, because community and technical colleges have different missions in different states. The difference between a 5 percent annual tuition increase and a 7 percent annual tuition increase is only \$78 per year for a Western Washington University undergraduate, but the difference equates to a biennial difference of more than a million dollars for the university. The proposed opportunity grants are good for our economy by enabling more students to prepare for employment in high-demand fields.

OTHER: The duty to provide student contact information for the proposed GET Ready for Math and Science Scholarship program to the HECB and to the private non-profit program administrator poses significant challenges for OSPI as it will violate federal student privacy rules, and because student contact information is maintained locally by school districts, rather than centrally by OSPI.

Persons Testifying (Ways & Means): PRO: Senator Schoesler, prime sponsor; Debra Merle, Governor's Office; George Scarola, League of Education Voters; Madeleine Thompson, Workforce Training Board; Sherry Burkey, Western Washington University; Deborah Frazier, SBCTC.

OTHER: Brian Jeffries, OSPI .