

SENATE BILL REPORT

ESHB 2344

As Reported by Senate Committee On:
Ways & Means, April 24, 2009

Title: An act relating to resident undergraduate tuition.

Brief Description: Regarding resident undergraduate tuition.

Sponsors: House Committee on Ways & Means (originally sponsored by Representative Haigh).

Brief History: Passed House: 4/22/09, 50-47.

Committee Activity: Ways & Means: 4/24/09 [DP, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Keiser, Kline, Kohl-Welles, McDermott, Oemig, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Honeyford, Parlette, Pflug and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Brandland.

Staff: Tim Yowell (786-7435)

Background: Since the 1999-2000 academic year, the governing board of each public four-year higher education institution and the State Board for Community and Technical Colleges has had the authority to increase tuition rates for resident undergraduate students within percentage limits specified by the Legislature in the Operating Budget Act. Prior to 1999 the Legislature set tuition at specified dollar amounts for each public institution. Since 1999-2000 the Legislature has authorized the following annual increases in resident undergraduate tuition:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Academic Year	Authorized Resident Undergraduate Increases
1999-2000	4.6 percent
2000-2001	3.6 percent
2001-2002	6.7 percent
2002-2003	
Research	16 percent
Regional	14 percent
Community & Technical Colleges	12 percent
2003-2004	7 percent
2004-2005	7 percent
2005-2006 & 2006-2007	
Research	7 percent
Regional	6 percent
Community & Technical Colleges	5 percent
2007-2008 & 2008-2009	
Research	7 percent
Regional	5 percent
Community & Technical Colleges	2 percent

In 2007 the Legislature established an additional statutory limit under which the annual resident undergraduate tuition increases authorized by the Legislature were not to exceed 7 percent during any academic year, 2007-08 through 2016-17.

Summary of Bill: During academic years 2009-10 and 2010-11, the state may increase resident undergraduate tuition above the previous 7 percent cap in the Omnibus Appropriations Act. Institutions of higher education are required to notify students of tax credits available through the American Opportunity Tax Credit.

The Higher Education Coordinating Board convenes a group of stakeholders to examine tuition policy including an examination of high tuition, high aid model, differential tuition based on income, and other potential state tuition policies. A report, including an examination of the merits of the policies based on administrative feasibility, interactions with federal programs, and impacts on students is due to the Legislature by November 1, 2009.

The Joint Legislative Audit and Review Committee conducts a systemic performance audit of the public baccalaureate institutions to create a transparent link between revenues, expenditures, and performance outcomes. The findings and recommendations are due to the Legislature by December 1, 2010.

Appropriation: None.

Fiscal Note: Requested on April 13, 2009.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: CON: It has been argued that the cost of 14 percent annual tuition increases will be offset for most students by increased federal tax credits and Pell grants, but there are two problems with that argument. The first is that the tax credit and Pell grant increases are temporary, whereas the tuition increases would be permanent. The other is that the federal increases were intended to help families and students struggling to meet current tuition costs during the recession, not to cover the cost of tuition increases. Raising tuition will discourage and may prevent people from enrolling and continuing in higher education. This Legislature faces the tough choice of whether it wants to maintain access to public education, or privatize it.

Persons Testifying: CON: Richard Lum, Associated Students of Washington; David Isenger, University of Washington graduate, Professional Student Senate; Mike Bogatay, Steve Lindstrom, Washington Student Lobby; Shawn Hoey, Washington Student Lobby, Associated Students of Washington.