

# SENATE BILL REPORT

## SSB 5734

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As Amended by House, April 22, 2009

**Title:** An act relating to tuition fees.

**Brief Description:** Regarding tuition at institutions.

**Sponsors:** Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Delvin and Shin; by request of Higher Education Coordinating Board).

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/10/09, 2/13/09 [DPS].

Passed Senate: 3/07/09, 44-0.

Passed House: 4/22/09, 53-44.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5734 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kilmer, Chair; Becker, Ranking Minority Member; Jacobsen, Jarrett, Kastama, McAuliffe, Pflug, Shin and Stevens.

**Staff:** Aldo Melchiori (786-7439)

**Background:** Beginning with the 2003-04 academic year, the governing boards of the public colleges and universities have authority to set full-time tuition fees for all students other than resident undergraduates. The Legislature has the authority to set full-time tuition fees for resident undergraduates at public colleges and universities. The governing boards' limited fee-setting authority will expire at the end of the 2008-09 academic year. Beginning in the 2009-10 academic year, tuition fees for full-time students at the state's colleges and universities will be the same as tuition charged in the 2008-09 academic year unless different rates are adopted by the Legislature.

**Summary of Substitute Bill:** The governing boards' limited fee-setting authority is extended through the 2014-15 academic year. Beginning in the 2015-16 academic year, tuition fees for full-time students at the state's colleges and universities will be the same as

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tuition charged in the 2014-15 academic year unless different rates are adopted by the Legislature.

**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: Higher education institutions need to have predictability in finances, and allowing them to set their own tuition fees provides predictability. It also allows them to provide better quality in programs. Tuition setting authority provides the institutions with more flexibility in participating in partnerships with business and in responding to the needs of business. Higher education institutions have been responsible and reasonable in setting tuition rates over the past six years.

CON: There is less accountability when colleges and universities set tuition than when the Legislature sets tuition. The Legislature provides public hearings and public records for decisions. A public education should be accessible to all. Graduate students need reasonable and predictable tuition increases. There needs to be a cap on tuition increases. Undergraduates should be encouraged to go to graduate school, and a good way to do this is to keep costs under control.

**Persons Testifying:** PRO: Chris Thompson, HECB; Randy Hodgins, UW; Mike Reilly, Council of Presidents; Brian Jeffries, Washington Roundtable.

CON: Michael Ludd, Joseph Carter, TCC United Against Budget Cuts; David Iseminger, UW graduate and professional student senate.

**House Amendment(s):** Resident undergraduate tuition increases are provided in the omnibus operating budget through academic year 2012-13 instead of 2014-15. The institutions of higher education set tuition for all other classifications of students through academic year 2012-13 instead of 2014-15. Each academic year, the governing boards of the four-year institutions and the two-year colleges must provide the students with data regarding student financial aid and consult with existing student associations or organizations prior to setting tuition.

Any tuition increase above 7 percent must be used to fund the cost of instruction, library and student services, utilities and maintenance of buildings, institutional financial aid, or other costs related to instruction. Budgetary reductions through 2010-11 to instruction related costs must be proportionally less than reductions associated with other program areas, including administration.

Within existing resources, the Joint Legislative Audit and Review Committee completes a systemic performance audit of the state universities, regional universities, and The Evergreen State College. The purpose of the audit is to create a transparent link between revenues, expenditures, and performance outcomes as outlined in the performance agreements and the

strategic master plan for higher education. The auditor must report findings and recommendations to the Legislature by December 1, 2010. The report must identify cost savings and programs or services that could be eliminated; analyze gaps or overlaps in programs or services and recommend corrections; the feasibility of pooling technology systems or elements of technology systems, and recommend statutory or regulatory changes that may be necessary to meet performance agreement objectives.