

# SENATE BILL REPORT

## SB 6399

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As of January 31, 2012

**Title:** An act relating to program fees at institutions of higher education.

**Brief Description:** Regarding program fees at institutions of higher education.

**Sponsors:** Senators Frockt, Tom and Shin.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/24/12.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Kimberly Cushing (786-7421)

**Background:** Tuition fees consist of building fees and operating fees. Building fees are used to fund institutional construction equipment and maintenance costs. Operating fees include the fees, other than building fees, charged to all students registering at the state's colleges and universities. They do not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, individual instruction, student deposits or rentals, disciplinary and library fines; laboratory, gymnasium, health, technology, and student activity fees; or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings or facilities of the colleges or universities.

Beginning with the 2011-12 academic year, and continuing through the end of the 2014-15 academic year, governing boards of the state and regional universities, and The Evergreen State College, may reduce or increase full-time tuition fees for all students. Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students.

The Guaranteed Education Tuition (GET) Program is Washington's 529 prepaid college tuition plan. The GET Program allows purchasers to buy tuition units at current prices for use at a later date. The state guarantees that 100 GET units will cover one year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. GET units do not cover institutionally mandated fees that may be required at each

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individual school. The Higher Education Coordinating Board currently administers the GET Program, while the State Investment Board oversees its investments.

**Summary of Bill:** The term operating fees does not include fees unique to specific programs of study.

For students other than resident undergraduates, full-time tuition fees may be reduced or increased for all or portions of an institution's programs, campuses, courses, or students.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2012.  
[OFM requested ten-year cost projection pursuant to I-960.]

**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: This bill is important for the solvency of GET program, which is \$700 million in the hole, and will need a state infusion if we're not careful. We were approached by the State Actuary over the summer to look for a fix for GET. This bill is the solution to balancing solvency in the GET program with differential tuition. Under the bill there is no change in payout to existing purchasers. GET will continue to be a guarantee. This is a consequence of a major tuition policy change made last year. Differential tuition allows different programs to be closer to actual price and could help maintain the quality of programs. There will be a large impact on GET if no there are no differential fees because then costs rise everywhere.

CON: We are concerned that the bill is authorizing course fees to operate as tuition without protections. GET won't cover differential tuition, and we are concerned that differential tuition will grow to a point where it is 20 to 30 percent more than tuition. Students are not opposed to differential tuition, as long as it is not within the framework of course fees. It is easier for the university to set course fees than to set tuition. Students aren't able to deliberate regarding course fees because there are no metrics for input. We need accountability and transparency for course fees.

**Persons Testifying:** PRO: Senator Frockt, prime sponsor; Margaret Shepherd, University of Washington (UW); Chris Mulick, WA State University; Done Bennett, HECB/GET.

CON: Andrew Lewis, Michelle Nance, Sarah Round, Associated Students of UW.