

# SENATE BILL REPORT

## SB 6043

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As Reported by Senate Committee On:  
Higher Education, February 6, 2014

**Title:** An act relating to establishing a cap for resident undergraduate tuition rates.

**Brief Description:** Establishing a cap for resident undergraduate tuition rates.

**Sponsors:** Senators Baumgartner, Bailey, Brown, Benton, Dandel and Roach.

**Brief History:**

**Committee Activity:** Higher Education: 2/04/14, 2/06/14 [DPS-WM].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** That Substitute Senate Bill No. 6043 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Frockt, McAuliffe and Tom.

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

**Background:** In 2011 the Legislature enacted E2SHB 1795, the Higher Education Opportunity Act, which provided four-year institutions the authority to set tuition rates for resident undergraduate students through the 2014-15 academic year. In the 2015-16 through 2018-19 academic years they are granted tuition-setting authority within limits based on a state funding baseline year and funding for similar higher education institutions in the Global Challenge States.

This legislation expanded the authority of four-year institutions to charge differential tuition rates to resident undergraduate students. The State Board for Community and Technical Colleges was also given the authority to pilot or institute differential tuition models.

The average annual wage reported by the Employment Security Department in 2012 is \$51,595.

**Summary of Bill (Recommended Substitute):** A legislative taskforce on resident undergraduate tuition is established. The members include two from each of the two largest caucuses of the House of Representatives and two from each of the two largest caucuses of

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the Senate. At least one member from each caucus must be a member of a higher education committee.

The taskforce must provide recommendations to the Governor and relevant committees of the Legislature on resident undergraduate tuition policy by December 1, 2014.

Staff support for the taskforce must be jointly provided by Senate Committee Services and the Office of Program Research. The section creating the taskforce expires December 31, 2014.

**EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (Recommended Substitute):** Removes the cap on resident undergraduate tuition rates. Replaces the four-year institution's tuition-setting authority for resident undergraduate students and the authority to set differential tuition rates for resident undergraduate programs. Establishes an eight-member legislative taskforce to provide recommendations to the Governor and Legislature on resident undergraduate tuition policy by December 1, 2014.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: Tuition is too high. Students are the highest taxed demographic in the state. By 2020, 70 percent of jobs will require some sort of higher education. This bill provides accessibility for students and allows students to achieve goals, whether it is a science, technology, engineering, mathematics, or liberal arts program. Lower tuition is the best form of financial aid. Massive amounts of student debt affects the economy because students will not be buying houses or cars. Thus, the bill increases economic growth. Lower tuition allows families to put another sibling in college and allows students to afford textbooks and attend school full time. One concern with the bill would be the impact on the Guaranteed Education Tuition (GET) Program and the value of GET shares.

CON: We are in support of student access, the goal of world-class education, and minimizing student debt. However, greater state investment is necessary to cut student tuition in half. Lower tuition without additional state support means difficulty having enough student advisors and retaining world-class faculty. We are putting at risk money over the next biennium that we cannot afford. If the bill moves forward, make it contingent on state funding.

**Persons Testifying:** PRO: E.B Vodde, Associated Students of Eastern WA University; Matthew Bobbink, Associated Students of Western WA University; Jayme Shoun, Associated Students of WA State University-Vancouver; Paul Bell, Bellevue College Office of Student Legislative Affairs.

CON: Paul Francis, Council of Presidents; Margaret Shepherd, University of WA; Chris Mulick, WA State University.