

HOUSE BILL REPORT

HB 1238

As Reported by House Committee On:
Higher Education

Title: An act relating to affordable tuition planning.

Brief Description: Concerning affordable tuition planning.

Sponsors: Representatives Pollet, Haler, Bergquist, Hargrove, Sells, Fitzgibbon, Fey and Tarleton.

Brief History:

Committee Activity:

Higher Education: 1/28/15, 2/10/15, 2/11/15 [DPS].

Brief Summary of Substitute Bill

- Requires the Washington Student Achievement Council (Council) to report to the Legislature by December 15, 2016, regarding the affordability of the higher education system.
- Requires the report to include different measures of how tuition and the total cost of attendance compares to the state's median household and family incomes.
- Requires the Council to provide strategies to ensure tuition is no greater than 10 percent of the state's median family income.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Hansen, Chair; Pollet, Vice Chair; Haler, Assistant Ranking Minority Member; Bergquist, Gregory, Hargrove, Holy, Reykdal, Sells and Tarleton.

Minority Report: Do not pass. Signed by 2 members: Representatives Stambaugh and Van Werven.

Minority Report: Without recommendation. Signed by 1 member: Representative Zeiger, Ranking Minority Member.

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.

Staff: Megan Mulvihill (786-7304).

Background:

Washington Student Achievement Council.

The Student Achievement Council (Council) provides strategic planning, oversight, advocacy, and administers programs to support students and higher education in the state. The Council is statutorily required to propose educational attainment goals and priorities to meet the state's higher education needs. The Council is then required to identify strategies to meet those educational attainment goals and priorities by producing a short-term strategic action plan every two years and a 10-year plan known as the Roadmap.

The Ten-Year Roadmap.

The Council develops the Roadmap in collaboration with multiple stakeholders to encompass all sectors of higher education. The Roadmap must include strategies that address strategic planning for multiple goals, including, but not limited to: long-term degree production; expanding access, affordability, quality, efficiency, and accountability among institutions of higher education; finance planning and strategic investments; and data and analysis. The 2013 Roadmap established two educational attainment goals for 2023 that the Legislature adopted in 2014. These goals are:

1. All adults in Washington, ages 25-44, will have a high school diploma or equivalent.
2. At least 70 percent of Washington adults, ages 25-44, will have a post secondary credential.

The Roadmap focuses on three strategies to achieve these educational attainment goals: ensure access, enhance learning, and prepare for future challenges. The ensure access strategy includes elements such as making sure cost is not a barrier for low-income students and making college affordable.

Cost of Tuition.

In 2011 the Legislature granted tuition setting authority to the four-year institutions for all students for the 2011-12 through 2018-19 academic years. However, the Legislature suspended resident undergraduate tuition setting authority in the 2013-15 Operating Budget. Tuition setting authority will revert back to the Legislature in the 2019-20 academic year. Tuition at the community and technical colleges is set within caps by the Legislature in the Operating Budget.

Tuition at the public four-year institutions has increased from an average of \$6,400 in 2010-11 to \$8,778 in 2014-15. Resident undergraduate tuition for the 2014-15 academic year at the Washington public baccalaureate institutions and the community and technical colleges is as follows:

2014-15 Resident Undergraduate Tuition per Academic Year			
	Tuition	Tuition and Fees	Total Cost of Attendance*
University of Washington	\$11,305	\$12,394	\$27,112
Washington State University	\$11,396	\$12,398	\$28,176

Central Washington University	\$7,245	\$9,017	\$21,045
Eastern Washington University	\$7,372	\$8,133	\$22,245
The Evergreen State College	\$7,845	\$8,447	\$22,355
Western Washington University	\$7,503	\$8,965	\$23,222
Community and Technical Colleges	\$4,000	\$4,000+	N/A

*The total cost of attendance is an estimate for single, undergraduate students without dependents who are living away from their parent's home or undergraduate married students without dependents whose spouses are also students.

+ While tuition for the community and technical colleges is set by the Legislature, the fees vary by college and location.

Financial Aid Calculations.

The Council administers the majority of Washington's student financial aid programs. Ninety-nine percent of the state's financial aid programs are need-based. Need is calculated based on the student's family's household income. The student's family's household income is determined by including the income of all individuals 15 years old or older who reside in the household. Washington financial aid calculations adjust the median household income for family size. According to the Office of Financial Management, Washington's projected median household income for 2013 was \$58,577.

Washington's two largest financial aid programs, the State Need Grant (SNG) and the College Bound Scholarship (CBS), award money to cover a portion of tuition and fees for low-income students. While a student's financial aid package is presented using an estimated total cost of attendance, which includes the cost for books, room, board, transportation, and personal miscellaneous expenses, the SNG and CBS awards are based on a representative average of tuition, service, and activity fees at the four-year universities. The CBS also includes a \$500 book allowance.

Summary of Substitute Bill:

The Council is required to report to the Legislature on the affordability of the higher education system, as well as tuition rates at the state's institutions of higher education and how they compare to the state's median household and family incomes, by December 15, 2016. The report must also show how tuition, as a percentage of median household and family incomes, has changed over time, and quantify how much state support would be required to restore tuition at each institution to no more than 10 percent of the state's median household and family incomes. The Council must propose parameters for an appropriate share of the state's median household and family income for the public four-year institutions and provide strategies to ensure that tuition at any institution is no greater than 10 percent of the state median family income.

The report part of the bill expires June 30, 2017.

Substitute Bill Compared to Original Bill:

The substitute bill adds additional language to the intent section, including the recognition that when tuition and the total cost of attendance at institutions of higher education exceed 10 percent of the state median family income, it can create barriers to accessing the opportunities of higher education. The substitute bill strikes all of the language in section 2 of the original bill which required the Council to evaluate and propose strategies to return tuition to a level that does not exceed 10 percent of the state median household income and to base financial aid policies on the total cost of attendance. The substitute bill requires the Council to report to the Legislature on the affordability of the higher education system by December 15, 2016. An expiration date of June 30, 2017, was also added.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Last year the Legislature adopted legislation saying that the cost of tuition should not be a barrier for any resident to attend an institution of higher education. This concept is also in the Council's Roadmap. This bill tries to give real meaning to the notion that tuition should be affordable for the average family. Right now, data shows that affordability for one family gets there without loans if their income is at \$120,000. In 2008-09, tuition was at about 10 percent of the median household income. This is viewed as affordable, but that can also be a barrier considering that tuition is only 50 percent of the cost of attending an institution of higher education. This is why the total cost of attendance should be used to consider financial aid and not just tuition. This is a benchmark that people can understand.

(Comments) The strategic action plan commits the Council to creating an affordability framework for higher education. A framework would support the coordination of financial sources. It would describe the impact of funding on students and what reasonable levels of debt are. The Council will look at how to define affordability and balance financial aid, reasonable levels of debt, and work. This bill starts the right conversation, but hopefully will not preclude the discussions already in place by jumping to a conclusion too early. Defining affordability for tuition without a framework around it may be limited. There is a value in going through the process. There should be a framework that works for everyone.

(Opposed) None.

Persons Testifying: (In support) Representative Pollet, prime sponsor; and Jordan Martin, Associated Students of Eastern Washington.

(Commented) Marc Webster, Washington Student Achievement Council.

Persons Signed In To Testify But Not Testifying: None.