

FINAL BILL REPORT

ESHB 2344

C 540 L 09
Synopsis as Enacted

Brief Description: Regarding resident undergraduate tuition.

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

House Committee on Ways & Means
Senate Committee on Ways & Means

Background:

Tuition Setting Authority.

Since the 1999-2000 academic year, governing boards of each institution of higher education and the State Board for Community and Technical Colleges are granted authority to increase tuition rates for resident undergraduate students within caps set by the Legislature in the budget act. Previously, the Legislature set tuition in statute as dollar amounts for each public institution. Since 1999-2000, legislative authorized levels of tuition have varied.

| Academic Year | Authorized Resident Undergraduate Tuition Increases |
|--------------------------------|---|
| 1999-2000 | 4.6% |
| 2000-2001 | 3.6% |
| 2001-02 | 6.7% |
| 2002-03 | |
| Research | 16.0% |
| Regional | 14.0% |
| Community & Technical Colleges | 12.0% |
| 2003-04 | 7.0% |
| 2004-05 | 7.0% |
| 2005-06 & 2006-07 | |
| Research | 7.0% |

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.

| | |
|--------------------------------|------|
| Regional | 6.0% |
| Community & Technical Colleges | 5.0% |
| 2007-08 & 2008-09 | |
| Research | 7.0% |
| Regional | 5.0% |
| Community & Technical Colleges | 2.0% |

Tuition amounts (or percentage increases) specified in statute have referred only to the "tuition" portion of tuition and fees. Public colleges and universities are authorized to assess additional fees – such as services and activities fees and technology fees -- within statutory limits.

State Funding Goals and Washington Learns.

Legislation enacted in 2005 created a comprehensive education and finance study covering early learning, K-12, and higher education. This effort, known as Washington Learns, comprised a steering committee chaired by the Governor and advisory committees for each education sector. The steering and advisory committees were directed to: conduct a comprehensive study of early learning, K-12, and higher education; develop recommendations on how the state can best provide stable funding for early learning, public schools, and public colleges and universities; and to develop recommendations on specified policy issues. The Washington Learns Final Report, a culmination of the 18-month study, was completed in November 2006.

Many of the recommendations from the Washington Learns report were included in Second Substitute Senate Bill 5806 (2SSB 5806), which passed the Legislature in 2007. One of the components of 2SSB 5806 capped tuition increases for resident students at 7 percent per year between the 2007-08 academic year and the 2016-17 academic year. The legislation also specified a goal that total per-student funding levels (from state appropriations plus tuition and fees) would be at least the 60 percentile of total per-student funding at similar institutions in the Global Challenge States. In defining comparable per-student funding levels, the Office of Financial Management (OFM) was required to adjust for regional cost-of-living differences, for differences in program offerings and the relative mix of lower division, upper division, and graduate students, and for accounting and reporting differences among the comparison institutions.

Summary:

During academic years 2009-10 and 2010-11, the state may increase tuition above the 7 percent cap. Institutions of higher education are required to notify students of tax credits available through the American Opportunity Tax Credit. The Higher Education Coordinating Board is to convene 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 is due to the Legislature by November 1, 2009, and is to include the merits of the policies based on administrative feasibility, interactions with federal programs, and impacts on students.

The Joint Legislative Audit Review Committee (JLARC) must complete a systemic performance audit of the public baccalaureate institutions. The purpose of the audit is to create a transparent link between revenues, expenditures, and performance outcomes as outlined in performance agreements and the strategic master plan for higher education. The JLARC must report findings and recommendations to the appropriate committees of the Legislature by December 1, 2010.

Votes on Final Passage:

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|--------|----|----|
| House | 50 | 47 |
| Senate | 29 | 20 |

Effective: July 26, 2009