

# SENATE BILL REPORT

## SB 6625

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As of January 22, 2010

**Title:** An act relating to tuition and financial aid at institutions of higher education.

**Brief Description:** Changing higher education tuition and financial aid provisions.

**Sponsors:** Senators Zarelli, Hewitt and Parlette.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/20/10.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Alicia Kinne (786-7784)

**Background:** Most institutions limit the number of times a course may be repeated and/or the circumstances under which a course may be repeated. Institutions may charge students who accumulate more than 125 percent of credits, drop more than 25 percent of credits, or remain on academic probation for more than one quarter or semester, an additional surcharge in addition to regular tuition and fees.

Prior to Fiscal Year (FY) 1999, the Legislature set tuition through statute. Since FY 1999 the Legislature has given institutions of higher education limited tuition setting authority by permitting maximum percentage tuition increases annually. In academic years 2009-10 and 2010-11, the Legislature authorized institutions to increase tuition a maximum of 14 percent at four-year institutions of higher education and 7 percent at community and technical colleges. In academic year 2011-12 until academic year 2016-17, tuition and fees may increase no greater than 7 percent over the previous academic year in any institution of higher education.

Four-year institutions and community and technical schools are required to retain a minimum of 3.5 percent of operating fees for an institutional financial aid fund. Tuition revenue is presently retained by the institutions of higher education.

**Summary of Bill:** Resident undergraduate students must pay the full cost of instruction for the following quarter or semester and nonresident undergraduate students must pay twice the full cost of instruction if they accumulate more than 125 percent of credits, drop more than

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25 percent of credits, or remain on academic probation for more than one quarter or semester. For students unable to enroll in a course required for the student's major due to the sequencing of courses, the institution must waive the cost of tuition and fees for the course if the student enrolls the next time the course is available.

A guaranteed tuition rate means the full-time tuition rate paid by resident undergraduate students that enroll in Fall 2011 or later for the first time as new or transfer students at a state university, regional university, or the Evergreen State College. The rate is held constant for each student for a period of four academic years with the opportunity to extend it one additional academic year.

Beginning in the 2011-12 academic year, the governing boards of each of the state universities, regional universities, and The Evergreen State College must establish the guaranteed tuition rate for all students on an annual basis.

A state university, regional university, or The Evergreen State College must waive full-time tuition fees for resident undergraduate students based on state median family income levels. Waivers of full-time tuition fees for resident undergraduate students are provided on a graduated scale based on state median family income and the institution's tuition fee rate. The waivers must be reduced by the amount of any state need grant and other financial aid awards.

Local tuition operating accounts are subject to appropriation by the Legislature.

**Appropriation:** None.

**Fiscal Note:** Requested on January 19, 2010.

**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: The state is endangering the quality of higher education if it continues to disinvest in it. This bill addresses financial aid, and allowing students to pay what they can afford. Tuition held steady for cohorts of students could be self motivating with five-year limitations on pricing.

CON: The students oppose giving tuition setting authority to institutions and minimizing legislative oversight. The governing boards of institutions are made up of unelected officials, which does not lead to increased affordability or accountability in tuition setting.

**Persons Testifying:** PRO: Senator Zarelli, prime sponsor.

CON: Jono Hanks, Associated Students of UW; Sarah Reynevald, UW Graduate and Professional Student Senate; Marcus Sweetser, Peter Sterr, Jamie Marine, Sam Shaddox, Richard Lum, Mike Bogatay, Steve Lindstrom, Washington Students Association; Spring Atkinson, Sierra Harris, WSU-Vancouver; Thomas Harrington, UW-Tacoma.