

---

## Higher Education Committee

---

### HB 1043

**Brief Description:** Limiting differential tuition.

**Sponsors:** Representatives Seaquist, Haler, Zeiger, Fagan, Fitzgibbon, Pedersen, Pollet, Magendanz and Stanford.

#### Brief Summary of Bill

- Removes the authority for public baccalaureate institutions to set differential tuition rates for resident, undergraduate programs.
- Removes the authority for the State Board for Community and Technical Colleges to pilot or institute differential tuition models for resident, undergraduate programs.

**Hearing Date:** 1/29/13

**Staff:** Madeleine Thompson (786-7304).

#### **Background:**

##### Tuition-Setting Authority.

Under state law, public baccalaureate institutions and community and technical colleges are permitted to set differential tuition rates for nonresident students, summer school students, and students in other self-supporting programs. Legislation enacted in 2011 granted public baccalaureate institutions the authority to set tuition rates for resident, undergraduate programs. Between 1999 and 2011, the Legislature placed caps on tuition for resident, undergraduate programs and the public baccalaureate institutions and the State Board for Community and Technical Colleges could set tuition up to those caps.

Other provisions in 2012 legislation provided the authority for public baccalaureate institutions to set differential tuition rates for resident, undergraduate programs and permitted the State Board for Community and Technical Colleges to pilot or institute differential tuition models for resident, undergraduate programs. The 2011-13 biennial budget limited the authority of the

---

*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.*

public baccalaureate institutions and the community and technical colleges to set differential tuition for resident undergraduate programs for the 2011-2013 biennium.

The Guaranteed Education Tuition (GET) Program.

Most states have a form of a "529 Plan" operated by a state or educational institution designed to help families set aside funds for future college costs. They are named after section 529 of the Internal Revenue Code, which created these types of savings plans in 1996. Legislation enacted in 1997 created the Advanced Tuition Payment Program, as Washington's prepaid college tuition program. The program is better known as the Guaranteed Education Tuition (GET) Program.

The value of a GET account is measured in "units," where 100 units represent the cost of one year of resident, undergraduate tuition and state-mandated fees at the highest priced public university in the state. The unit cost is based on the unit price in effect at the time of purchase. Units can be purchased in whole or partial amounts, from 1 to 500 units per student. Students can use the monetary value of their units to attend nearly any public or private university, community college or vocational school in the country. The monetary value remains the same wherever GET is used. At schools where tuition is lower, students can also use units to pay for room and board, books or other higher education costs.

The Washington Student Achievement Council administers the GET Program while the State Investment Board oversees its investments. A five-member committee establishes the policies of the program and sets the price of the GET unit in 2012 is \$172 up from \$117 in 2010. Since the GET Program began in 1998, families have opened more than 146,000 accounts and 29,000 students have used their GET accounts in all 50 states.

Legislation enacted in 2011 created the Legislative Advisory Committee to the GET Committee (advisory committee). The advisory committee provides advice to the Committee and the State Actuary regarding the administration of the GET Program including, but not limited to, pricing guidelines, the tuition unit price, and the unit payout value.

**Summary of Bill:**

The authority for public baccalaureate institutions to set differential tuition rates for resident, undergraduate programs is removed.

The authority for the State Board for Community and Technical Colleges to pilot or institute differential tuition models for resident, undergraduate programs is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

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