

SENATE BILL REPORT

SB 5592

As Reported by Senate Committee On:
Higher Education, February 9, 2017
Ways & Means, January 16, 2018

Title: An act relating to decoupling services and activities fees from tuition.

Brief Description: Decoupling services and activities fees from tuition.

Sponsors: Senators Palumbo, Wilson, Ranker, Zeiger, Liias, Bailey and Frockt.

Brief History:

Committee Activity: Higher Education: 2/07/17, 2/09/17 [DP-WM].
Ways & Means: 2/15/17, 1/16/18 [DPS, DNP, w/oRec].

Brief Summary of First Substitute Bill

- Removes the requirement that increases in fees cannot exceed the percentage increase in student tuition fees for resident undergraduate students.
- Requires that any increase of the services and activities fees shall not exceed 4% per year.
- Removes the requirement that a percentage increase in student fees does not apply to the portion of the services and activity fee previously committed to the repayment of bonded debt.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Wilson, Chair; Bailey, Vice Chair; Palumbo, Ranking Minority Member; Baumgartner and Frockt.

Staff: Clint McCarthy (786-7319)

SENATE COMMITTEE ON WAYS & MEANS

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.

Majority Report: That Substitute Senate Bill No. 5592 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Billig, Brown, Carlyle, Conway, Darneille, Hunt, Keiser, Mullet, Pedersen, Ranker, Rivers, Schoesler and Wagoner.

Minority Report: Do not pass.

Signed by Senator Honeyford, Assistant Ranking Member.

Minority Report: That it be referred without recommendation.

Signed by Senators Bailey, Becker and Hasegawa.

Staff: Daniel Masterson (786-7454)

Background: Services and activities (S&A) fees are used to fund student activities and programs. Governing boards at institutions of higher education may increase the S&A fee annually. The authorizing statute provides that the annual increase may not exceed the percentage increase of the annual percentage increase in student tuition fees for resident undergraduate students. The percentage increase does not apply to that portion of the S&A fees previously committed to the repayment of bonded debt. Those adjustments may exceed the fiscal growth factor. In the 2013-15 and 2015-17 fiscal biennia, the Legislature authorized governing boards to increase the S&A fees by amounts judged reasonable and necessary by the S&A fee committee and the governing board, as opposed to having the increase tied to tuition.

Each institution has an S&A fee committee and students have a majority of the voting membership on the committee. Student groups and campus programs submit proposals to the S&A fee committee, which reviews the proposals and recommends how S&A fees should be allocated. The S&A fee committee recommends a final budget to the institution's governing board, which is required to give priority consideration to the committee's recommendations.

Summary of Bill (First Substitute): The provision limiting the annual increase of S&A fees to the percentage increase in student tuition fees is removed, and instead the fees may be increased by amounts judged reasonable and necessary by the S&A fee committee and the governing board, up to 4% per year. The provision stating that the increase does not apply to that portion of the S&A fees previously committed to the repayment of bonded debt is also removed.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute): Requires that any increase of the services and activities fees shall not exceed 4% per year.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Higher Education): *Testimony from 2017 Regular Session.* PRO: As tuition rises and falls, it makes sense that fees should be considered separately from tuition. The current coupling of S&A fees with tuition prevents the S&A committee from making sound financial decisions. In years that tuition is frozen or reduced, it hamstring S&A committees from providing improvements and services with rising costs that students want and need. S&A Fees are for non-academic resources on campus. At Washington State University-Vancouver, the fees can provide health services. Without being able to raise fees despite rising costs, services will have to be cut. Raising fees helps create campus jobs. Tuition is expected to rise by 2.1 percent. The 2.1 percent increase in tuition and fees will not be able to cover the minimum wage that passed this past November.

CON: The Community and Technical College student association prefers the relationship between S&A fees and tuition remains the same.

Persons Testifying (Higher Education): PRO: Senator Guy Palumbo, Prime Sponsor; Abe McCenny, University of Washington Services and Activity Fee Committee; Maresa Miranda, ASWSUV; Michael Scott, Associated Students of Central Washington University.

CON: Katelyn Hummel, Pierce College Fort Steilacoom/ Student Government President, Student.

Persons Signed In To Testify But Not Testifying (Higher Education): No one.

Staff Summary of Public Testimony on Original Bill (Ways & Means): *Testimony from 2017 Regular Session. The committee recommended a different version of the bill than what was heard.* PRO: Students want to be able to do what they need to do with S&A fees without having it tied to tuition. This bill is taking what was done in the 2015-17 biennium and making it permanent. S&A fees are used for non-academic resources on campuses, and when coupled with tuition, it determines if the fees will be reduced, increased, or frozen. Fees can range from \$400 to \$700. S&A fees are able to fund health services, childcare services, and veterans' centers. By decoupling these fees, these services can continue to be provided to students regardless of whether tuition is increased, decreased, or frozen. If S&A fees are not decoupled from tuition, the 2.1 percent increase in S&A fees will not be enough to cover the minimum wage increase, and student employees will be laid off. Students need the autonomy to be able to increase S&A fees to cover these costs and any new programs in the future. S&A fees are set by student led boards, and then is approved by a governing board. The community and technical colleges would like not to be included in the decoupling of tuition and S&A fees.

Persons Testifying (Ways & Means): PRO: Senator Guy Palumbo, Prime Sponsor; Michael Scott, Associated Students of Central Washington University; Maresa Miranda, Associated Students of Washington State University Vancouver; Alexander Wirth, Associated Students of the University of Washington.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.