

HOUSE BILL REPORT

ESHB 2030

*As Passed House
March 19, 1991*

Title: An act relating to higher education tuition and fee waivers, reduced fees, and residency exemptions.

Brief Description: Requiring information on and repealing various higher education tuition and fee waivers, reduced fees, and residency exemptions.

Sponsor(s): By House Committee on Higher Education (originally sponsored by Representatives Spanel, May, Ogden, Fraser, Locke and Paris).

Brief History:

Reported by House Committee on:
Higher Education, February 28, 1991, DPS;
Appropriations, March 10, 1991, DPS(HE)-A;
Passed House, March 19, 1991, 97-1.

**HOUSE COMMITTEE ON
HIGHER EDUCATION**

Majority Report: *That Substitute House Bill No. 2030 be substituted therefor, and the substitute bill do pass.* Signed by 12 members: Representatives Jacobsen, Chair; Ogden, Vice Chair; Wood, Ranking Minority Member; May, Assistant Ranking Minority Member; Basich; Fraser; Ludwig; Miller; Prince; Sheldon; Spanel; and Van Luven.

Staff: Susan Hosch (786-7120).

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *The substitute bill by Committee on Higher Education be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 21 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Dorn; Ferguson; Fuhrman; Hine; Lisk; McLean; Nealey; Pruitt; Rust; H. Sommers; Wang; and Wineberry.

Staff: Sherie Story (786-7142).

Background: The first statutory tuition and fee waiver programs were adopted in 1921. The programs permitted the University of Washington to waive tuition for university staff, public school teachers supervising student teachers, and military veterans.

Until 1970, generally, only one or two waiver programs were adopted each decade. When the decade began, 11 programs were in place. When it ended, 14 new programs had been added. In 1982, nine waiver programs were eliminated, and three programs were enacted. By the end of the 1990 legislative session, 17 additional programs had been created. Some of those programs reauthorized waivers that had been eliminated in 1982.

In 1990, the Higher Education Coordinating Board was directed to develop recommendations on statutory tuition and fee waiver programs. The board has recommended making waivers more visible, requiring existing and new programs to be periodically reviewed and reauthorized, and, using a set of common elements, evaluating proposed waivers prior to enactment. The board has also recommended limiting the revenue that institutions may waive to the current percentage of foregone revenue until an evaluation process has been completed. The board recommended that no new space available waivers be enacted until existing programs are evaluated. Finally, the board recommended charging a fee for space available waiver programs that is sufficient to cover actual administrative costs.

During the 1990-91 academic year, the foregone revenue from waiver programs is estimated to be about \$66,300,000.

Summary of Bill: In their biennial budget requests, the community college system and each of the four-year universities and college will include a special report on tuition waiver, reduced fee and residency exemption programs. The reports will be included in the governor's biennial budget document.

By December 1, 1991, the Higher Education Coordinating Board will develop and recommend evaluation criteria for tuition waiver, reduced fee, and residency exemption programs. The criteria will be developed in cooperation with legislative policy and fiscal committees. It will include consideration of a financial needs test and a requirement for reauthorization. Some criteria for evaluating space available programs is described. The Legislature intends that new or reauthorized programs include a provision for evaluation using the criteria developed by the board.

Using the criteria, the board will review and evaluate existing programs by December 1, 1996. Space available waiver programs will be reviewed and evaluated by June 30, 1992. Subsequently, each program will be reviewed at least once every 10 years. The board will recommend the continuation, modification, or termination of each program.

Institutions granting waivers to institutional or classified state employees enrolling on a space available basis will charge those employees a registration fee that will fully cover institutional administrative costs.

Fiscal Note: Requested March 11, 1991.

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

Testimony For: (Higher Education): The foregone revenue from waiver programs needs to become more visible in the budget. Proposed programs need to be evaluated based on criteria that is consistent for all programs. There has been a proliferation of programs in recent years. These programs need to be periodically reexamined and either reauthorized or terminated. The creation of space available programs raises expectations that eligible students will be able to enroll in classes of their choosing. Often, this expectation cannot be met.

(Appropriations): None.

Testimony Against: (Higher Education): (on original bill): Waivers serve a variety of public purposes. Existing programs should not be automatically terminated. Waivers for the children of deceased and disabled firefighters and law enforcement officials who died in the line of duty costs very little. But the program greatly benefits these children.

(Appropriations): None.

Witnesses: (Higher Education): Mike Patrick, Washington State Council of Police Officers (con); Howard Vietzke, Council of Firefighters (con); and Dick Warbrouck, Council of Firefighters (con).

(Appropriations): None.