

HOUSE BILL REPORT

HB 2030

*As Reported By House Committee on:
Higher Education
Appropriations*

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): 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.

**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).

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

Before enactment, any proposed waiver, reduced fee or residency exemption program will be evaluated on a set of common criteria. The criteria will be established by the Higher Education Coordinating Board, in consultation with the House and Senate higher education and fiscal committees. The criteria will include consideration of a financial needs test. The criteria will also be used by the board to evaluate each existing program at least once every 10 years. The board will then recommend the continuation, modification or termination of each program.

Any new or reauthorized waiver program will include a provision for evaluation and reauthorization after an initial term or implementation.

With the exception of senior citizens auditing classes, students using existing space available waiver programs will be charged a fee that will fully cover the enrolling institutions's administrative costs.

Substitute Bill Compared to Original Bill: Existing programs are not periodically terminated over the next six years. Instead, the board will review and recommend the continuance, modification or termination of each program at least once over a 10 year period. The amount of revenue that the community college system and each of the four-year universities and colleges may waive is not capped at current

levels. Finally, language that would constrain the passage of additional space available waivers until existing programs are evaluated is not included in the bill.

Fiscal Note: Requested February 20, 1991.

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

Testimony For: 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.

Testimony Against: (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.

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

**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).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Higher Education: A requirement for future legislation is changed to legislative intent that new or reauthorized waiver programs will include a provision for evaluation and expiration.

Dates are added by which the Higher Education Coordinating Board shall develop evaluation criteria for waiver programs and by which they will evaluate existing programs.

Fiscal Note: Requested March 11, 1991.

Effective Date of Substitute Bill as Amended: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Witnesses: None.