

SENATE BILL REPORT

SB 5784

AS OF MARCH 4, 1991

Brief Description: Providing penalties for underenrollment in institutions of higher education and branch campuses.

SPONSORS: Senator Saling.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Scott Huntley (786-7421)

Hearing Dates: March 4, 1991

BACKGROUND:

A major portion of the state appropriations to institutions of higher education are determined by the level of student enrollment which those institutions are to maintain during the course of an academic year, or a biennium. Institutions are presently restricted from over-enrolling or under-enrolling by the student quality standards set forth in the Omnibus Appropriations Act, beyond a 2 percent margin.

However, there are no restrictions or penalties for under-enrollment at the individual branch campuses. It is argued that since both the institutions and their branch campuses are funded to provide a certain level of enrollment and educational services to the population, institutions which under-enroll should return to the state that portion of state funds which was meant to provide for the additional students which the institution or branch campus did not serve.

SUMMARY:

Each state institution of higher education, and each branch campus established by law, which is appropriated or allocated state funds for the purpose of providing educational services for a specific full-time equivalent enrollment level is required to provide such services at the specified enrollment level, within a margin of two percent of the authorized level.

Should any institution, or statutorily authorized branch campus, under-enroll by more than 2 percent below the full-time equivalent enrollment level authorized by the omnibus appropriations act, the institution would be required to revert, by July 1 following the academic year in question, to the state general fund an amount equal to the full average state-funded appropriation for each full-time equivalent enrollment below the two percent limitation.

The Office of Financial Management is to monitor the state-funded enrollment level of state institution of higher

education, and each branch campus, to ensure compliance with this act. The Office of Financial Management is authorized to take action to withhold appropriate portions of succeeding allotments of state funds to an institution if it determines that any reversions of state funds required by this bill have not been made by the institution.

Appropriation: none

Revenue: none

Fiscal Note: requested February 21, 1991

Effective Date: The bill contains an emergency clause and takes effect immediately.