

SENATE BILL REPORT

2ESSB 5982

AS PASSED SENATE, MAY 5, 1993

Brief Description: Changing higher education tuition provisions.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senator Rinehart; by request of Office of Financial Management)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5982 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Jesernig, Owen, Pelz, Quigley, Snyder, Sutherland, Williams, and Wojahn.

Staff: Linda Brownell (786-7715)

Hearing Dates: April 8, 1993; April 13, 1993

BACKGROUND:

In Washington, tuition is established in statute as a fixed percentage of educational costs. The percentage, which has remained unchanged for a decade, varies according to type of student and type of institution attended.

Educational cost percentages for resident undergraduate students are: 33 percent at the two research universities; 25 percent at the comprehensive institutions; and 23 percent at community colleges. At all public colleges and universities, nonresident undergraduates pay approximately 100 percent of their educational costs.

Educational cost percentages for graduate students are: 23 percent for resident students; 60 percent for nonresidents at research universities and 75 percent for nonresidents at the comprehensive institutions.

Educational cost percentages for resident and nonresident students studying medicine, dentistry and veterinary medicine are 167 percent of the respective graduate rates.

Students at technical colleges pay a tuition rate that is comparable to the percentage that students pay at community colleges. However, their tuition percentages are not yet determined in statute.

Under current law, tuition consists of building fees and operating fees. Building fees are a fixed dollar amount in statute and are deposited into institutional building fee accounts. Operating fees, which make up the remainder of

tuition, are deposited into institutional accounts in the treasury.

SUMMARY:

Tuition statutes are revised to provide tuition increases of 9 percent and 22 percent. Student and Activities fees (S&A fees) are held at the current law 1993-95 rates. Building fees will be a percentage of total tuition fees instead of a fixed dollar amount in statute, beginning in the 1995-97 biennium. The percentage will be calculated by the Higher Education Coordinating Board. Some tuition waiver program restrictions are lifted to give increased flexibility to each institution, but the statutory waiver limit is left in place. The Washington Scholars and the Washington Award for Vocational Excellence waivers are guaranteed until June 30, 1994. The spouses and dependents of active duty military personnel are defined as residents for tuition paying purposes, but are not eligible for financial aid.

Local tuition operating fee accounts are not subject to appropriation or allotment. The community college statute on enrollment bands is revised to accommodate whatever decision is made by the Legislature in the omnibus appropriations act. Language is added so that each institution can transfer any unspent balance from its treasury tuition operating fee accounts into the new local tuition accounts. A tuition refund statute is amended to allow for federal refund policies for tuition. Language is added exempting tuition collected in programs co-sponsored by educational institutions and nonprofit organizations from B&O taxes.

Appropriation: none

Revenue: yes

Fiscal Note: requested

Effective Date: July 1, 1993

TESTIMONY FOR:

Support for the bill was expressed and the state should also increase resources for the K-12 educational system.

TESTIMONY AGAINST: None

TESTIFIED: Paul Locke (pro)