

**SENATE BILL REPORT**

**SB 5982**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 13, 1993**

**Brief Description:** Changing higher education tuition provisions.

**SPONSORS:** 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, with no change to graduate tuition rates. All waiver program restrictions are lifted. Tuition operating fees will be deposited into a local account, and the institutional treasury accounts are eliminated. The community and technical college statute on enrollment bands is removed. This allows the vehicle for decisions on enrollment bands to be made in the omnibus appropriations act. The requirement for the Office of Financial Management to provide tuition revenue projections to the Forecast Council is removed.

**EFFECT OF PROPOSED SUBSTITUTE:**

Tuition statutes are revised. Building fees will be a percentage of total tuition fees instead of a fixed dollar amount in statute, beginning with the 1995-97 biennium. The Higher Education Coordinating Board will make the new calculation. Some waiver program restrictions are lifted, but institutions will continue to observe the statutory waiver limitations. Technical corrections are made to the 2.5 percent long-term loan fund: (1) specifically excluding technical colleges which currently do not participate, and (2) to correct the calculation formula.

A tuition refund statute is amended to allow for federal refund policies for tuition. Mandatory tuition and fee waivers for the Washington Award for Vocational Excellence and the Washington Scholars Award are both extended until June 30, 1994. Technical language is included to allow any unspent balance in the treasury operating fee account to be transferred to each institution's local tuition account. The community and technical college statute on enrollment bands is revised to accommodate whatever enrollment decisions are made in the Omnibus Appropriations Act. Language is modified so that the Office of Financial Management is still required to submit a tuition projection to the forecast council.

**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)

