

HOUSE BILL REPORT

SSB 5330

As Reported By House Committee On:

Higher Education
Appropriations

Title: An act relating to resident tuition for active duty military personnel.

Brief Description: Treating active duty military personnel as residents for purposes of higher education tuition.

Sponsors: Senate Committee on Higher Education (originally sponsored by Senators Brown, Goings, Franklin, Patterson, Eide, B. Sheldon, Winsley, Costa, Oke, Bauer and Rasmussen).

Brief History:

Committee Activity:

Higher Education: 2/16/00, 2/22/00 [DPA];

Appropriations: 2/26/00, 2/28/00 [DP(w/o HE amd)s].

Brief Summary of Substitute Bill

- Active duty military personnel stationed in Washington will automatically qualify for resident tuition at the public institutions of higher education.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 8 members: Representatives Carlson, Republican Co-Chair; Kenney, Democratic Co-Chair; Lantz, Democratic Vice Chair; Radcliff, Republican Vice Chair; Dunn; Edmonds; Esser and Gombosky.

Staff: Erika Prager (786-7120).

Background:

The level of tuition required for active duty military personnel, their spouses, and their dependents has been debated in the Legislature a number of times. In 1971, the statutes defining resident and non-resident students were consolidated; the non-resident differential was waived for active duty military and other groups. In the early 1980s,

the tuition waiver programs were reviewed to determine whether or not to continue those not based on financial need. In 1982, the waiver of the non-resident fee differential was repealed for military as a means of generating additional general fund revenue. Projected revenue did not materialize, and in 1984 the waiver was re-enacted.

Upon the recommendation of the Higher Education Coordinating Board, the 1992 Legislature made all tuition waiver programs permissive and variable. Each institution has since developed its own methodology for granting these variable and permissive waivers.

In 1993, the Legislature included in the definition of "resident student" the spouses and dependents of active duty military personnel stationed in Washington--thus allowing them to pay tuition and fees at the resident student level. At the same time, active duty military personnel remained in the non-resident category and remained eligible for the permissive and variable waiver of the non-resident tuition differential.

Currently, active duty military who attend college are partially reimbursed by the armed forces. Each military branch reimburses its members for 75 percent of tuition, up to \$125 per quarter hour or \$187.50 per semester hour. There is a cap of \$3,500 per member, per year.

Summary of Amended Bill:

Active duty military personnel stationed in Washington or who are discharged or retired from active duty within the last year in Washington are included in the definition of "resident student" and pay tuition and fees at the resident student tuition rate. Active duty military are removed from the list of those who may receive a waiver equal to all or a portion of the non-resident fee differential.

Amended Bill Compared to Substitute Bill: Military who are discharged or retired from active duty military in the state within the last year are also eligible to pay tuition at the resident student tuition rate.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed except section 2 of this act which takes effect June 30, 2002.

Testimony For: Military members live, work, and pay taxes in the state. Approximately 50 percent of discharged military stay in Washington. This is a policy that responds to military as potential, long-term members of the community. Military members need further education to maintain their edge and contribute toward a better military force. The military is trying hard to retain good soldiers; and this would be an incentive. The military shares interest in the issue of access raised in the Higher Education Coordinating Board's master plan. Many young members of the military and their families live off salaries that qualify them for food stamps. The current policy is inconsistent. The state already treats the spouses and dependents of the military as residents. The soldiers themselves should get the same privileges. In fact, 44 other states already allow in-state tuition for active duty military. The military has two programs that give tuition dollars to students to complete their education. In order for a student to use these funds, he or she must attend an institution that offers in-state tuition to the military. Although the fiscal note says that institutions will lose revenue, the institutions could recover these losses with the increase in demand. Economic theory suggests that you could increase revenue by decreasing cost and thus, increasing market demand.

Testimony Against: None.

Testified: Senator Lisa Brown, prime sponsor; Colonel Jake McFerran, Colonel Melanie Reeder, and Jan Vance, U.S. Army, Ft. Lewis; Pat McDonald, Veterans Legislative Coalition; Skip Dreps, Paralyzed Veterans of America; Rick Read, Washington National Guard; Dick Thompson, University of Washington; Larry Ganders, Washington State University; and George Durrie, Eastern Washington University.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass without amendment by Committee on Higher Education. Signed by 30 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Alexander; Benson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Rockefeller; Ruderman; Sullivan; Sump; Tokuda and Wensman.

Staff: Jack Daray (786-7178).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Higher Education: The tuition payment

provisions apply only to active duty military personnel stationed in the state. Military personnel who retire or are discharged from out of state locations will not automatically be classified as residents for purposes of tuition payment status.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed except section 2 of this act which takes effect June 30, 2002.

Testimony For: The fiscal impact to the institutions is minor compared to the relative cost to students who are active duty military. There is not enough room under the current tuition waiver cap to consistently accommodate active duty military.

Fifty percent of military discharged from active duty in the state remain to become state residents and will be more productive citizens if well educated. Washington is one of very few states not offering automatic resident status for tuition purposes. There are about 100,000 military personnel in the state, and they represent approximately 15,000 class enrollments. Federal assistance under current military policy results in one million dollars per year of revenue to state higher education institutions. The bill would be consistent with the enrollment growth goals of the master plan for higher education being proposed by the Higher Education Coordinating Board.

Testimony Against: None.

Testified: Representative Pat Lantz; Colonel Jacob McFerren and Jan Vance, I-Corps and Fort Lewis; and Colonel Gus Elliot, Fairchild Air Force Base.