
Higher Education Committee

HB 2805

Brief Description: Changing provisions relating to the setting, use of, and accountability for tuition at institutions of higher education.

Sponsors: Representatives Kenney, Fromhold and Chase; by request of Governor Locke.

Brief Summary of Bill

- Authority to set tuition rates is transferred from the Legislature to institutions. It is unrestricted for resident undergraduates at the four-year institutions and capped at a maximum of 10 percent per year for resident undergraduate students at community colleges. Limits for non-resident students are eliminated.
- Funding for the State Need Grant program is required to increase proportional to the maximum 10 percent per year tuition increase. Any increase beyond 10 percent must be made up by the colleges.
- Institutions are required to guarantee undergraduate students that they can graduate in four years or less. Students not able to graduate as planned because the college or university cannot provide the necessary courses, must have their tuition waived for the remaining courses needed for graduation.
- These measures take effect in the 2003 - 2004 academic year.

Hearing Date: 2/6/02

Staff: Antonio Sanchez (786-7383).

Background:

Historically, the Legislature has set college tuition, and currently retains the authority to set maximum tuition rates at the public colleges and universities. Tuition policy has been guided by a commitment to students' affordable access to education, the opportunity for everyone in a diverse community to go to college, and the preservation of the public character of the state's colleges and universities.

From 1977 to 1996, the Legislature set tuition as a percentage of the cost of instruction. To

determine undergraduate and graduate instruction costs, the Legislature directed the Higher Educating Coordinating Board (HECB) to develop and perform a cost study every four years. Using the cost study data, the HECB established the tuition rate. In 1995, the Legislature eliminated the direct link to the cost of instruction and instead set tuition in statute as dollar amounts for each public institution. In 1999, the Legislature gave institutions limited tuition-setting authority within maximums set by the legislature. The maximum amounts set were 4.6 percent in the 1999-2000 academic year and no more than 3.6 percent in the 2000-2001 academic year. The Legislature raised the maximum allowable limits for tuition to 6.7 percent 2001-2002 and to 6.1 percent in 2002-2003. The regents, trustees and the SBCTC set specific dollar amounts within those limits.

The share of total educational costs that resident undergraduates pay at the research institutions rose from 25 percent in the late 1970s to more than 41 percent today. Over the past decade, tuition for resident undergraduates rose 50 percent faster than personal income; tuition increases were more than three times greater than the rate of inflation. In dollar terms, resident tuition has increased 80 percent in the past decade.

The current cost of resident undergraduate tuition is the following:

- UW -Seattle \$3,983
- WSU -All \$3,898
- CWU \$3,099
- EWU \$3,069
- TESC \$3,024
- WWU \$3,045
- Comm. & Tech colleges \$1,743

The median income for a family of four in the state is about \$62,000. In the 2001-02 school year total estimated costs of attendance at a state community college were \$11,000; at a public comprehensive, costs were \$12,200; and at a public research institution, they were \$13,100. According to a HECB report these costs of attendance represent an affordability challenge for many families who are not, in terms of financial aid eligibility, needy.

Future services and activities fees are linked to just the changes in resident undergraduate tuition rather than what is charged to each category of student.

Summary of Bill:

The authority to set tuition rates is transferred from the Legislature to the individual governing boards of the research institutions, the regional institutions, the Evergreen State College and the State Board for Community and Technical Colleges.

Tuition setting authority is unstricted for undergraduate students at four-year institutions. It is set at a maximum of 10 percent per year for resident undergraduate students at community colleges. Tuition limits for non-resident students are eliminated.

Funding for the State Need Grant program is required to increase proportional to the maximum 10 percent per year tuition increase. Any college or university that increases

tuition beyond the 10 percent limit is required to use local funds to provide additional grants to State Needs Grants recipients to make up the difference.

The research institutions, the regional institutions, and the Evergreen State College is required to guarantee undergraduate students that they can graduate in four years or less as established in the graduation plan developed by the student and an academic advisor.

Students who are not able to graduate as planned because the college or university cannot provide the necessary courses, must have their tuition waived for the remaining courses needed for graduation.

These measures take effect in the 2003 - 2004 academic year.

Appropriation: None.

Fiscal Note: Not Requested.

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