
Higher Education Committee

HB 2871

Brief Description: Providing a formula for tuition at institutions of higher education.

Sponsors: Representative Dunn.

Brief Summary of Bill

- Tuition rates are set on the student's or family's financial position relative to the median family income for other Washington's students and families.

Hearing Date: 2/8/02

Staff: Antonio Sanchez (786-7383).

Background:

Historically, the Legislature has set college tuition, and currently retain 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 Education 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 was 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.

Summary of Bill:

Tuition rates are set on the student's or family's financial position relative to the median family income for other Washington's students and families. Beginning with academic year 2002-03, resident undergraduate tuition is indexed against the Median Family Income (MFI). Base tuition as established in statute is the tuition rate that will be paid by students from families with the MFI for the family size of the student. For students from families with an income lower than the MFI, tuition is discounted according to formula. For students from families with income greater than MFI, tuition includes a surcharge.

The general fund state appropriation is adjusted to offset the increased or decreased tuition fees received by each institution.

Appropriation: None.

Fiscal Note: Requested on February 6, 2002.

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