

SENATE BILL REPORT

SB 6707

As of February 5, 2002

Title: An act relating to tuition-setting authority and accountability for the use of tuition at institutions of higher education.

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

Sponsors: Senators Jacobsen, Horn and Kohl-Welles; by request of Governor Locke.

Brief History:

Committee Activity: Higher Education: 2/5/02.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Jean Six (786-7423)

Background: From 1977 until 1995, tuition was determined as a percentage of the instructional costs at public colleges and universities. From 1981-82 through 1991-92, tuition was set at 33.3 percent of instruction for resident undergraduates at the research universities, 25 percent for resident undergraduates at the comprehensive universities, and 23 percent for the community and technical colleges. All tuition for nonresidents was 100 percent of the cost of instruction.

While inflation has increased costs associated with higher education, increases in tuition prior to 1993-94 also reflected efforts to increase quality. Increased appropriations for instructional enhancements raised the cost per FTE, and, even though the percentage of cost covered by tuition remained stable, tuition amounts increased.

In 1995, the Legislature removed the direct link to cost of instruction and set forth in statute, through the budget document, specific dollar amounts for tuition. The 1996 Legislature increased the statutory amounts for nonresident undergraduate tuition at the two research institutions. The intention was that this would be a "transition measure until final action is taken in 1997." However, the 1997 Legislature again set the tuition amounts in statute for a two-year period.

And, in 1999, for the first time, the Legislature gave limited tuition-setting authority to the governing boards of the public institutions of higher education and the State Board for Community and Technical Colleges by authorizing them to increase or decrease tuition within a specific range. The 2001 Legislature continued the "transition measure" by continuing the practice of establishing tuition levels through the budget process " a 6.7 percent increase is allowed in the first year and the second year is 6.1 percent. The current budget document also allows a significantly higher increase for law and graduate business programs with the increase for a University of Washington MBA as high as 20 percent. An adjustment is also allowed in the community and technical college system based on the student credit hour load.

Other factors that may allow for an adjustment of tuition include: time of day and day of week, as well as delivery method and campus.

Summary of Bill: Beginning with the 2003-04 academic year, the governing boards of the public four-year institutions of higher education have unlimited authority to increase or decrease tuition. The State Board for Community and Technical Colleges is limited to no more than 10 percent per year. Adjustments in tuition level may be made for all or portions of an institution's programs, campuses, courses, or students.

The Legislature continues to fund the State Need Grant program to support annual tuition increases of up to 10 percent. If any undergraduate resident tuition rate is increased above the 10 percent limit, the institutions are responsible for providing financial aid funds from local revenues.

The four-year institutions allow eligible students to establish a guaranteed graduation date through the development of a graduation action plan. Students work with an academic advisor and are guaranteed to graduate in four years or less (for transfer students). If the student cannot graduate as planned because the college or university is unable to provide the necessary courses, tuition is waived for the remaining courses.

Appropriation: None.

Fiscal Note: Requested on January 28, 2002.

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