

SENATE BILL REPORT

SB 6739

As of February 5, 2002

Title: An act relating to tuition at institutions of higher education.

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

Sponsors: Senator Horn.

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: Tuition setting authority remains with the Legislature and is formula driven. Beginning with academic year 2002-03, resident undergraduate tuition is indexed against the Median Family Income (MFI). Base tuition as set forth in statute is the rate 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.

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

Appropriation: None.

Fiscal Note: Requested on January 30, 2002.

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