
Higher Education Committee

ESSB 5448

Brief Description: Changing tuition provisions for institutions of higher education.

Sponsors: Senate Committee on Higher Education (originally sponsored by Senators Carlson, Kohl-Welles, Mulliken, Horn, Brown and Schmidt; by request of Governor Locke).

Brief Summary of Engrossed Substitute Bill

- For a six-year period, authorizes the governing boards of the four-year institutions of higher education and the State Board for Community and Technical Colleges to establish tuition and fees for all students other than resident undergraduate students.
- For a six-year period, the Legislature will set tuition and fees for resident undergraduate students in the operating budget.
- Institutions must use 10 percent of increased revenue from graduate school tuition for financial aid for graduate students. The University of Washington must also use 10 percent of increased revenue from law school tuition for financial aid for law students.

Hearing Date: 4/1/03

Staff: Barbara McLain (786-7383).

Background:

Recent Tuition Policy: Over the last 10 years, the Legislature has set tuition for students attending public institutions of higher education using three different approaches:

1. Prior to 1995: Establishing in statute that tuition is calculated as a "percent of educational costs;"
2. 1995-1998: Establishing annual tuition rates directly in statute; and
3. Since 1999: Authorizing annual tuition increases in the biennial operating budget.

Since 1999 the Legislature has also provided some flexibility for institution governing boards within the overall limits in the operating budget. Institutions can raise tuition "up to" the maximum authorized by the Legislature. Institutions are not required to adopt the same

tuition increase for all categories of students, but may differentiate among resident, non-resident, undergraduate, graduate, law, or professional students.

2002 Legislative Session: In the 2002 supplemental operating budget, the Legislature for the first time gave institutional governing boards unlimited authority to increase tuition for the 2002-03 academic year for all categories of students other than resident undergraduate. Tuition increases for resident undergraduate students continued to be established by the Legislature in the operating budget.

Summer School and Self-Supporting Programs: Institutional governing boards currently have statutory authority to establish fees for enrollment in summer school and other self-supporting degree programs or courses. Under Initiative 601, however, fee increases may not exceed the fiscal growth factor (3.29 percent for fiscal year 2003) unless specifically authorized by the Legislature. Since 1999 the operating budget has authorized institutions to increase summer school fees above the fiscal growth factor.

Services and Activities Fees: Institutional governing boards also have authority to establish services and activities fees for student activities and programs, but the annual increase in these fees cannot exceed the overall tuition increase for a particular category of students.

Summary of Bill:

The Legislature recognizes the importance of keeping the public commitment to public higher education and will search for policies that halt the trend for growth in tuition to outpace state support. The six-year time limit on institutional tuition-setting authority will provide an opportunity to determine if the policy maintains quality and access to higher education.

For a six-year period (2003-04 to 2008-09), governing boards of four-year institutions of higher education and the State Board for Community and Technical Colleges are authorized to reduce or increase full-time tuition fees for all students other than resident undergraduates, including summer school students and students in other self-supporting degree programs. Increases may exceed the fiscal growth factor.

Also for a six-year period the Legislature will establish tuition fees for resident undergraduate students in the biennial operating budget. Beginning in 2009-10 tuition fees for all students will remain what they were in 2008-09 unless changed by the Legislature.

During the six-year period when institutions have tuition-setting authority, each institution must use 10 percent of increased revenue from graduate school tuition for financial aid for needy resident graduate students. The University of Washington must use 10 percent of increased revenue from law school tuition for financial aid for needy resident law students.

Annual increases in services and activities fees are not to exceed the rate of increase in overall tuition for resident undergraduate students. For the 2003-04 academic year, the services and activities fees are to be based on the resident undergraduate rates from 2002-03.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.