

# SENATE BILL REPORT

## HB 1986

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As Reported By Senate Committee On:  
Early Learning, K-12 & Higher Education, March 31, 2005

**Title:** An act relating to reviewing and prioritizing tuition waivers.

**Brief Description:** Requiring a review of tuition waivers.

**Sponsors:** Representatives Roberts, Buri, Kenney, Cox and Morrell.

**Brief History:** Passed House: 3/08/05, 97-0.

**Committee Activity:** Early Learning, K-12 & Higher Education: 3/28/05, 3/31/05 [DP, w/oRec].

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### SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

**Majority Report:** Do pass.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair; Weinstein, Vice Chair; Schmidt, Ranking Minority Member; Benton, Berkey, Carrell, Delvin, Eide, Kohl-Welles, Pflug, Rasmussen, Rockefeller and Schoesler.

**Minority Report:** That it be referred without recommendation.  
Signed by Senators Mulliken and Shin.

**Staff:** Heather Lewis-Lechner (786-7448)

**Background:** Public baccalaureate institutions and community colleges are granted the authority by the legislature to waive all or a portion of tuition and fees. Today there are approximately 35 different tuition waiver programs. Most waiver programs are designed to help a student with particular circumstances. In Fiscal Year (FY) 2004, a total of \$152.4 million in tuition waivers was reported for 198,975 students.

Current waiver authority can be divided into three broad categories:

State-supported waivers: For state-supported waivers, institution do not directly forego revenue because the state assumes that funding in the institution's budget makes up for all or a portion of the waived tuition. There are more than 25 different state-supported waivers authorized in statute. The actual dollar amounts waived for an individual student varies greatly, depending on the type of waiver. An institution may waive all or a portion of tuition, may waive all or a portion of the difference between in-state and out-of-state tuition, or may waive excess credit fees for students registered for more than 18 hours of course-work in a single quarter and enrolled in certain programs.

There is a statutory cap on the percentage of operating fee revenue that each baccalaureate institution and the community colleges as a whole may waive. Within their respective percentage caps, each institution decides how to apportion its waiver authority among the various categories of state-supported permissive waivers. The waiver cap ranges from a high

of 35 percent for the community colleges to a low of 6 percent for The Evergreen State College. For Fiscal Year 2004, \$131 million was waived for 117,013 students.

Discretionary waivers: Institutions also have authority to waive all or a portion of the tuition operating fee for any student for any reason. There are no statutory caps for these waivers but the institutions do not receive state funding to offset any foregone tuition revenue. These waivers are often referred to as "West Waivers" in reference to Senator West who introduced the legislation creating them in the 2000 legislative session. Washington law requires institutions to report to the legislature in January of each odd-numbered year the costs and benefits of the discretionary waivers. For Fiscal Year 2004, \$21 million was waived for 21,086 students.

Space-available waivers: Institutions may also waive all or a portion of tuition and fees on a space available basis for certain students. While institutions may grant these waivers to qualifying students, enrollment is only permitted if there is space available at the institution. Additional course sections may not be created to accommodate these students. Space-available enrollments must be maintained separately and may not be included in official enrollment reports or included in statistics that affect budgetary determinations. Like the discretionary waivers, the institutions receive no state funding for these waivers.

**Summary of Bill:** The Higher Education Coordinating Board (HECB) will review current tuition waiver authority granted to the state's intuitions of higher education. By December 1, 2005, the HECB will recommend to the Legislature priorities for waivers, including repeal, consolidation, standardization, or other changes to statutes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** This is what you call a good little bill. It became apparent this year in discussions of other legislation that our use of tuition waivers has not been well-monitored and is quite a patchwork. Additionally, often legislation regarding waivers show no fiscal impact, but the institutions that are waiving the tuition for students do experience a fiscal impact. We need to take a look at current waiver policy and that is what this bill does so that we can tell if what we are doing makes sense and if we need to make any changes in the future.

The time is right for doing a comprehensive review. There is considerable confusion right now regarding waivers and HECB is ready to do this study and believes that it can help resolve some of that confusion.

**Testimony Against:** None.

**Who Testified:** Representative Roberts, prime sponsor.