

SENATE BILL REPORT

SHB 2478

As Reported By Senate Committee On:
Higher Education, February 20, 1996
Ways & Means, February 26, 1996

Title: An act relating to higher education fiscal matters.

Brief Description: Changing tuition for full-time nonresident undergraduate students at the University of Washington and Washington State University.

Sponsors: House Committee on Higher Education (originally sponsored by Representatives Huff, Carlson, Jacobsen, Goldsmith and Mulliken).

Brief History:

Committee Activity: Higher Education: 2/19/96, 2/20/96 [DPS-WM].
Ways & Means: 2/26/96 [DPA].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Kohl, Vice Chair; Drew, Hale, McAuliffe, Prince, Sheldon and Wood.

Staff: Jennifer Hanlon (786-7784)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.
Signed by Senators Loveland, Vice Chair; Bauer, Cantu, Drew, Fraser, Hargrove, Kohl, McDonald, Pelz, Quigley, Sheldon, Snyder, Spanel, West and Winsley.

Staff: Michael Groesch (786-7434)

Background: Before 1995, tuition was fixed in statute as a percentage of the instructional cost at each institution. The Higher Education Coordinating Board determined the cost of instruction by an educational cost study. The cost study established an average instructional cost based on support from the Legislature. Thus, when state general fund support decreased, so did the amount of tuition. In 1995, the Legislature decided that the educational cost study would no longer drive tuition. Instead, the Legislature increased tuition by 4 percent per year for the 1995-96 and 1996-97 academic years.

During the 1994-95 academic year, nonresident undergraduates enrolled at the University of Washington and Washington State University paid about 123 percent of the average cost of educating undergraduate students at the two universities. Currently, tuition for nonresident undergraduates at the University of Washington is approximately 20 percent lower than

nonresident undergraduate tuition at peer institutions. Tuition for nonresident undergraduates at Washington State University is close to peer averages.

Summary of Amended Bill: During the 1996-97 academic year, tuition rates increase from \$8,599 up to \$9,491 for full-time nonresident undergraduates and other nonresident students who are not in graduate or first professional study programs at the University of Washington and Washington State University.

Currently enrolled nonresident students who continue to be enrolled without a break are exempt from the tuition increase. The tuition increase sunsets on July 1, 1997.

Amended Bill Compared to Substitute Bill: The language permitting the governing boards of the University of Washington and Washington State University to determine the actual tuition amount is removed.

Ways & Means Amendment Compared to Higher Education Amendment: Currently enrolled nonresident students are exempt from the tuition increase authorized in the bill. A sunset date is added to the act.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Higher Education): Most of the undergraduates at the University of Washington are resident students. The nonresident tuition increase in this bill still leaves the University of Washington below its peer institutions. All of the revenue generated by the tuition increase will be applied to undergraduate programs.

Testimony Against (Higher Education): Concerns were expressed regarding the language which gives the governing boards of the institutions discretion to determine the exact tuition amount. Current students should be exempt from this increase. Nonresidents pay three times more than residents and increasing numbers of nonresidents are applying for admittance to the University of Washington. Students come to Washington planning on one amount of tuition and then they have to pay more.

Testified (Higher Education): Dick McCormick, University of Washington (pro); Lambert VanderWalde, Associated Students of the University of Washington (con); David Rerter, Associated Students of Washington State University.

Testimony For (Ways & Means): The bill will bring nonresident tuition in line with other states. The bill does not target resident students. Washington resident students have not been protected from periodic tuition increases in the past; there is no need to protect nonresident students.

Testimony Against (Ways & Means): The bill represents a "bait and switch" approach to tuition setting for current students. If the bill passes, an amendment is requested which would "grandfather" the rates for current nonresident students.

Testified (Ways & Means): Sherry Burkey, UW (pro); David Reiter, ASWSU (con); Larry Ganders, WSU (pro).