

HOUSE BILL REPORT

SHB 2478

As Amended by the Senate

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

Brief History:

Committee Activity:

Higher Education: 1/25/96, 1/30/96 [DPS];

Appropriations: 2/3/96 [DPS(HE)].

Floor Activity:

Passed House: 2/8/96, 95-1.

Senate Amended.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Basich; Benton; Blanton; Delvin; Goldsmith; Mastin; Scheuerman and Sheahan.

Staff: Suzi Morrissey (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Higher Education be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Huff, Chairman; Clements, Vice Chairman; Pelesky, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Dyer; Foreman; Grant; Hargrove; Hickel; Jacobsen; Kessler; Lambert; Linville; McMorris; Poulsen; Reams; Rust; Sehlin; Sheahan; Talcott and Wolfe.

Staff: Jennifer Priddy (786-7118).

Background: Before 1995, tuition was fixed in statute as a percentage of the instructional cost at each institution. During the 1994-95 academic year, nonresident undergraduates enrolled at the state's two research universities, the University of Washington and Washington State University, paid about 123 percent of the average cost of educating undergraduate students at the two research universities. For the 1995-96 and 1996-97 academic years, nonresident students will have their tuition rates increased by 4 percent each year. Students in all tuition categories will experience the same 4 percent increase during those years.

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 Bill: During the 1996-97 academic year, the governing boards of the two research universities may increase tuition rates 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.

EFFECT OF SENATE AMENDMENT(S): During the 1996-97 academic year, at the University of Washington and Washington State University, tuition is increased from \$8,599 to \$9,491 for certain nonresident undergraduate students and other nonresident students who are not enrolled in graduate or first professional programs. Tuition will be \$8,599 for nonresident undergraduate students who enrolled before January 1, 1996, if the students remain continuously enrolled without a break in attendance.

The act expires on July 1, 1997.

The striking amendment adopted by the Senate differs from the substitute bill passed by the House in the following ways:

- (1) The House permitted the governing boards of the two research universities to increase tuition for nonresident students from \$8,599 up to \$9,491.
- (2) The Senate increased tuition to \$9,491 for some nonresident students, grandfathered current students at the rate in current statute, and adopted an expiration date for the legislation.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: (Higher Education) Washington's research universities are experiencing heavy demand for a limited number of open slots for new students. At the University of Washington, about 10 percent of the undergraduate students come from other states or countries. The tuition rates they pay are low in comparison to nonresident rates at comparable or peer institutions in other states. When the university's nonresident tuition rates are compared to tuition at Washington's most prestigious independent institutions, the disparities are even larger. The University of Washington has held a discussion with its student government about the increases proposed in this legislation. The administration has promised to use any revenue generated from the tuition increase to add classes for undergraduate students enrolled in popular majors.

(Appropriations) The University of Washington's peer institutions' undergraduate nonresident tuition rates are on average 20 percent higher than the rates charged by the University of Washington. This bill increases Washington rates 10.4 percent, half-way to the University of Washington peer average. All of the revenue raised with the increase in University of Washington tuition rates will be used to improve undergraduate education. A 10.4 percent increase in Washington State University rates will bring the university up to the peer average; the university would not support any tuition increases in excess of the increase proposed.

Testimony Against: (Higher Education) A concern was expressed about the impact of the tuition increase on nonresident students who are currently enrolled and did not anticipate a 10 percent tuition increase.

(Appropriations) A 10.4 percent increase in tuition rates is excessive in a one-year period. The student body association could support an increase if an amendment were added to hold current nonresident students harmless from the rate increase.

Testified: (Higher Education) Representative Tom Huff, prime sponsor; Sherry Burkey, University of Washington (pro); and Lambert van de Walde, Associated Students of the University of Washington (con).

(Appropriations) Dr. Richard McCormick, President, University of Washington; Garrick Hileman, President, Associated Student Body, University of Washington; and Larry Ganders, Washington State University.