

HOUSE BILL REPORT

HB 2478

As Reported By House Committee On:

Higher Education

Appropriations

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: 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)].

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).

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 Substitute 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.

Substitute Bill Compared to Original Bill: Instead of increasing tuition for undergraduate nonresidents from \$8,599 to \$9,491 in the 1996-97 academic year, the governing boards may increase it up to that amount.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: 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.

Testimony Against: 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.

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

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).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Higher Education: No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: 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: 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: Dr. Richard McCormick, President, University of Washington; Garrick Hileman, President, Associated Student Body, University of Washington; and Larry Ganders, Washington State University.