

# SENATE BILL REPORT

## SB 5826

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As of February 20, 1995

**Title:** An act relating to the higher education options program.

**Brief Description:** Establishing the higher education options program.

**Sponsors:** Senator A. Anderson.

**Brief History:**

**Committee Activity:** Higher Education: 2/21/95.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Staff:** Jean Six (786-7423)

**Background:** According to David W. Brenneman, Harvard University, in a December, 1993 paper entitled Higher Education: On a Collision Course with New Realities, "Families see tuitions rise more rapidly than incomes, and worry about meeting the cost; students see enrollments capped, class sections eliminated, and time-to-degree stretching to five or six years; faculty see salaries lag, research support diminish, and class sizes increase; young Ph.D's see positions left vacant, dashing their hopes for academic careers; college administrators wrestle with sharp cuts in state support, unbalanced budgets, and frightening projections of future deficits....higher education needs to take the initiative...by demonstrating that it is possible to reduce the costs of instruction and management of the university." Some believe that greater flexibility and autonomy from state regulation will lead to efficiency and cost savings.

**Summary of Bill:** The Higher Education Options Program is created for all institutions of higher education located in any county in the state that contains a regional university, a community college, and a technical college. The program allows the governing boards of these institutions to set tuition fees for fulltime resident graduate and undergraduates and for fulltime nonresident graduate and undergraduates at up to 5 percent per year above tuition fees at other regional universities or community colleges. The general fund appropriation may not be reduced by the amount of operating fees collected as the result of the institutionally set tuition fees.

The program allows the institutions to determine the enrollment levels at their respective institutions. Institutions in the program are not subject to any current purchasing, personnel, and contracting limitations.

In addition, the requirement that agencies spend appropriated and nonappropriated money in a way that conserves the appropriated money does not apply to any state institutions of higher education.

**Appropriation:** None.

**Fiscal Note:** Requested on February 8, 1995.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.