

HOUSE BILL REPORT

SB 6010

As Reported By House Committee On:

Higher Education

Title: An act relating to operating fee waivers.

Brief Description: Creating operating fees waivers not supported by state general fund appropriations.

Sponsors: Senators West, Jacobsen and Sheahan.

Brief History:

Committee Activity:

Higher Education: 3/24/99, 4/2/99 [DPA].

Brief Summary of Bill (As Amended by House Committee)

- Institutions are authorized to waive all or a portion of operating fee tuition for any student.
- No state general fund support will be provided to replace the tuition revenue forgone as a result of the additional waivers.
- The Higher Education Coordinating Board and the institutions are required to evaluate the impact and effectiveness of the new waiver authority.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 8 members: Representatives Carlson, Republican Co-Chair; Kenney, Democratic Co-Chair; Lantz, Democratic Vice Chair; Radcliff, Republican Vice Chair; Dunn; Edmonds; Esser and Gombosky.

Staff: Sherie Story (786-7120).

Background:

Washington institutions of higher education are authorized to waive all or a portion of students' tuition, up to a limit specified in statute.

RCW 28B.15.910 lists the maximum percentage of total tuition revenue that may be waived for each public four-year institution and the community college system as a whole. Tuition that is waived up to these limits is reimbursed to the institutions from the state general fund. The maximum percentages of tuition that may be waived are as follows: University of Washington, 21 percent; Washington State University, 20 percent; Eastern Washington University, 11 percent; Western Washington University, 10 percent; Central Washington University, 8 percent; The Evergreen State College, 6 percent; the community colleges as a whole, 35 percent.

The recipients of these waivers are listed in statute, and include but are not limited to state employees, selected veterans and military employees, and unemployed or underemployed persons.

Summary of Amended Bill:

Institutions are authorized to waive all or a portion of operating fee tuition for any student. This authority is in addition to the limited waiver authority established under RCW 28B.15.910, however, no state general fund support will be provided to replace tuition revenue forgone as a result of the waivers granted under this bill. Governing boards are required to adopt rules for granting tuition waivers and waivers granted by community colleges are subject to rules of the State Board for Community and Technical Colleges. The Higher Education Coordinating Board and the institutions are required to evaluate the impact and effectiveness of the new waiver authority.

Amended Bill Compared to Original Bill: It is clarified that no appropriations shall be made from the state general fund to replace tuition revenue forgone as a result of the waivers granted under this bill. Governing boards are required to adopt rules for granting tuition waivers and waivers granted by community colleges are made subject to rules of the State Board for Community and Technical Colleges. The Higher Education Coordinating Board and the institutions are required to evaluate the impact and effectiveness of the new waiver authority.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Waivers enhance institutions' flexibility and make tuition affordable. Tuition waivers are a piece in the flexibility puzzle. This new authority would need to be used with care or tuition revenue will be lost. An example of how this authority would be used is in the honors' program as an incentive to attract bright students. If you can increase enrollment by charging less, then you can increase total revenue collected. Eastern Washington University would do this on the basis of generating volume. When Eastern Washington University discounted housing charges, we netted an additional \$175,000 by filling up the rooms.

Testimony Against: None.

Testified: Senator James West, prime sponsor; Senator Jeanne Kohl-Welles; and George Durrie, Eastern Washington University.