

SENATE BILL REPORT

SHB 2303

As Reported By Senate Committee On:
Higher Education, February 22, 1996

Title: An act relating to a tuition variance pilot program.

Brief Description: Creating a tuition variance pilot program.

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

Brief History:

Committee Activity: Higher Education: 2/20/96, 2/22/96 [DP-WM, DNP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Bauer, Chair; McAuliffe, Rasmussen, Sheldon, West, Wood and Zarelli.

Minority Report: Do not pass.

Signed by Senators Drew, Hale and Prince.

Staff: Jennifer Hanlon (786-7784)

Background: Tuition for students attending most public colleges and universities consists of building fees and operating fees. Building fees provide part of the funding for facility repairs, renovations, and construction. Operating fees provide part of the funding needed for instruction and institutional operations. Additionally, institutions of higher education charge students a service and activities fee. The fee supports student activities and programs.

Governing boards may also charge user fees. These fees include fees for short and self-supporting courses, deposits, rentals, and fines. The fees also include laboratory, gymnasium, health and other special fees. Although health fees are charged to all students, the remaining user fees are only charged to students using the specific service.

With the exception of technical colleges, public colleges and universities do not have the authority to charge special untargeted fees to students in different degree programs.

Summary of Bill: A tuition variance pilot project is created for the 1996-97 and 1997-98 academic years. Public baccalaureate institutions may increase or decrease tuition rates by a maximum of 15 percent for students enrolled in one degree program.

The authority to participate in the pilot project is subject to four conditions. First, the Higher Education Coordinating Board (HECB) must approve the tuition variance. Second,

each participating institution must consult with students in the affected degree program. The consultation includes a discussion of options for spending any revenue raised through the pilot project. Third, any revenue raised by a fee increase must be expended in the program where the money was raised. Finally, participants must report the results of the project to the HECB.

By January 5, 1998, the HECB must report to the Governor and appropriate legislative committees on the results of the pilot project. The report must include a recommendation on whether to eliminate, continue, or expand the authority to vary tuition by degree program.

Any money raised by the pilot project is not subtracted from any state general fund appropriations for participating institutions of higher education.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on January 24, 1996.

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

Testimony For: This bill recognizes that some programs are more costly than others. It will enable Washington institutions to be comparable to its peers.

Testimony Against: Students are disenfranchised by this legislation. There is no assurance that financial aid will increase at a rate comparable to tuition increases. The lack of a definition of degree program is also a concern. There is no requirement for how new funds must be spent. The Washington Student Lobby is opposed to local control of tuition.

Testified: Rep. Don Carlson, prime sponsor (pro); David Reiter, Washington Student Lobby (con).