

SENATE BILL REPORT

SB 5411

As of January 23, 1995

Title: An act relating to higher education tuition fees.

Brief Description: Changing higher education tuition.

Sponsors: Senator Kohl.

Brief History:

Committee Activity: Higher Education: 1/23/95.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Jean Six (786-7423)

Background: Legislation in 1977 tied tuition increases to percentages of the cost of instruction as determined in a cost study performed by the Higher Education Coordinating Board. Due to this law, tuition shows slight increases from 1977 to 1978, and through 1980-81.

Legislation in 1981 changed the percentages of the cost of instruction used to calculate tuition increase, thereby generating the tuition increases exhibited from 1982 through 1992-93. Changes in 1993 increased the percentages of the cost of instruction to current levels for the operating fee portion of tuition and fees.

Significant inflation has affected costs associated with higher education. In addition, increases prior to 1993-94 reflect efforts to increase quality in Washington's postsecondary education. Increased appropriations for instruction raised the cost per FTE, and even though the percentage of cost covered by tuition remained stable until 1993-94, tuition dollar amounts increased because of the overall increase in the cost of instruction. However, state funding for higher education--particularly general fund expenditures--decreased during the same time period. The additional enrollments allowed by the lifting of the enrollment caps, coupled with the decrease in the budget to higher education leads to a decrease in the cost per FTE. Under current law, tuition would go down.

Recent studies demonstrate that the economic well-being of the state of Washington is dependent upon the contributions of its public higher education institutions. It is believed that colleges and universities cannot endure a reduction in tuition revenue during the next biennium and continue to serve state higher education needs.

Summary of Bill: Base tuition fees apply to all students except those enrolled in a program leading to a first professional degree. Base tuition fees are established through the educational cost study to reflect the undergraduate and graduate educational costs of the state universities, the regional universities and the community colleges. However, if educational costs decrease, or increase at a rate less than 3 percent, base tuition will increase a minimum

of 3 percent annually. If educational costs increase at a rate greater than 6 percent, the maximum base tuition increase is 6 percent annually.

For any student, except resident undergraduate students and other resident students not in graduate study or law programs or enrolled in programs leading to a first professional degree, the governing board of the institution may levy surcharge tuition fees up to 6 percent above the base tuition. These optional surcharge fees may vary by academic term, by program, by institution, and by campus.

The governing board of the institution may require any students who have accumulated more than 115 percent of the maximum number of credit hours required for their respective degree program to pay surcharge tuition fees above the base tuition and other surcharge tuition that may be required. These excess credit tuition fees are optional and have no minimum or maximum.

When a governing board chooses to levy any surcharge tuition fees, the governing board shall recognize that the surcharge tuition fees shall be used for quality enhancements that are of direct benefit to students such as increased number of offerings per academic term of class sections of required general education courses; increased financial aid dollars for qualified students; increased enrollment; and additional opportunities for students seeking a specific vocational degree. Quality enhancements do not include salary increases.

Appropriation: None.

Fiscal Note: Requested on January 20, 1995

Effective Date: The bill takes effect on July 1, 1995.