

HOUSE BILL REPORT

E2SSB 5135

As Reported by House Committee On:
Higher Education

Title: An act relating to increased tuition fees and fees for excess credits taken at institutions of higher education.

Brief Description: Creating tuition surcharges.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Carlson, West, Horn, Schmidt and Rossi).

Brief History:

Committee Activity:

Higher Education: 3/28/03, 4/4/03 [DPA].

Brief Summary of Engrossed Second Substitute Bill
(As Amended by House Committee)

- Requires four-year institutions of higher education and the State Board for Community and Technical Colleges (SBCTC) to develop policies to ensure students complete their degree programs in a timely manner. Policies may include assessment of a tuition surcharge.
- The institutions and the SBCTC report to the Higher Education Coordinating Board (HECB) by January 30, 2004 on the policies developed, including baseline data on the number of students affected. The HECB summarizes the reports and makes a report to the Higher Education committees of the Legislature by March 1, 2004.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 14 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Berkey, Boldt, Buck, Chase, Clements, Condotta, Gombosky, Jarrett, Lantz and McCoy.

Minority Report: Without recommendation. Signed by 1 member: Representative Morrell.

Staff: Barbara McLain (786-7383).

Background:

The length of time it takes students to complete a bachelor's degree has been an issue of concern for higher education policy makers. Some policies try to hold higher education institutions accountable for improving time-to-degree. Other policies attempt to influence the behavior of individual students and encourage timely degree completion.

Performance Measures: Since 1997 the Legislature has required all public four-year institutions to monitor their performance on several measures, including graduation efficiency and five-year freshman graduation. Under the oversight of the Higher Education Coordinating Board (HECB), each institution must develop specific improvement goals and a biennial plan for how to achieve them. Progress reports are submitted to the Legislature on a biennial basis. The community and technical colleges use a different set of performance measures that do not address time lines for degree completion.

Financial Aid Limits: Students may not receive a State Need Grant for more than five years (pro-rated for part-time study). They are also ineligible for a State Need Grant after they have exceeded 125 percent of the published length of their degree program, which is calculated as credits needed for the degree. Students become ineligible for federal financial aid if they exceed 150 percent of the credits needed for their degree.

Institution Policies: Several four-year institutions have adopted policies regarding students who accumulate credits beyond what is required for graduation. The University of Washington (UW) and Western Washington University do not permit students with more than 210 credits (approximately 117 percent of what is generally required for a degree) to register for a new quarter of classes unless they meet with an advisor and prepare a degree completion plan. At the UW, the plan must call for graduation within two additional quarters. At Washington State University, all students must meet with an advisor each semester prior to registration.

Part of the concern about timely degree completion is because the cost of instruction at a public institution is supported by both tuition revenue and taxpayer dollars (State General Fund appropriations). Each year the HECB calculates a per-student amount of state support for instruction, which for resident undergraduate students varies from approximately \$3,700 at community and technical colleges to \$5,000 and more at the four-year institutions. There is no state support for nonresident students; tuition rates far exceed the total cost of instruction.

Summary of Amended Bill:

Each four-year institution of higher education and the SBCTC must adopt policies that ensure students complete their degree programs in a timely manner in order to make the most efficient use of instructional resources and provide capacity within the institution for additional students.

The policies must address students who: a) have accumulated more than 125 percent of the credits needed for a degree; b) drop more than 25 percent of their course load prior to the grading period for the term; and c) remain on academic probation for longer than one term. Policies may include assessment of a tuition surcharge paid by a student for continued enrollment.

The institutions and the SBCTC will report to the HECB by January 30, 2004, on the policies developed, including baseline data on the number of students affected. If the policies were already in existence, institutions will report on their impact. Institutions must also describe the steps they have taken to reduce barriers to timely degree completion, including reducing occasions where students cannot enroll in courses needed for their major due to over-enrollment.

The HECB will summarize the separate reports and make a single report to the Higher Education committees of the Legislature by March 1, 2004. The HECB will also make recommendations for additional legislative action, including whether increased tuition should be uniformly charged to students as an additional incentive for timely degree completion.

Amended Bill Compared to Engrossed Second Substitute Bill:

The Engrossed Second Substitute bill approved by the Senate required undergraduate students at community or technical colleges or four-year institutions of higher education who accumulate more than 125 percent of the credits required for their degree to pay higher tuition fees. For resident students tuition would be based on the average cost of instruction, and for nonresident students tuition would be twice the average cost of instruction. Various exemptions were permitted, and for a \$100 processing fee students could petition the HECB for a waiver of the higher tuition.

The bill as amended requires the institutions and the SBCTC to develop policies that ensure students complete their degree programs in a timely manner. Policies must address students with more than 125 percent of credits required for their degree, students who drop courses prior to the grading period for the term, and students on academic probation for longer than one term. The policies may include assessment of a tuition surcharge. The institutions and the SBCTC will report to the HECB on the policies developed, and the HECB will make a single report to the Legislature.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support of Engrossed Second Substitute bill) This bill requires students to be thoughtful in the courses they intend to take in college. We don't want to discourage experimentation, but we need to encourage students to be deliberate and focused. These are tight times financially and access to public higher education is not an unlimited resource. Students would be permitted to take an additional year of courses, and if they are careful, they should still be able to change their minds once or twice or pursue a double major.

(Concerns with Engrossed Second Substitute bill) The intent of requiring about 90 credits for an associate degree is to provide mastery of a broad area of knowledge. It takes some students longer to achieve the expected mastery. Data indicates that these students are more likely to be recent immigrants and minorities compared to other students. The significant financial impact of requiring higher tuition would drive students out of college rather than encourage them to complete their degrees. The University of Washington has had similar concerns with degree completion, but it is a complex problem that should be carefully analyzed and dealt with at the institutional level. Of most concern is the appeal process to the HECB. This is not an appropriate role for the HECB and the institution has far more knowledge about the issues a student faces than a state-level agency. This bill contradicts the goal of retaining students and improving graduation rates.

Testimony Against: (Opposed to Engrossed Second Substitute bill) There are existing measures to address the problem of timely degree completion. It seems the intent of this bill is to make money, but it would cost more to administer the bill than the institutions or the state would gain in additional revenue. If the state really wants to make room for additional students, advising is the key, not punishment. With good advising, the end result is a college graduate not a college dropout.

Testified: (In support) Senator Carlson, prime sponsor.

(With concerns) Loretta Seppanen and Chris Reykdal, State Board for Community and Technical Colleges; George Durrie, Eastern Washington University; Larry Ganders, Washington State University; Judy McNickle, Western Washington University; and Ann Anderson, Central Washington University.

(Comments) Edie Harding, The Evergreen State College; and Dick Thompson, University of Washington.

(Opposed) James McMahan, Washington Student Lobby.