
Higher Education Committee

HB 1235

Brief Description: Making certain current higher education tuition-setting practices permanent.

Sponsors: Representatives Wallace, Anderson, Kenney and Carlyle; by request of Higher Education Coordinating Board.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Makes permanent current statutory authority for setting tuition at public institutions of higher education.

Hearing Date: 2/6/09

Staff: Andi Smith (786-7304)

Background:

Brief History on Tuition Setting Policy

1995-99: Legislature Sets Tuition in Statute

In 1995, the Legislature removed the direct link to the cost of instruction and instead set tuition in statute as dollar amounts for each public institution. Although 1995 legislative intent stated that the tuition increases of 1995-96 and 1996-97 were a “transition measure until final action is taken in 1997,” the practice of specifying dollar amounts was continued through the 1997-99 biennium.

Tuition amounts (or percentage increases) specified in statute have referred only to the “tuition” portion of tuition and fees. Public colleges and universities may assess additional fees – such as services and activities fees and technology fees. State statutes establish maximum amounts that can be charged for these additional fees, which vary by institution.

The Legislature also directed the Higher Education Coordinating Board to continue to conduct the education cost study and submit “approved undergraduate and graduate educational costs to

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the several boards of regents and trustees of the state institutions of higher education by November 10 of each even-numbered year....”

1999-01: Legislature Gives Limited Tuition-Setting Authority to Institutions

For the first time, in academic year 1999-00, the Legislature and Governor gave institutions limited local tuition-setting authority. The 1999-01 State Operating Budget authorized colleges and universities to increase tuition up to 4.6 percent in the 1999-00 academic year and 3.6 percent in the 2000-01 academic year.

2001-02 Academic Year: Limited Tuition-Setting Authority Continues for Institutions

The Legislature and Governor continued to give institutions limited local tuition-setting authority in academic year 2001-02, with tuition increases authorized up to 6.7 percent. However, maximum tuition increases for graduate programs of law and business were set at 12 percent, and the University of Washington was allowed to increase tuition up to 15 percent for its graduate business programs.

2002-03 Academic Year: Limited Tuition-Setting Authority for Resident Undergraduates, other categories unlimited

Institutions were allowed specified maximum percentage increases (above the prior year’s tuition) for resident undergraduates, as follows:

- Research Universities = 16 percent
- Comprehensive Institutions = 14 percent
- Community Colleges = 12 percent

These increases were among the highest for any year in the previous decade. In all cases, the institutions found it necessary to raise tuition to the allowable maximum. For other student categories – graduate and professional students and all nonresident students – no maximum was placed on allowable tuition increases.

In 2002-03, Washington’s community colleges changed the basis of tuition from a full-time/part-time basis to a per-credit hour base. Tuition and fees reported here reflect the amount charged to a student taking 15 credit hours per term.

2003-05 Biennium: Limited Tuition-Setting Authority up to 7 Percent for Resident Undergraduates, other categories unlimited

For six years (2003-04 through 2008-09), the institutions were allowed to reduce or increase full-time tuition on all students except resident undergraduates. Increases could exceed the fiscal growth factor (as specified in Engrossed Substitute Senate Bill 5448). For resident undergraduates, the 2003 budget specified an increase no greater than 7 percent in academic years 2003-04 and 2004-05 at both four-year institutions and community colleges.

2005-07 Biennium: Limited Tuition-Setting Authority for Resident Undergraduates, other categories unlimited

For resident undergraduates, the operating budget specified an increase of no greater than 7 percent for each year of the biennium at the research universities, 6 percent at the comprehensive institutions, and 5 percent at the community and technical colleges. As specified in the 2007-09

budget, institutions continued to have unlimited tuition-setting authority for all other student tuition categories through the 2008-09 academic year.

2007-09 Biennium: Limited Tuition-Setting Authority for Resident Undergraduates, other categories unlimited.

In 2007, Second Substitute Senate Bill 5806 (2SSB 5806) passed that limited tuition increases, in statute, to no greater than seven percent. The 2007-09 operating budget specified that research universities could increase up to the 7 percent cap, regional universities could increase up to 5 percent, and community and technical colleges could increase tuition by up to 2 percent. The budget also specified that institutions could continue to have unlimited tuition-setting authority for all other student tuition categories through the 2008-09 academic year.

Summary of Bill:

The governing boards of the four-year institutions of higher education and the State Board for Community and Technical Colleges are authorized to establish tuition and fees for all students other than resident undergraduate students.

Provides that the Legislature will establish tuition for resident undergraduate students in the biennial operating budget.

Appropriation: None.

Fiscal Note: Available.

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