

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction
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## Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
University of Washington	Non-zero but indeterminate cost. Please see discussion."					
Washington State University	Non-zero but indeterminate cost. Please see discussion."					
Central Washington University	Non-zero but indeterminate cost. Please see discussion."					
The Evergreen State College	0	(2,235,021)	0	(11,967,214)	0	(23,432,183)
<b>Total \$</b>	<b>0</b>	<b>(2,235,021)</b>	<b>0</b>	<b>(11,967,214)</b>	<b>0</b>	<b>(23,432,183)</b>

## Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
<b>Total</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Marc Webster, OFM	<b>Phone:</b> 360-902-0650	<b>Date Published:</b> Pending Distribution
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 34697

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation:	Becka Johnson	Phone: 206-616-7203	Date: 02/12/2013
Agency Approval:	Kateri Schlessman	Phone: 206-543-3542	Date: 02/12/2013
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 02/12/2013

Request # 2013-21-3

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 of this bill notes that higher education tuition should not exceed ten percent of median family income and as such, sets a "long-term goal" to increase the proportion of state funding relative to tuition to "at least" 50 percent of total state and tuition funds.

However, as Section 1 of the bill does not mandate that tuition at institutions of higher education be no higher than 10 percent of the median family income and as there is no target date set for the legislature to increase the proportion of state funding to at least 50 percent, this fiscal note estimates the impact of Section 2 only.

Section 2 strikes existing statute for tuition policy after 2014-15, effectively replacing it with language capping tuition rate increases for all students at the rate of inflation (based on the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce).

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

We assume that "the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce" means that percent increase in the tuition rates for all students for FY14 would be restricted to the percentage change in implicit price deflator (IPD) as published for FY13 (the most recent twelve-month period) and for FY15, it would be restricted to percent change in IPD for FY14, etc. The percentage change in IPD for both FY13 and FY14 is published (<http://www.erfc.wa.gov/publications/documents/nov12pub.pdf>) as 1.5%, for FY15 through FY17 it is published as 1.7%. Estimates for FY18 have not been published, so we assumed 1.7% for FY18 as well.

Per OFM's instructions, to determine the forgone revenue (or negative cash receipts) associated with this bill, we compared the amount of revenue we would expect to receive under the provisions of this bill with the revenue we would expect to receive if the UW's tuition rates increased by 7% per year for all students. Ultimately, however, the fiscal impact of this bill is indeterminate as we do not know the tuition rates that will be proposed in future fiscal years. Calculations are inclusive of all forgone tuition revenue from all tuition categories. Forgone revenue from fee-based programs are not included.

The following numbers show forgone tuition revenue from the bill's implementation date to each FY; in other words, the year-to-year incremental differences in revenue have been summed together to show cumulative loss from the bill's implementation date moving forward.

Forgone revenue from Account #064 (University of Washington Building Account):

FY14: -1,400,000

FY15: -3,000,000

FY16: -4,700,000  
FY17: -6,500,000  
FY18: -8,500,000  
FY19: -10,600,000

Forgone revenue from Account #149 (Inst of HI ED-Operating Fees Acct):

FY14: -25,700,000  
FY15: -53,600,000  
FY16: -83,500,000  
FY17: -115,600,000  
FY18: -150,000,000  
FY19: -186,900,000

Total forgone revenue:

FY14: -27,100,000  
FY15: -56,600,000  
FY16: -88,200,000  
FY17: -122,100,000  
FY18: -158,500,000  
FY19: -197,500,000

## **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## **Part III: Expenditure Detail**

### **III. A - Expenditures by Object Or Purpose**

NONE

## **Part IV: Capital Budget Impact**

NONE

## **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 365-Washington State University
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation:	Kelley Westhoff	Phone: 5093350907	Date: 02/12/2013
Agency Approval:	Joan King	Phone: (509)335-1618	Date: 02/12/2013
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 02/12/2013

Request # 2013-35-2

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 establishes legislative intent to increase the proportion of state funding for higher education so that it is at least 50% of spending relative to tuition, and sets a long term goal for tuition to be no higher than 10% of median household income.

Section 2(2) strikes the current language allowing percentage increases in full-time tuition for students other than resident undergraduates to exceed the fiscal growth factor.

Section 2(3) says that through the 2018-19 academic year increases in full-time tuition fees for all students may not exceed the rate of inflation as defined in the bill.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

OFM interpretation of the bill assumes that tuition rate increases for all categories of students are limited to the rate of inflation as defined in the bill, which WSU estimates to be approximately 1.5% for 2014 and 1.7% thereafter.

Per OFM instructions and for illustrative purposes, WSU assumed a 7% increase in all tuition categories per year and compared that estimated revenue to estimated revenue at the inflation rates assumed above. The inflation rate cap would result in less tuition revenue per year under these assumptions of:

2014: (\$13.3M)

2015: (\$27.3M)

2016: (\$42.6M)

2017: (\$59.0M)

2018: (\$76.9M)

2019: (\$96.3M)

WSU's actual tuition rates that would be adopted for FY14 forward exclusive of this legislation are unknown at this time as all are dependent upon Legislative and/or WSU Regent actions that have not occurred yet. The bill would impact future cash receipts by removing the flexibility to adjust tuition rates beyond the inflation rate defined in the bill. The legislative intent is to increase state funding relative to tuition, but the bill does not provide a timeline or any appropriation of such funds; therefore, ultimate fiscal impact is indeterminate.

The bill does not specify what source of median household income (MHI) is to be used in measuring the 10% target. Using the median household income estimates published on OFM's web site, the projected 2012 MHI is \$56,444. WSU's current resident undergraduate tuition rate is \$10,874 per year, or 19.3% of median household income. MHI would need to increase nearly 93% for current tuition rates to meet the long-term 10% target.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

### **Part III: Expenditure Detail**

#### **III. A - Expenditures by Object Or Purpose**

NONE

### **Part IV: Capital Budget Impact**

NONE

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 370-Eastern Washington University
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation:	Tammy Felicijan	Phone: (509) 359-2480	Date: 02/11/2013
Agency Approval:	Tammy Felicijan	Phone: (509) 359-2480	Date: 02/11/2013
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 02/11/2013



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The impact to Eastern Washington University of HB 1624 restricting tuition increases for resident undergraduate students is greater than \$50,000, but indeterminate with potentially substantial costs of foregone revenue in each year encompassed in this bill. Section 2 (3) (a) references “increases for full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs”, and hence, the impact encompasses a larger population than residential undergraduates alone. This would restrict Eastern Washington University's tuition authority and funding decisions in the future.

As requested by OFM, calculating for potential tuition increases using an average IPD of 1.8%, the gap between a 1.8% tuition increase and an illustrated increase of 7% would result in foregone tuition for Eastern Washington University of approximately \$10 million for the 2013-15 biennium.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 375-Central Washington University
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation:	Shelly Baird	Phone: (509) 963-2340	Date: 02/27/2013
Agency Approval:	Shelly Baird	Phone: (509) 963-2340	Date: 02/27/2013
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 02/27/2013

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Secn. 2 (5) as amended will have a moderate increase in staff time to develop performance plans with prioritized strategies with measurable goals and have such adopted by the CWU Board of Trustees. The increase in workload will be accommodated within existing resources.

As requested by OFM we have calculated the foregone revenue between using an average IPD of 1.8% and 7%. The resulting foregone tuition for CWU is approximately \$13.2M for the 13-15 biennium.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Expenditures are anticipated to increase at least at the rate of inflation which will use up any funding generated from a tuition rate increase resulting in "negative tuition."

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 376-The Evergreen State College
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
Inst of HI ED-Operating Fees		(2,235,021)	(2,235,021)	(11,967,214)	(23,432,183)
Acct-Non-Appropriated 149-6					
<b>Total \$</b>		(2,235,021)	(2,235,021)	(11,967,214)	(23,432,183)

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation: Steve Trotter	Phone: (360) 867-6185	Date: 02/11/2013
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 02/11/2013
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/11/2013

Request # TESC0018-2-2

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 of HB1624 articulates a policy goal of limiting tuition to no more than 10% of the median family household income level and assumes that the state will increase the proportion of state funding to achieve at least a 50% share of spending relative to tuition. Although this section speaks to a state goal framework it does not make explicit how this intent would be operationalized outside of the unpredictability of the regular state biennial budget process. Given that this section is not binding legislation coupled with the uncertainties of subsequent legislative biennial budgets we are not in a position to accurately reflect fiscal impact associated with this intent language for both the tuition limitation and the level of increased general fund support to achieve the 50/50 long term funding goal. However, we can note that just to achieve tuition rates that are no more than 10% of the state median family income level would require that the college lower our current \$7,258 tuition assessment down to \$5,644 (OFM published MFI is \$56,444 \* 10%) which would result in an immediate loss of \$4,861,368 in college funding levels if we are directed to implement that half of the articulate policy goal in section 1 of the proposal today.

Section 2 would further limit tuition increases in the current and subsequent year to be limited to only the rate of inflation. For purposes of this fiscal note we are assuming that IPD continues to be about 1.7% per year if you exclude the double digit increases that we were required during the great recession average tuition increase have generally averaged 7% per year. For purposes of this fiscal note we assume that beginning in the 2013-14 year that the difference between our historical average increase of 7% per year and the IPD limit of 1.7% per year will result in both lowered price but given the intent language in section 1 we are unable to adequately predict that the state will actually increase state funding to make up the difference as a way to increment toward the state goal of a 50/50% funding mix.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

As noted previously, the first goal would be to limit tuition assessment to be no more than 10% of the median family income. This will reduce our current year tuition from \$7,258 to \$5,654 that will result in a revenue loss of \$4,861,368. At this point we cannot assume that the state would offset this policy goal by adding an offsetting amount of general fund appropriations. We also assume that there would be no change to 2013-14 tuition policy that has already been adopted by our Board of Trustees.

Beginning in FY 2015 tuition would be further limited to the rate of inflation currently estimated to 1.5% which is 5.5% less than our pre-recession annual average tuition level of 7% per year. We assume that state appropriations would be necessary to offset the lowered tuition collection levels in the effort to achieve the long-term 50/50% funding model.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

### **Part III: Expenditure Detail**

#### **III. A - Expenditures by Object Or Purpose**

NONE

### **Part IV: Capital Budget Impact**

NONE

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 380-Western Washington University
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation: Kirk England	Phone: 360-650-4694	Date: 02/11/2013
Agency Approval: Linda Teater	Phone: 360-650-4762	Date: 02/11/2013
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/11/2013

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

HB 1624 as written would have a sizable fiscal impact on WWU.

Sec 1(3) states that “[t]his long-term funding goal, referred to as education opportunity funding, includes increasing the proportion of the state funding so that it is at least fifty percent share of spending relative to tuition to reduce the burden on students and their families.”

Sec 2(3)(a) states that "Beginning with the 2011-12 academic year and through the end of the ((2014-15)) 2018-19 academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College may reduce or increase full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs as long as the increases each year and for each resident undergraduate program do not exceed the rate of inflation based on the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce. ((Percentage increases in full-time tuition fees may exceed the fiscal growth factor.))Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students; however, during the 2011-2013 fiscal biennium, reductions or increases in tuition must be uniform among resident undergraduate students."

Sec 1(3) does not define when the state intends to reach the 50/50 goal.

Sec 2(3)(a) caps tuition increases across all student categories to the annual change in the implicit price deflator (IPD). Assuming tuition increases of 7% across all student categories (this assumption is not grounded in that WWU could face meaningful market resistance in every student category) and comparing the resulting net revenue to 1.7% annual increases across all student categories, it is estimated WWU would lose the ability to raise \$21M through 2018-19. To be feasible, the state would need to backfill with general funds to offset any impact.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

## Part IV: Capital Budget Impact

NONE



**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1624 HB	<b>Title:</b> Tuition increase restriction	<b>Agency:</b> 699-Community/Technical College System
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## Part I: Estimates

☒ No Fiscal Impact

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- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Madeleine Thompson	Phone: 360-786-7304	Date: 02/01/2013
Agency Preparation: Arnel Blancas	Phone: 360-704-4384	Date: 02/05/2013
Agency Approval: Nick Lutes	Phone: (360) 704-1023	Date: 02/05/2013
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/06/2013

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill restricts tuition increases for the 4-year universities.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

This bill restricts tuition increases for the 4-year institutions of higher education to the rate of inflation. The tuition fee rates charged for community and technical college applied baccalaureate programs may not exceed tuition fee rates at the regional universities. Therefore, the bill would also limit tuition increases for the CTC applied baccalaureate programs.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*