1999 Legislative Overview (Part 1)

Legislative activity among many Western states during the 1999 sessions centered on a variety of issues. Appropriations increases in the states reviewed in this publication ranged from less than 1 percent to 8.1 percent; none of the seven states saw a reduction in appropriations between 1998 and 1999. The states also saw little change in the share of the state budget going to higher education. Tuition for resident students rose at four-year colleges from 3 percent to 8.7 percent. Some two-year colleges will see no increase in fall 1999 tuition; others will range up to 8.7 percent. Access discussions generated new legislation in Utah, where a two-year institution will now offer a few baccalaureate programs, and in Wyoming with a new college savings plan. Attention to financial aid issues resulted in new scholarship programs in Washington and Idaho along with additional funding in Montana and Utah. Telecommunications legislation was sparse this year: Arizona community colleges received authorization to offer courses outside district boundaries; Washington appropriated funds for matching grants to promote high-tech training and for its Fund for Innovation to promote collaboration in technology and other areas.

Legislative and board activities during fiscal year 1999 in Arizona, Idaho, Montana, South Dakota, Utah, Washington, and Wyoming are summarized in this issue of Policy Insights. Remaining WICHE states—Alaska, California, Colorado, Hawaii, Nevada, New Mexico, North Dakota, and Oregon—will be reported in early fall 1999.

Appropriations

- Among the states, increases in appropriations to higher education ranged from less than one percent to 8.1 percent (see Figure 1).
- The smallest increase occurred at Wyoming community colleges (.6 percent); at 8.1 percent, Washington institutions saw the largest percentage increase.
- None of these states experienced a decline in appropriations between 1998-99 and 1999-2000.

Tuition

- Tuition increases were the norm in these seven WICHE states. Undergraduate resident tuition at four-year colleges rose in most states, with increases ranging from 3 percent in Utah to an average of 8.7 percent in Idaho (see Figure 2).
- Increases for resident students at two-year institutions will vary from no increase in Montana to 8.5 percent in Wyoming (see Figure 3).
- Nonresident undergraduate tuition at four-year institutions will grow more moderately—from 2.3 percent in Idaho to 4.6 percent in Washington. Nonresident two-year students will see increases ranging from 3 percent in Utah to 8.5 percent in Wyoming.
- Legislation in Arizona now prescribes a process for setting tuition and fee increases that includes advance notification, hearings at university campuses, newspaper publication, and a roll call vote by the Board of Regents.

Budget Share

- Higher education’s share of the state budget changed by less than 1 percent in most of the seven states; but in Washington, that share rose by 7 percent—from 11.5 to 12.3 percent.
- Arizona saw no increase.
- A new appropriation in Montana will support non-beneficiary students at tribal colleges.
• An initiative in South Dakota capping the Board of Regents’ ability to raise tuition and fees at 3 percent or the consumer price index (CPI), whichever is greater, died in committee.

• Tuition policy in Washington is a significant issue; for the past several years the state has not had a specific policy governing the setting of tuition rates. While the legislature has set rates in the past, in 1999-2000 the institutions have limited flexibility to increase tuition up to 4.6 percent. There is no additional local flexibility for institutions. The increases in the budget were based in part on per capita income growth as estimated in the state revenue forecast.


Access

• The Utah legislature granted Dixie College, a two-year institution, a limited number of baccalaureate programs; the legislation reaffirmed the Board of Regents’ governance of the state higher education system.

• Washington state appropriated $10 million to baccalaureate institutions to improve recruitment and retention, with an additional $15.4 million for community and technical college part-time faculty compensation and faculty increments.

• Also in Washington, the Higher Education Coordinating Board was authorized to continue to coordinate and publicize expanded student exchange in WICHE’s Western Undergraduate Exchange (WUE) program.

• The Wyoming legislature created a new college savings plan; unlike the current prepaid tuition program, funds can be used at any postsecondary institution.

Financial Aid

• Legislation in Idaho to provide scholarships to all students earning at least a 3.0 GPA in high school was unsuccessful. Another initiative to create a pretax educational savings account for postsecondary and K-12 education expenses also failed.

• The Montana legislature appropriated $3 million to increase the state’s financial aid program in the upcoming biennium.

• Utah lawmakers provided modest additional financial aid funding; student assistance appropriations now exceed $4.4 million.

• Washington's new Promise Scholarship provides scholarships for two years to the top 10 percent of 1999 high school graduates who attend in-state institutions and whose families earn up to 135 percent of median family income. The legislature funded the program at $9 million for the biennium.

Teacher Education

• In Idaho, a salary bonus of $2,000 annually for five years for K-12 teachers certified by the National Board for Professional Teaching Standards may impact teacher education program offerings and enrollments.

• Also in Idaho, legislation requires the State Board of Education to review all teacher education programs in public institutions to ensure they are in line with the state’s new literacy plan.

• Washington lawmakers funded a Master Teachers Financial Aid initiative at $2 million; this is a reimbursement program for K-12 teachers who pursue master’s degrees. The legislature also approved $300,000 for teacher-training pilot projects – competitive grants to stimulate innovative training of K-12 teachers.

Faculty

• South Dakota’s ongoing work with faculty salary issues, collective bargaining, and the faculty union saw the legislature amend the collective bargaining laws affecting Board of Regents employees. Future salary increases must be determined on the basis of performance, market, and institutional priorities.

• In Utah, failed legislation would have limited the percent of adjunct faculty at community colleges. Another unsuccessful bill would have provided tuition waivers for faculty enrolling in graduate courses.

• Washington state approved 3 percent faculty salary increases.
Telecommunications

- New legislation in Arizona authorizes community college districts to offer credit and noncredit courses outside district boundaries. Also, a county can organize a provisional community college district if it doesn’t meet statutory requirements to establish a district.
- In Utah, Y2K funding was the focus for telecommunications appropriations.
- The Washington legislature appropriated $2 million for matching baccalaureate grants to promote high-tech training.
- Washington also appropriated $600,000 to its established (but unfunded) Fund for Innovation. Designed to encourage collaboration, the program provides competitive grants for projects that address issues of critical statewide need such as furthering the development of learner-centered, technology-assisted course delivery and improving participation and completion rates.

Other Issues

- Arizona now requires universities to issue identification numbers to students that are different from Social Security numbers to curtail display of student SSNs on university Web sites. Community colleges cannot display an identification number that is identical to an individual’s Social Security number on a publicly accessible document.
- Idaho lawmakers passed a provision to make persons not in compliance with the Federal Selective Service Act ineligible to enroll at or receive financial aid at any public postsecondary institution.
- Montana’s governor proposed a job and income program, which was funded at about $20 million as an economic development program. It provides – for the first time in legislative appropriations – money to match federal research dollars.
- The Montana legislature also approved property and equipment tax cuts, but the university system was held harmless from these cuts. Statewide property tax provides about 13 percent of college revenue.
- Correcting a statute that delegated authority to the interim appropriations committee to approve a lease between the Board of Regents and the Sioux Falls School Board, the South Dakota legislature directly approved a lease between the Regents and School Board for a facility to serve nontraditional students in Sioux Falls.
- The Utah legislature provided $60 million for capital development and $16 million for capital improvement for higher education.

Issues to Watch

- Funding. Arizona’s community college system may examine its funding policies. Montana anticipates a study of funding for public higher education in the state since it has not had such a study for 10 years. In Wyoming, how a projected $180 million state budget shortfall may impact higher education will be the central issue next session.
- Financial Aid. Idaho may see another attempt at legislation providing scholarships to students with at least a 3.0 GPA, while South Dakota may consider a loan forgiveness/scholarship program. A number of start-up programs and competitive grant initiatives will receive significant attention in Washington during the interim. The governor is planning to submit legislation to codify his Promise Scholarship program and address issues that will arise during the program start-up phase.
- Tuition. The University of Washington is expected to continue its effort to secure a significant tuition increase. The university unsuccessfully sought a two-year tuition increase of 20-30 percent this session.
- Faculty. Two faculty-related bills that failed to pass in Utah may resurface. One limited the percent of adjunct faculty at community colleges; the second provided tuition waivers for faculty enrolling in graduate courses.
- Term Limits. The effects of term limits will hit in Montana with an anticipated 30 to 40 percent turnover; all five of the statewide officers’ terms end next year.
- Other. A Montana statute prohibiting institutions from competing with the private sector failed, but the issue will be the subject of an interim study.
- Governance. Wyoming may see an interim project on the appointment of members to the Community College Commission and future legislation on the structure and governance of the two-year system.

This issue of Policy Insights was prepared by Cheryl Blanco, Director of Policy and Information. WICHE gratefully acknowledges assistance from staff in State Higher Education Executive Offices in Arizona, Idaho, Montana, South Dakota, Utah, Washington, and Wyoming.

Western Interstate Commission for Higher Education
P.O. Box 9752
Boulder, CO 80301-9752
David A. Longanecker, Executive Director
Cheryl D. Blanco, Director, Policy and Information
Tel: (303) 541-0224 FAX: (303) 541-0291
E-mail: Policy@wiche.edu
Visit WICHE’s home page at http://www.wiche.edu for this and past issues of Policy Insights.
At a Glance

**Arizona**

Postsecondary institutions saw no change in their share of the total state budget for fiscal year 1999-2000 over 1998-99. The appropriation to higher education, however, increased by 2.7 percent. Tuition for residents increased 2.8 percent at two-year colleges and 4.8 percent at four-year institutions. Nonresidents will pay 4.8 percent more at Arizona universities. A bill proposing a cap on tuition increases failed, but a second initiative mandates a process for considering fee increases. The legislature addressed student privacy concerns; institutions must use identification numbers that are different from Social Security numbers.

In **Idaho** higher education's share of the state budget increased very slightly, but the overall appropriation to higher education rose by 4.8 percent. Students will see sizeable tuition increases in the fall: residents at four-year institutions will pay an average of 8.7 percent more while the average nonresident tuition increased by 2.3 percent. The State Board of Education will review all teacher education programs in public institutions to ensure they are consistent with the state's new literacy plan. Legislation eliminated unconstitutional language allowing separate councils of the Board of Education to govern state institutions of higher education and public schools. Legislation to provide scholarships to all students earning at least a 3.0 GPA in high school was unsuccessful, as was an initiative to create a pretax educational savings account for postsecondary and K-12 education expenses.

**Montana** higher education enjoyed its greatest funding increase in recent years with a 5 percent increase; budget share grew from 11.5 percent in 1998-99 to 12.1 percent in 1999-2000. Tuition increases of 4 percent will take effect for residents at four-year institutions with a 4.35 percent boost for nonresidents; there will be no tuition increase for residents at two-year colleges. The Supreme Court found unconstitutional an amendment passed by the electorate in November that would have required voter approval of any tax increase. A $3 million increase in the state's financial aid program was passed for the upcoming biennium. Legislatively approved property and equipment tax cuts will not impact the university system.

**South Dakota**'s appropriation to higher education increased by 3.65 percent over the past fiscal year, with a slight increase from 15.4 to 15.5 percent of its state budget share. Both resident and nonresident students will see a 3.9 percent increase in tuition this fall. A bill to cap the Board of Regents' ability to raise tuition and fees at 3 percent or the annual increase in the CPI, whichever is greater, did not get beyond committee. The distribution of faculty salary increases continued to be an issue. The legislature requires that future increases be determined on the basis of performance, market, and institutional priorities.

**Utah** tuition will increase by 3 percent for all students. State appropriations to higher education increased by 5.3 percent – compared to 6 percent in fiscal year 1999 – while state budget share remained virtually unchanged when program transfer and replacement funds are included. Legislation allows a limited number of baccalaureate programs at Dixie College, a two-year institution; the legislation reaffirmed the Board of Regents’ governance of the state system of higher education. Two faculty bills were unsuccessful: one limited the percent of adjunct faculty at community colleges, while the second related to faculty tuition waivers. Telecommunication appropriations focused on Y2K funding.

**Washington**'s higher education appropriation rose by 8.1 percent, with budget share going from 11.5 percent to 12.3 percent. Institutions may raise tuition up to 4.6 percent in 1999-2000. Accountability performance measures with Higher Education Coordinating Board oversight remained unchanged; no funds were withheld or incentive money added. The state’s new Promise Scholarship was funded at $9 million for the biennium; with eligibility linked to median family income, the top 10 percent of 1999 graduates and 15 percent of 2000 graduates will receive scholarships for two years if they attend in-state institutions. Legislation expands the state’s participation in WICHE’s Western Undergraduate Exchange program.

**Wyoming**’s tuition will increase 8.5 percent for two-year college students and 3.7 percent for residents at the University of Wyoming. The legislative session focused primarily on K-12 issues. The state is examining the community college governance structure and may review the process for appointing commission members in the near future. Lawmakers created a new college savings plan, allowing funds to be used at any postsecondary institution. The legislature finalized a K-12 financing formula that will increase funding by more than 15 percent following a Supreme Court ruling that the previous system was unconstitutionally inequitable. In the coming year, higher education may be facing the impact of a projected $180 million state budget shortfall.