

FISCAL IMPACT OF OPTIONS FOR ADDRESSING DIFFERENTIAL TUITION IMPACTS ON THE GET PROGRAM

Current Unfunded Liability (as of June 30, 2012): \$631 million

Current Tuition Unit Price (for academic year 2012-13): \$172

OPTION		FISCAL IMPACT			
		5% above base tuition	10% above base tuition	20% above base tuition	50% above base tuition
A	Allow differential tuition authority under E2SHB 1795 to take effect July 1, 2013 without changes.	Unfunded liability increases by \$139 million Unit price increases by \$14	Unfunded liability increases by \$279 million Unit price increases by \$29	Unfunded liability increases by \$558 million Unit price increases by \$76	Unfunded liability increases by \$1,395 million Unit price increases by \$314
B	Allow differential tuition authority under E2SHB 1795 to take effect July 1, 2013, but exempt charges above base tuition at state colleges and universities for all GET participants.	Unfunded liability increases by \$36 million Unit price increases by \$3	Unfunded liability increases by \$73 million Unit price increases by \$6	Unfunded liability increases by \$147 million Unit price increases by \$14	Unfunded liability increases by \$368 million Unit price increases by \$39
C	Allow differential tuition authority under E2SHB 1795 to take effect July 1, 2013, but add a cap.	If a cap is established at some level that is less than those noted above, then the impact to the GET program will be smaller than those noted in Option A above.			
D	Allow differential tuition authority under E2SHB 1795 to take effect July 1, 2013, but only for those institutions that are not the basis for the value of a GET unit.	No impact provided the differential tuition rate does not become the basis for valuing GET units.			
E	Clarify in statute that differential tuition is not to be considered part of tuition for the purposes of calculating the GET payout value.	Most recent legal analysis indicates that impacts to the GET program will be the same as for Option A above.			
F	Disallow differential tuition for resident undergraduate students and allow unique program fees that are separate from tuition. (SSB 6399)	Most recent legal analysis indicates that impacts to the GET program will be the same as for Option A above.			
G	Disallow the implementation of differential tuition for resident undergraduate students only (repeal the effects of E2SHB 1795 on differential tuition).	No impact			

OPTION		FISCAL IMPACT			
		5% above base tuition	10% above base tuition	20% above base tuition	50% above base tuition
H	Disallow all authority to charge differential tuition rates.	No impact			
I	Allow differential tuition authority under E2SHB 1795 to take effect July 1, 2013, but require institutions that charge differential rates to remit a portion of the revenue collected to the GET Account.	Impact to the GET Program is as described in Option A above. There is a possibility that if enough tuition revenue is remitted to the GET Account that the impact could be lower.			

FISCAL IMPACT TO THE GET PROGRAM OF INCREASING STATE SUPPORT

Current Unfunded Liability (as of June 30, 2012): \$631 million

Current Tuition Unit Price (for academic year 2012-13): \$172

OPTION		FISCAL IMPACT	
		State funding as a share of state funds + tuition remains constant	State funding as a share of state funds + tuition increases to 40% over 6 years
J	Increase state support	Unfunded liability <u>decreases</u> by \$158 million Unit price <u>decreases</u> by \$9	Unfunded liability <u>decreases</u> by \$493 million Unit price <u>decreases</u> by \$30