

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Creation of a New Operating Fee Waiver for Certain Graduate and Professional StudentsRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents establish, under the authority granted by RCW 28B.15.915, an operating fee waiver for certain nonresident graduate and professional students. This operating fee waiver is being proposed to eliminate a potential competitive disadvantage in recruiting top quality graduate and professional students.

Under this operating fee waiver, beginning Autumn Quarter 2005, any graduate or professional student who has lived in the State for one year (except for students whose visa status precludes them from establishing permanent residency) will be eligible for an annual waiver of a portion of operating fees equal to the difference between resident and nonresident tuition. This operating fee waiver will be granted if the student has applied for but failed to qualify for residency under the requirements specified in WAC 250-18-03 but meets the following criteria:

the student signs a statement that they have the intent to establish permanent residency in Washington;

the student has either a Washington State Driver's License or a Washington State Identification Card;

the student is registered to vote, if eligible to vote;

the student has established a bank account under a Washington state address;

if the student owns or drives a vehicle in Washington, it is registered in Washington;

the student maintains any medical/automobile insurance independent of parents; and

the student establishes that he or she is financially independent for the current and prior calendar years.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Creation of a New Operating Fee Waiver for Certain Graduate and Professional Students (continued p. 2)

The annual operating fee waiver will include summer quarter. Students must file a residency application annually to either become reclassified or to establish eligibility for this operating fee waiver.

BACKGROUND

The University of Washington enrolls a substantial number of graduate and professional students from other states. These nonresident students are assessed higher tuition rates unless they are reclassified as a resident student or are granted a nonresident tuition waiver because they hold an eligible teaching or research assistant appointment. The Washington State Legislature has adopted residency requirements (RCW 28B.15.015) and the Higher Education Coordinating Board is responsible for specification of residency criteria through the Washington Administrative Code (WAC Chapter 250-18). The University must follow state law guidelines when determining a student's residency.

WAC Chapter 250-18 was amended in July 2003 to improve the standards for determining residency. The code changes affected undergraduate, graduate, and professional students. The amendments eliminated loopholes that some students had been using to qualify as residents. Ideally, graduate and professional students would have been exempted from the changes for reasons that are discussed below, but the state residency rules apply equally to all student categories.

While the revisions to the residency requirements that were implemented in 2003 made the State's policies for determining residency for undergraduate students comparable to those of other public universities, they imposed a higher standard for graduate and professional students to obtain residency than is common at other public universities with whom we compete for students. At the graduate and professional level, most other public universities allow non-resident graduate and professional students to be reclassified as residents for tuition and fee paying purposes after they have lived in the state for one year as long as they meet requirements similar to those listed on page 1. The UW's ability to compete successfully for top quality graduate and professional students will be enhanced if the UW establishes policies affecting cost of attendance that are consistent with those of institutions with whom we compete.

Current Residency Requirements. To be classified or reclassified as a resident, for tuition and fee purposes, a student must establish a bona fide domicile in the state of Washington "primarily for purposes other than educational" for a period

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Creation of a New Operating Fee Waiver for Certain Graduate and Professional Students (continued p. 3)

of one year. To establish a bona fide domicile, a student must satisfy all of the requirements listed on page 1. In addition, by state law, a nonresident student who is enrolled for more than 6 credits a quarter “will be presumed to be in the state of Washington for primarily educational purposes,” which makes it much more difficult to establish residency. By agreement among the six public baccalaureate degree granting institutions in the state, the main way to overcome this “6 credit presumption” is by maintaining a 30 hour work week.

Recent Experience. It should be noted that most graduate and professional students applying for residency status under the new rules meet all of the requirements specified. In calendar year 2004, of the 556 graduate students who applied for resident status: 386 students (69%) met all of the requirements of WAC 250-18-030; 70 additional students (13%) likely would have qualified for residency status if they had either been employed full time during the previous year or had been enrolled for less than six credits; and 100 students (18%) failed to meet multiple requirements. In calendar year 2004, of the 106 professional students who applied for residency: 55 students (52%) met all of the requirements; 26 students (25%) likely would have qualified for residency status if they had either been employed full time during the previous year or had been enrolled for less than six credits; and 25 students (24%) failed to meet multiple requirements.

Since the 2003 rules implementation, the University has “grandfathered” the graduate and professional students under the residency requirements that were in effect at the time they entered the university.

Based upon the data from calendar year 2004 discussed above, the Office of Planning and Budgeting estimates that approximately 100 graduate and professional students per year will qualify for this proposed operating fee waiver and that approximately \$1,000,000 per year in operating fees will be waived. Because there is no offsetting State General Fund support provided for operating fee waivers granted under RCW 28B.15.915, this amount represents foregone revenue to the UW.

Recommended Changes. Graduate and professional student recruitment is of paramount importance to the University. As “cost of program” is one important consideration for graduate and professional students choosing which school to attend, we do not want to place the University of Washington at a competitive disadvantage by making the total cost of attending the UW significantly more expensive for graduate and professional students who have lived in the state for

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Creation of a New Operating Fee Waiver for Certain Graduate and Professional Students (continued p. 4)

more than a year than it is at competing programs at other public universities. Although exceptions cannot be made in the application of state residency policy, it is possible for the University to grant operating fee waivers to graduate and professional students who do not meet all of the residency requirements but do meet certain specific criteria that establish close connections to the state.

The element of residency requirements that most often prevents graduate and professional students from being classified as residents is the presumption in the requirements that if a student is enrolled for more than six credits a quarter, it is assumed that the student is in the state primarily for educational purposes. Many graduate and professional students cannot meet the 30 hour per week employment factor that is utilized in the residency requirements to overcome this presumption. Under the operating fee waiver established here, any graduate or professional student (except for students whose visa status precludes them from establishing permanent residency) who has lived in the state for at least one year, has applied for resident status and been turned down, and who meets all of the criteria listed on the first page would qualify for a waiver of a portion of operating fees equivalent to the nonresident tuition differential.