

SENATE BILL REPORT

E2SSB 5781

AS PASSED SENATE, MAY 5, 1993

Brief Description: Improving access to public institutions of higher education.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Jesernig, Bauer, Moyer, Pelz, Bluechel, Spanel, Hargrove, Drew, von Reichbauer, Snyder, Sheldon, Loveland, McDonald, Erwin, M. Rasmussen, Barr, Prentice, Sutherland, McAuliffe, West, Oke, Amondson, Haugen, Franklin, Sellar, Hochstatter, Fraser, Deccio, A. Smith and Winsley)

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5781 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Bauer, Chairman; Drew, Vice Chairman; Jesernig, Sheldon, von Reichbauer, and West.

Staff: Scott Huntley (786-7421)

Hearing Dates: February 24, 1993; February 26, 1993

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5781 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Hochstatter, McDonald, Roach, Snyder, Talmadge, Williams, and Wojahn.

Staff: Linda Brownell (786-7715)

Hearing Dates: March 8, 1993

HOUSE COMMITTEE ON HIGHER EDUCATION

HOUSE COMMITTEE ON APPROPRIATIONS

BACKGROUND:

Over the past ten years enrollment limitations have restricted postsecondary education opportunities for this state's citizens. During this period the proportion of the state budget dedicated to higher education has continued to decrease and, subsequently, the opportunity for this state's citizens to participate in these programs has also declined.

Recent major technological, economic and demographic changes have exacerbated the need for improved training and education to maintain a high-quality, competitive work force, and a

well-educated populace. Modest and inconsistent increases in the budgetary enrollment limitations have been insufficient to keep pace with the growth in the state's population and, as a result, this state's participation rate in higher education programs has dropped dramatically. In 1981 this state was seventh in the nation in higher education participation; by 1990 this ranking had fallen to 29th, below the national average.

The Higher Education Coordinating Board has adopted the goal of reaching the 90th percentile in national participation rates by the year 2010. It is argued that the state needs to establish a statutory higher education policy which will ensure the accomplishment of this goal and establish a significant budgetary commitment to this state's postsecondary educational system.

SUMMARY:

It is the policy of the state of Washington that the essential requirements level budget calculation for institutions of higher education include enrollment levels necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. For any new enrollments necessary to maintain this participation rate, the essential requirements level budget calculation will, at a minimum, include a funding level per full-time equivalent student that is equal to the rate assumed in the state budget for the last fiscal year of the previous biennium plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the Governor.

It is the policy of the state of Washington that the essential requirements level budget calculation for state institutions of higher education include a funding level per full-time equivalent student (for the base level of enrollment established in the previous biennium) that is, at a minimum, equal to the rate per student assumed in the state budget for the last fiscal year of the previous biennium, plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the Governor.

It is the policy of the state of Washington that higher education enrollments be increased in increments each biennium in order to achieve, by the year 2010, the goals, by educational sector, adopted by the Higher Education Coordinating Board in its enrollment plan entitled "Design for the 21st Century: Expanding Higher Education Opportunities in Washington." Per student costs for additional students to achieve the goals will be at the same rate as established for new enrollments which are necessary to maintain the 1993 participation rates.

Budget documents generated by the Governor and the Legislature in the development and consideration of the state budget will

display an enrollment target level for each public college or university, and for the state system of community and technical colleges. The enrollment target level is the biennial state-funded enrollment increase necessary to fulfill the enrollment goals set forth in the Higher Education Coordinating Board's enrollment plan. The budget documents shall compare the enrollment target level with the state-funded enrollment increases contained in the biennial budget proposals of the Governor and each house of the Legislature. The information is to be presented in the budget documents so that enrollment and cost information and the enrollment goals are prominently displayed and easily understood.

Formal estimates of the state participation rates and enrollment levels necessary to meet these enrollment policies will be determined by the Office of Financial Management. The estimates will be based on procedures and standards established by a technical work group consisting of staff from the Higher Education Coordinating Board, the public four-year institutions of higher education, the State Board for Community and Technical Colleges, the fiscal and higher education committees of the House and Senate, and the Office of Financial Management. Formal estimates will be submitted to the House and Senate on or before November 15 of each even-numbered year. The Higher Education Coordinating Board is to periodically review the enrollment goals and submit recommendations concerning modification of these goals to the Governor and Legislature.

It is the policy of the state of Washington that the essential requirements level budget calculation include funding for state student financial aid programs. The calculation should, at a minimum, include a funding level equal to the amount provided in the last year of the previous biennium in the state budget, adjusted for the percentage of needy resident students, by educational sector, likely to be included in any enrollment increases necessary to maintain the participation rate funded in the 1993 fiscal year. The calculation should also be adjusted to reflect any increases in the cost of attendance. The cost of attendance figures will be calculated by the Higher Education Coordinating Board and provided to the Office of Financial Management and appropriate legislative committees by June 30 of each even-numbered year.

Contemporary contracting enrollment limitations upon the community and technical college system are repealed.

Appropriation: none

Revenue: yes

Fiscal Note: available

Effective Date: July 1, 1993

TESTIMONY FOR (Higher Education):

This bill will ensure that higher education enrollment will increase as population increases and that the funding for that enrollment will receive a significant measure of protection. This state's participation rates in higher education programs will dramatically improve over the next 15-20 years as a result of adopting the HEC Board's enrollment goals in statute. The financial aid provisions in the bill will ensure that the increased access will be evenly distributed throughout society, that all income levels will be able to participate in the increased access. Higher education presently receives no workload enhancement recognition in the state budget process, and it is the only major area of state government that does not receive that recognition; this bill will remedy that. It insures that the essential requirements level in the budget recognize increased workload (enrollment) in higher education. Eliminating enrollment lids grants the institutions the flexibility to meet community needs in innovative ways.

TESTIMONY AGAINST (Higher Education): None

TESTIFIED (Higher Education): PRO: Terry Teale, Council of Presidents; Joe Johnson, President, Clark College; Marv Weiss, President, Columbia Basin College; Janice Miller, Faculty Senate, Washington State University; Eric Christianson, Washington Student Lobby; Pirag Giwala, Washington Student Lobby; Al Froderberg, Western Washington University; George Durrie, Eastern Washington University; Laurel Wilkening, Provost, University of Washington

TESTIMONY FOR (Ways & Means):

There is no specific enrollment workload factor included in the higher education essential requirement level (ERL) definition of the budget. (The bill would provide an increase in enrollment above the current increase from the carry forward of second year enrollment levels which is included in the budget.) This inadvertently disadvantages higher education. There is an increased demand for higher education services and keeping up with the current participation rates is important. These growth factors need to be incorporated into the ERL budget. All six of the four-year institutions support the bill, as well as the Higher Education Coordinating Board and the State Board for Community and Technical Colleges.

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): Senator Jesernig, prime sponsor; Jim Sainsbury, Higher Education Coordinating Board (pro); Terry Teale, Council of Presidents (pro); Keith Boyd, Washington Student Lobby (pro); Jan Yoshiwara, SBCTC (pro)