

SENATE BILL REPORT

SB 5781

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 8, 1993

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

SPONSORS: 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

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 higher education funding in each biennial budget will be adequate to ensure a minimum participation rate equivalent to that of the last fiscal year of the previous biennium.

The funding level provided (per full-time equivalent student) for this minimum enrollment level is to be equal to the rate of such funding in the last fiscal year of the previous biennium plus an inflation factor, for major instructional budget categories, which is equivalent to that used to calculate basic education in the common school system budget request submitted by the Governor.

In addition to the required minimum participation rate, it is the policy of the state to achieve the enrollment goal of reaching the 90th percentile in national participation rates by the year 2010. This goal will be accomplished by increasing enrollments in regular increments each biennium in order to remain on target to achieve the goal by the end of the 2009-2011 biennium.

Formal estimates of the state participation rates necessary to fulfill these policies will be determined by the Higher Education Coordinating Board (HEC Board), in conjunction with the Office of Financial Management (OFM). Estimates of additional enrollments required by this act for each succeeding budget period will be provided by the HEC Board to OFM and the Legislature by April 1 of each even-numbered year. This report will include separate estimates of the additional enrollments necessary to remain on target to achieve the 90th percentile goal.

Institutions of higher education have full authority to utilize innovative approaches to increase enrollment levels. The use of enrollment lids or limitations is prohibited, and flexibility is granted to institutions to increase enrollment levels beyond the state mandated minimum level. State institutions are encouraged to deploy or redeploy existing resources to increase access to their institutions provided that they do not reduce direct instructional services to students.

Funding for student financial aid in each biennial budget will be, at a minimum, equal to the amount provided in the previous biennium adjusted for increases in enrollment and the cost of attendance as calculated by the HEC Board. The HEC Board will provide these calculations to OFM and the Legislature by April 1 of each even-numbered year.

Contemporary contracting restrictions upon the community college system are repealed.

EFFECT OF PROPOSED SUBSTITUTE:

Technical drafting errors are corrected. Intent is clarified that the enrollment goals are statewide goals. The repeal of the community college contemporary contracting statute is removed, and replaced with an amendment to that statute which removes only the enrollment limitations contained therein. Provisions in that statute relating to summer school programs and tuition retention are unaffected.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

The intent of the bill is changed so that the Governor's budget request contains the enrollment goals and fiscal calculations, rather than being required in the Omnibus Appropriations Act. The section giving full authority to higher education institutions to increase enrollments over a calculated minimum level is removed.

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)