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## Higher Education Committee

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### HB 1904

**Brief Description:** Regarding high-cost critical programs at institutions of higher education.

**Sponsors:** Representatives Parker, Wallace, Anderson, Warnick, Miloscia and Kretz.

#### Brief Summary of Bill

- Requires the Higher Education Coordinating Board, in collaboration with the Workforce Board, to establish a competitive grant process to award funding to support high cost critical programs.
- Defines high cost critical programs as those in which the number of completers is substantially fewer than projected job openings; the cost of instruction is higher than the median cost of instruction of other programs offered at the same institution; prepares completers for field with high job vacancy rates; and is of high public value.

**Hearing Date:** 2/18/09

**Staff:** Andi Smith (786-7304)

#### **Background:**

##### Workforce Needs

Regular surveys of employers conducted by the Workforce Training and Education Coordinating Board (WTECB), show that employers in the state consistently report difficulty finding workers for jobs with bachelor degree-level training. In the recent economic needs analysis study conducted for the implementation of the Strategic Master Plan for Higher Education, the Higher Education Coordinating Board (HECB) reported that 83 percent of employers hiring at the bachelor's degree-level had difficulty finding qualified people.

In 2006, the HECB, the State Board for Community and Technical Colleges (SBCTC), and WTECB issued the first of their biennial assessments of employer demand for workers. In "A Skilled and Educated Workforce," informally known as the inter-agency "Joint Report," the agencies identified considerable gaps between the numbers of job openings that are predicted to

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exist annually between 2007 and 2012 and the Washington workforce that is expected to be produced by the state's higher education system. According to the data assembled in the 2006 report, the state was not producing enough graduates at either the mid-level or the graduate/professional level to meet estimated employer needs.

#### High Demand Awards

The HECB has been tasked by the Legislature with awarding funding for high demand programs of study since 1999. The 2003-05 state operating and 2004 supplemental budgets included an appropriation of \$11.8 million to the HECB to support almost 800 full-time equivalent (FTE) enrollments at the six public four-year universities and colleges in high-demand fields and programs.

During the 2003-05 cycle, the Board awarded funds to 17 different programs in year one of the biennium and awarded 14 different programs in year two for a grand total of \$11.8 million in new enrollment funding. During the cycle, 147 FTE were awarded to "employer demand" programs like construction management and viticulture, 225 FTE for health related programs, 125 FTE in education, and 301 FTE in technology programs. In the 2006 supplemental budget, the Legislature provided limited funding for the competitive grant process and gave a direct allocation of high-demand funding to each of the research institutions.

#### **Summary of Bill:**

The HECB must work in collaboration with the WTECB to identify high cost critical programs of study. The HECB must manage a competitive grant process to award funds to those programs. Public and private institutions are eligible to participate in the grant process.

A high cost critical program is defined as a program in which: (1) the number of students prepared per year is substantially fewer than the number of projected job openings; (2) the cost of instruction is higher than the median cost of instruction for other programs offered at the same institution; (3) that prepares completers for professions with high job vacancy that would not likely be filled without additional program capacity or in-migration of educated workers from other states; and (4) is widely acknowledged to provide high public value.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.