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## Higher Education Committee

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### HB 2655

**Brief Description:** Expanding the higher education system upon proven demand.

**Sponsors:** Representatives Wallace, Seaquist, Anderson, Maxwell and Kessler.

#### Brief Summary of Bill

- Authorizes the Higher Education Coordinating Board, institutions, or any other public or private entity to identify changes in institutional mission.
- Establishes a process by which the Higher Education Coordinating Board evaluates proposals to change institutional mission.
- Makes changes to the Washington Fund for Innovation and Quality linking existing grant-making authority to the Higher Education Coordinating Board's *System Design Plan*, based on certain criteria and priorities.

**Hearing Date:** 1/19/10

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

#### Background:

##### Higher Education Coordinating Board – System Design Plan.

Beginning in early 2009, the Higher Education Coordinating Board (HECB) embarked on a project to comprehensively examine the current system of higher education and propose a strategic framework that would guide future investments. Washington's last comprehensive study – *Building a System: Foundation Elements (1989)* – laid the groundwork for construction of the branch campuses and defined the territory of existing institutions, as well as other system policies. Since then, the state has conducted other studies to determine regional needs in areas like Skagit, Snohomish, and Island Counties and the Kitsap Peninsula. But no additional comprehensive study has been completed.

Completed in December 2009, the *System Design Plan*'s recommendations are based upon extensive data analysis and seven months of work by a system design group made up of state

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partner agencies. Numerous meetings also were held to discuss ideas with presidents and provosts of all public universities and several independent institutions.

The *System Design Plan* offers a comprehensive framework for making decisions about how to reach the goal of increasing educational attainment in Washington. Specifically, the plan recommends pathways for expanding system capacity, recruiting and supporting a new generation of college students, increasing efficiency, and emphasizing accountability.

#### Expand on Demand Concept.

As part of the *System Design Plan*, the Board developed a new growth management policy to determine when and where new capital expenditures are warranted. The policy was labeled "expand on demand" and predicates expansion to new sites or new missions requiring substantial new capital expenditures on the concept that capacity should follow demand.

Under this framework, institutions and/or communities would submit proposals – either developed at their own initiative or in response to HECB-initiated RFPs – to identify underserved regions and populations or high-need program areas requiring capital investment. The HECB would then evaluate the proposals and make a recommendation to the Legislature. In other words, institutional growth requiring new capital expenditures would be approved by the HECB and Legislature only after a set of external criteria had been met.

Other less expensive expansion projects, such as growing university centers in leased facilities and developing new teaching sites, would be accomplished through regular budget and program approval processes.

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

“Mission change” is defined in statute and occurs any time ten percent of the total degrees awarded by a community or technical college are from applied baccalaureate programs or when an institution of higher education offers a new level of degree such as a two-year college offering an applied baccalaureate degree or branch campuses offering doctoral degrees.

The State Board for Community and Technical Colleges (SBCTC) is authorized to select community and technical colleges to offer applied baccalaureate degrees. The SBCTC and the Higher Education Coordinating Board (HECB) must both review the applications and select programs based on previously established criteria. References to the applied baccalaureate degrees being tested on a pilot basis are removed. Colleges who are selected through joint HECB/SBCTC process may begin curriculum development after Legislative appropriation.

Current law dictates that the HECB conduct ongoing assessment of the need for additional degrees, programs, off-campus centers, and program eliminations. Authorization is added to the HECB’s existing authority to assess proposed changes in mission, pursuant to the newly established statutory definition. Proposed mission changes can be identified by the HECB, higher education institutions, or any other public or private entity.

In reviewing mission changes, the HECB must use criteria previously established for conducting state and regional needs assessments. When reviewing proposed mission changes, the HECB may use the needs assessment criteria as threshold inquiry. If the HECB finds that the proposed

mission change hasn't been established, then the inquiry is concluded. If the HECB finds that the change is justified, then it must evaluate the viability of the proposal, in consultation with interested institutions and agencies, using the following criterion:

- project scope, including the level of capital investment, the number of students anticipated to be served, and the number of academic programs offered;
- existence of a sustainable financial plan;
- extent to which existing resources are leveraged;
- five-year projections for student populations, including the levels of staff required to support the proposed changes;
- plans to accommodate the expected growth over a 20-year period;
- extent to which new or existing partnerships are part of the proposal; and
- feasibility of any proposed innovations to accelerate degree production.

At the conclusion of the evaluation, the HECB must recommend whether to proceed with the proposed mission change. Those recommendations are then transmitted to the Governor and Legislature.

Revisions are made to the HECB's existing authority to make grants as part of the Washington Fund for Innovation and Quality in Higher Education. The HECB is authorized to make competitive grants, based meeting attainment and productivity needs outlined in the *System Design Plan*. This includes expanding the system in a cost-effective manner, predicated on proven demand; meeting the needs of underrepresented populations; and encouraging growth in online and hybrid learning.

In making changes to the existing grant making process, the HECB is authorized to make grants to both two- and four-year institutions, in close collaboration with the SBCTC. Provisions that limited the grant award to two years are removed as are requirements to convene a review committee. The HECB is required to develop biennium-specific guidelines for submitting grants that are consistent with the Strategic Master Plan for Higher Education and the *System Design Plan*.

**Appropriation:** None.

**Fiscal Note:** Requested on January 12, 2010.

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