

HOUSE BILL REPORT

HB 1909

As Reported by House Committee On:
Higher Education

Title: An act relating to creating a funding mechanism to promote innovation at community and technical colleges.

Brief Description: Promoting innovation at community and technology colleges.

Sponsors: Representatives Reykdal, Haler, Seaquist, Carlyle, Hasegawa and Kenney.

Brief History:

Committee Activity:

Higher Education: 2/14/11, 2/17/11 [DPS].

Brief Summary of Substitute Bill

- Creates the Community and Technical College Innovation Account to implement the Strategic Technology Plan for improving student achievement and efficiency in the community and technical college system.
- Directs community and technical colleges to transfer up to 3 percent of operating fees to the Community and Technical College Innovation Account.
- Authorizes expenditures from the Community and Technical College Innovation Account for projects that implement the community and technical college system's Strategic Technology Plan or to pay off debt for financing contracts authorized by the Legislature.
- Removes the requirement for community and technical colleges to round tuition and fees to the nearest dollar amount.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys, Crouse, Fagan, Hasegawa, Jacks, Probst, Reykdal, Sells, Springer, Warnick and Zeiger.

Staff: Madeleine Thompson (786-7304).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Strategic Technology Plan.

In 2006 and 2007 the State Board for Community and Technical Colleges (SBCTC) conducted an analysis of technology deployment at community and technical colleges. The purpose was to learn how technology could be mobilized to advance student learning, student services, and create greater administrative efficiencies. In all three areas, the SBCTC found a need for greater uniformity across the 34 colleges in the system and the P-20 education system.

In 2008 the SBCTC adopted the Strategic Technology Plan (Plan). The SBCTC defines the Plan as a roadmap for how the community and technical college system can leverage 21st century technologies to support student achievement.

Certificates of Participation.

Institutions of higher education can finance the acquisition, construction, and renovation of facilities using state bonds. Bond proceeds for these projects are appropriated in the Capital Budget. In addition to financing through state bonds, higher education institutions are authorized to enter into financing contracts, such as Certificates of Participation (COPs), which are a type of security sold for a particular purpose, and backed by any component of fees and revenues the university derives from its ownership and operation of its facilities. The COPs must be authorized in the Capital Budget and, once authorized, the institution is allowed to begin the construction or purchase process.

The COPs are not subject to appropriation by the Legislature, do not obligate State General Fund revenues to be used for their completion, and do not count towards the state debt limit.

Summary of Substitute Bill:

Up to three percent of operating fees are transferred to the Community and Technical College Innovation Account (Account) to be used to implement the SBCTC's Plan. The SBCTC approves the amount to be transferred each year. The SBCTC must approve projects under the Plan to improve student achievement, student services, and increase system-wide administrative efficiencies.

The Account is created in the custody of the State Treasurer. Expenditures from the Account must be approved by the Director of the SBCTC or their designee. Expenditures from the Account may be used for two purposes: (1) paying off debt from financing contracts, such as certificates of participation authorized by the Legislature; or (2) for projects that implement the Plan as approved by the SBCTC.

The requirement for community and technical colleges to round tuition and fees to the nearest dollar amount is removed.

Substitute Bill Compared to Original Bill:

The substitute bill allows the SBCTC to determine the percentage of operating fees to be transferred to the Account each year up to 3 percent, and makes a technical correction.

Appropriation: None.

Fiscal Note: Available on original bill. Preliminary fiscal note available on substitute bill.

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

Staff Summary of Public Testimony:

(In support) Community and technical colleges are willing to forego some of their own tuition yield to put into place the Plan. This does not impact the building fee of the student and activities fees. It is important to come back to the Legislature when there is a large project to undertake that will cover the whole system. All 34 community and technical colleges voted to adopt the Plan. Common technology services includes administrative systems, teaching and learning systems, and student and learning systems. It makes sense to share systems when it is costly to do things 34 different ways. Everybody in the 21st century needs access to technology services. The community and technical college system has already done a great job creating web-based teaching and learning environments. Over 35,000 students have already viewed lecture recordings only three or four months since this capability was launched. There is an electronic tutoring consortium, and work is underway to set up streaming media service, faculty development, and learning communities. The system is starting to share content with other colleges in the system and the rest of the world. The college system has saved about \$6 million from making these investments. This bill creates exciting opportunities to take advantage of innovative technologies. The community and technical college technology systems must be updated to improve administrative systems. The current system is outdated. It was developed in the early 1980s and poses a serious risk on various fronts.

(Opposed) None.

Persons Testifying: Representative Reykdal, prime sponsor; Cable Green, State Board for Community and Technical Colleges; and Jean Floten, Bellevue Colleges.

Persons Signed In To Testify But Not Testifying: None.