

SENATE BILL REPORT

SB 5182

As of February 9, 2011

Title: An act relating to establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities.

Brief Description: Establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities.

Sponsors: Senators White, Tom, Hill, Zarelli, Murray, Ericksen, Prentice, Hobbs and Nelson.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/26/11.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Aldo Melchiori (786-7439)

Background: In 1969 the Legislature established the Council on Higher Education (CHE). During the six years of CHE's existence it took most of its cues from the Legislature. Though the Legislature only gave the board limited statutory authority, the board was widely viewed as one of the strongest in the country given its legislative backing.

The CHE became the Council for Postsecondary Education (CPE) in 1975 when federal legislation required states to establish or designate single state postsecondary education planning agency to qualify for federal planning and other funds. There were several changes: (1) the membership of the CPE was reorganized; (2) its administrative responsibilities with respect to such programs as financial aid increased; and (3) the board's capacity to consider and debate higher education matters was enhanced.

The Higher Education Coordinating Board (HECB) was established in 1985 and replaced the CPE. The stated purpose of the HECB is to provide planning, coordination, monitoring, and policy analysis for higher education in the state in cooperation and consultation with the institutions, autonomous governing boards and with all other segments of postsecondary education, including but not limited to the State Board for Community and Technical Colleges (SBCTC). It is a ten member board that is charged with representing the broad public interest above the interests of the individual colleges and universities.

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.

Major functions of the HECB include: (1) developing a statewide strategic master plan for higher education; (2) recommending policies to enhance the availability, quality, efficiency, and accountability of public higher education in Washington; (3) administering student financial assistance programs; (4) serving as an advocate on behalf of students and the overall system of higher education; (5) coordinating with other governing boards and institutions to create a seamless system of public education for the citizens of Washington; and (6) helping families save for college.

Mandated HECB responsibilities include reviewing, evaluating, and making recommendations on operating and capital budget requests; recommending legislation affecting higher education; recommending tuition and fee levels, and policies; making recommendations on merging or closing institutions and developing criteria identifying the need for new baccalaureate institutions; and approving new degree programs. The HECB has a number of administrative functions and duties, most of which pertain to student financial assistance programs and various federal programs.

Summary of Bill: The HECB is eliminated. The current student financial aid function performed by the HECB are all transferred to a new office of student financial assistance in the Office of Financial Management (OFM). A nine member student financial assistance advisory board is created and meets at least four times per year. All other HECB functions are either transferred to OFM or are performed at the SBCTC and institutional level. HECB reporting requirements are eliminated, but current data gathering functions are maintained by OFM. The state performance agreement committee and process is eliminated, but the performance agreement content requirements are retained.

Every two years, OFM must produce an assessment of the number and type of academic and training credentials required to match employer demand. This is done jointly with the four-year institutions of higher education, the SBCTC, and the Workforce Training and Education Coordinating Board.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: The current budget crisis is forcing a hard look at how to improve higher education governance and make it more cost-effective. The Legislature has a responsibility to look for efficiencies. The HECB has been a key player and should be acknowledged for its good work, but the governance landscape is changing.

CON: The HECB is needed to provide a roadmap to constantly improving the system. Without the HECB, who will stand up for students, families, and citizens of this state. Losing the HECB will ensure continued disinvestment in our student's education. The HECB provides an efficient and cost-effective service to the state. The state would be making blind

decisions with no ability to know if its dollars are being well spent. This would be a loss of voice for the citizens of the state.

OTHER: The bill fundamentally reorders higher education governance without prior careful consideration. Critical functions such as statewide planning and citizen input are eliminated. The idea will not save as much money as you might think. Financial aid is not just an administrative function, there are policy decisions made in awarding it. The HECB provides data-driven recommendations vetted by a citizen board. Citizen input is important. Current efforts to update the statewide strategic master plan would be halted. The institutions are willing to work with legislators to study governance and determine what is appropriate for Washington. This bill should be the start of the discussion, not the end. Career colleges have a great relationship with the HECB and are concerned about losing that point of contact.

Persons Testifying: PRO: Senator White, prime sponsor.

CON: Andrew Helm, WSU student; Sam Shaddox, HECB student member; Iris Maute-Gibson, WWU student.

OTHER: Ann Ryherd; Don Bennett, Executive Director, Roberta Greene, Member, Jesus Hernandez, Chairman, HECB; Steve Lindstrom, NW Career Colleges Federation; Ann Anderson, CWU.