

# FINAL BILL REPORT

## E2SSB 5182

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### PARTIAL VETO C 11 L 11 E 1 Synopsis as Enacted

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

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators White, Tom, Hill, Zarelli, Murray, Ericksen, Prentice, Hobbs and Nelson).

**Senate Committee on Higher Education & Workforce Development**  
**Senate Committee on Ways & Means**  
**House Committee on Ways & Means**

**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 a 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.

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

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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:** On July 1, 2012, all of the current student financial aid functions performed by the HECB are transferred to a newly created Office of Student Financial Assistance (Office) that administers all state and federal financial aid and the advanced college tuition payment program. The Office is created as a separate agency of the state.

The HECB is eliminated on July 1, 2012. The Council for Higher Education (Council) is created, subject to recommendations of a Steering Committee on Higher Education and legislation enacted in 2012. The Steering Committee on Higher Education is created to establish the purpose and functions of the Council. The Steering Committee is chaired by the Governor or the Governor's designee and includes four legislators and equal representation from higher education sectors in the state. The membership and specific functions of the new Council will be determined by the Steering Committee.

HECB functions regarding reporting on state support received by students, the costs of higher education, gender equity, technology degree production, costs and benefits of tuition and fee reciprocity with Oregon, Idaho, and British Columbia, and transmitting undergraduate and graduate educational costs to boards of regents are eliminated. Until July 1, 2012, the HECB continues to prioritize capital projects for the higher education system, and the HECB is provided with additional guidance on how to accomplish that task.

**Votes on Final Passage:**

First Special Session

Senate	34	9	
House	59	28	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 1, 2011 (Section 302).  
August 24, 2011.  
July 1, 2012 (Sections 101–103, 106–202, 204–244, and 301).

**Partial Veto Summary:** The Governor vetoed section 246 which would have immediately transferred all powers, duties and functions of the higher education coordinating board pertaining to student financial aid to the new Office of Student Financial Assistance. Student

financial aid administration will be transferred to the Office of Student Financial Assistance on July 1, 2012 when the office is created.