

SENATE BILL REPORT

E2SSB 6232

As Passed Senate, February 10, 2012

Title: An act relating to higher education coordination.

Brief Description: Regarding higher education coordination.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Shin, McAuliffe and Eide; by request of Governor Gregoire).

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/18/12, 1/24/12, 2/01/12 [DPS-WM, w/oRec].

Ways & Means: 2/06/12, 2/07/12 [DP2S, DNP, w/oRec].

Passed Senate: 2/10/12, 47-0.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6232 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Tom, Chair; Shin, Vice Chair; Frockt, Kastama and Kilmer.

Minority Report: That it be referred without recommendation.

Signed by Senators Hill, Ranking Minority Member; Baumgartner, Becker and Stevens.

Staff: Kimberly Cushing (786-7421)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6232 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Brown, Conway, Fraser, Harper, Hatfield, Honeyford, Kastama, Keiser, Kohl-Welles, Regala, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senator Padden.

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.

Minority Report: That it be referred without recommendation.

Signed by Senators Baumgartner and Holmquist Newbry.

Staff: Maria Hovde (786-7710)

Background: In 1969 the Legislature established the Council on Higher Education (CHE). CHE only had authority to review and recommend, but maintained strong legislative support. 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. CPE's administrative responsibilities increased with respect to such programs as financial aid.

The Higher Education Coordinating Board (HECB) was established in 1985 and replaced CPE. The purpose of 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). HECB 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 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. HECB has a number of administrative functions and duties, most of which pertain to student financial assistance programs and various federal programs.

In 2011 the Legislature abolished HECB and created a Council for Higher Education subject to the recommendation of the Higher Education Steering Committee (Steering Committee), effective July 1, 2012. Additionally, all of the current student financial aid functions performed by HECB, including the administration of the advanced college tuition payment program, are transferred to a newly created Office of Student Financial Assistance (Office). The Office is created as a separate agency of the state.

HECB functions regarding the duty to develop a statewide strategic master plan for higher education, and 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.

The Steering Committee was created to establish the purpose and functions of the the Council for Higher Education. The Steering Committee was chaired by the Governor and included four legislators and representation from higher education sectors in the state, and it met four times in 2011 to determine membership and specific functions of the new Council for Higher Education.

Summary of Engrossed Second Substitute Bill: The Student Achievement Council (Council). The Council is created and the purpose and mission of the Council is to set goals for increasing the educational attainment in Washington and to monitor progress toward meeting those goals. The Council must connect the work of the Superintendent of Public Instruction (SPI), the State Board of Education, SBCTC, the Workforce Training and Education Coordinating Board (WTECB), and the four-year institutions of higher education, as well as the independent schools and colleges.

The Council is composed of nine voting members. The voting members include:

- four citizen members, appointed by the governor with the consent of the Senate;
- one representative from the four-year institutions, selected by the institutions' presidents;
- one representative from SBCTC, selected by SBCTC;
- one representative of an independent, nonprofit institution, appointed by an association of independent nonprofit colleges and universities;
- the SPI, or SPI's designee; and
- one student, appointed by the Governor with the consent of the Senate.

The representative from the independent, nonprofit institutions and the SPI must excuse themselves from voting on matters relating primarily to public institutions of higher education.

The citizens must serve staggered four-year terms. The chair must be selected by the Council from among the citizen members. The chair must serve one year, but may serve longer if selected to do so by membership. Vacancies on the Council must be filled in the same manner as original appointments.

The Council must create advisory committees on an ad hoc basis to: (1) obtain input from students, faculty, higher education experts and practitioners, citizens, business and industry, and labor; and (2) inform their research, policy, and programmatic functions.

The Council has the following duties:

- set short- and long-term educational attainment goals, collaborate with all sectors to each develop integrated measurable goals, and identify resources to meet goals; the Council must review and revise the goals every two years, with the first review due to the Governor and Legislature by December 1, 2013;
- provide strategic planning and develop a ten-year statewide plan for higher education;
- provide financing planning and strategic investment recommendations for higher education, including comparing total per-student funding in Washington with institutions in global challenge states and system-wide budget recommendations;

- make system design and coordination recommendations to address future needs of higher education, including transfer policies, program approval, and approving private-degree-granting postsecondary institutions;
- improve student transitions, which includes setting minimum college admission standards for four-year institutions; developing programs to help students prepare for postsecondary college and career programs; recommending coordinating policies; and identifying transition issues and solutions;
- facilitate the development and expansion of innovative practices to increase educational attainment;
- use data and analysis produced by the Education Research and Data Center, which includes identifying barriers and recommendations to overcome such barriers, evaluating effectiveness of educational models, identifying best practices, analyzing data from multiple sources, tracking progress toward goals, and communicating results;
- oversee the Office, which administers student financial aid programs, including the State Need Grant, College Bound, the GET program, and Work Study;
- arbitrate disputes between and among four-year institutions of higher education and community colleges;
- coordinate with the governing boards of the two- and four-year institutions, SBCTC, and SPI to create a seamless system of public education;
- protect consumers, which includes approving private degree-granting postsecondary institutions and veterans' benefits programs; and
- represent public interests above those of the institutions.

The Council must employ an executive director. The executive director must be appointed by the Governor from a list of three names submitted by the Council. The Governor may request an additional list of names. The Council has the authority to adopt rules as necessary.

Ten-Year Statewide Plan. The Council must identify measurable and feasible goals and priorities for Washington's system of higher education in a ten-year period of time and a plan to achieve them. The Council must identify strategies for expanding access, affordability, quality, efficiency, and accountability among institutions. By October 1, 2014, and every two years thereafter, the Council must submit an update of the ten-year statewide plan to the Committee.

The plan must reflect the expectations and policy directions of the Legislature and provide a timely and relevant framework for the development of future budgets and policy proposals. The plan must include strategic planning, financing planning and strategic investment, system design and coordination, student transition improvement, and data analysis.

Budgeting. The Legislature intends for the Council to make budget recommendations for allocations for major policy changes, but not for the Council to review and make recommendations on individual institutional budgets. The Council should prioritize funding needs for the overall system of higher education in accordance with priorities set forth in the ten-year statewide plan. The Council's recommendations should take into consideration the total per-student funding at similar public institutions of higher education in the global challenge states.

Several additional duties, including developing a needs assessment process, adopting statewide transfer and articulation policies, and administering any federal act, are moved from chapter 28B.76 RCW (HECB) and recodified in chapter 28B.77 RCW.

Office of Student Financial Assistance. The Office is created within the Council. The Office must employ a deputy director who will serve at the pleasure of the executive director of the Council.

The Joint Higher Education Committee (Committee). A Committee is created. The purpose of the Committee is to review the work of the Council and provide legislative feedback by December 1, 2012; engage with the Council and higher education community to create greater communication, coordination, and alignment between the system and expectations of the Legislature; and provide recommendations for higher education policy, including proposed legislation.

The Committee must consist of eight members: four members must be from the House of Representatives—two from each caucus—and four must be from the Senate—two from each caucus. At least one member from each caucus must be from the Ways & Means Committee, and at least one member from the Higher Education policy committee.

Committee members must recommend to their respective caucuses nominees for possible appointment and reappointment to the Council.

Education Research and Data Center (ERDC). In consultation with the four-year institutions, ERDC must annually develop information on the approximate amount of state support that students receive. In consultation with ERDC, institutions, and state education agencies, the Council must identify data needed to carry out its responsibilities, which includes comparing Washington to the rest of the nation. Assistance to state policymakers and institutions in making policy decisions includes, but is not limited to, regular completion of educational costs study reports and information on state support; annual reporting of a national comparison of tuition and fees; and per-student funding at similar institutions in the global challenge states.

ERDC must develop standardized methods and protocols for measuring the undergraduate and graduate educational costs for higher education institutions. ERDC must provide annual cost study reports beginning December 1, 2012. ERDC must determine and report on educational costs to the governing boards of the higher education institutions.

References to the Council for Higher Education, Office of Student Financial Assistance, and Others. Statutory references to HECB are amended to reflect the Council's duties or deleted throughout the Code. Statutes amended include those that reference the Council's duty to recognize by rule accrediting associations that institutions may be accredited by. The HECB's duty to authorize degree-granting institutions is removed. Technical corrections are made to change Board to Office.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: The bill takes effect on June 1, 2012, with the exception of Sec 15, which takes effect immediately.

Staff Summary of Public Testimony on Original Bill (Higher Education & Workforce Development): PRO: We need more students with high school diplomas, certificates, associate degrees, baccalaureate degrees, and graduate degrees to move Washington into the future. We want to build an approach to accomplish the goal of increasing student achievement, which can be done by linking the new office with the executive branch. The review by JLARC makes sure goals are being met and the Office is accountable. The Office needs to be tied to the legislative process as closely as possible, and it is connected with a newly created Joint Select Steering Committee. Part of increasing student achievement is the reach down into secondary, for very specific purposes, to make sure that students can aspire to extend their education training beyond high school. College access and success programs are crucial to make sure transitions are smooth. The Office is not in the business of running schools at the secondary or postsecondary level. Career colleges should be eligible to hold a seat so the sector is broadly spoken to. We need balance between complete autonomy and overly prescriptive. Access and affordability issues come from a board that has a public agenda at its forefront. There is no one perfect solution. The setting of goals has the potential for real value added. This is a rare opportunity for state to look at the system as a whole and focus on a coordinated system.

CON: We don't like that there is not a student representative; the designated ad hoc committees are not comprehensive enough. It is important that there be a student voice at table to drive discussion and debate. We don't like that the Governor appoints a director. There needs to be a more clear process to select who is on the council.

OTHER: There are extraordinary institutions in Washington. The public baccalaureates are the most efficient in nation, and the CTC system is one of best in nation. How do we add value to leverage success and efficiency of the institutions? We are supportive of the planning, coordination, and focus on the intersections, but still need to focus on the functions. We also need to look at budgetary constraints on the entity. Performance planning for individual institutions should take place with OFM and conversations about financing. Degree-program approval is not necessary, and is different from system-design. We want an entity that is really effective. We want to provide support and a foundation for students to transition from one institution to another. We should set state goals and keep them at a high level. Particular strategies would be at the institutional level. The CTC system has worked well to create reforms and initiatives, and we wouldn't want any new entity to have negative impact on the system.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Kilmer, prime sponsor; Leslie Goldstein, Executive Policy Office, Governor Gregoire; Steve Lindstrom, NW Career Colleges Federation; Don Bennett, HECB; Marcia Fromhold, on behalf of State Superintendent Randy Dorn; Margaret Shepherd, University of WA (UW).

CON: Andrew J. Lewis, Associated Students, UW, WA Student Assn.

OTHER: Michael Reilly, Council of Presidents; Ann Anderson, Central WA University; Jake Atwell-Scrivner, Mike Bogatay, WA Student Assn.; David Mitchell, Olympic College, SBCTC; Chris Thompson, Independent Colleges of WA; Shelby Pelon, Associated Students of Eastern WA University.

Staff Summary of Public Testimony on Substitute as Passed by Higher Education & Workforce Development (Ways & Means): PRO: This bill is designed to provide streamlined and focused services on increasing student achievement. The substitute bill is an improved bill, but the Legislature may need to add funds based on the fiscal note associated with the underlying bill, although there have been additional reductions in responsibilities that should reduce some of those costs. There has been a lot of bipartisan work on the substitute bill, although there are a few remaining concerns. This entity has a very small budget right now, and we want to ensure that we are maximizing the efficiency and effectiveness of this Council, given the limited budget.

Persons Testifying (Ways & Means): PRO: Leslie Goldstein, Governor's Executive Policy Office; Chris Thompson, Independent Colleges of WA; Paul Francis, Council of Presidents.