

# SENATE BILL REPORT

## SB 6269

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As of February 1, 2012

**Title:** An act relating to higher education coordination.

**Brief Description:** Regarding higher education coordination.

**Sponsors:** Senators Becker, Tom, Swecker, Shin, Schoesler, Sheldon, Delvin, Holmquist Newbry, Keiser, Hargrove, Padden, Regala, Stevens, Parlette, Hewitt, Hill and Conway.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 1/18/12, 1/24/12.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Kimberly Cushing (786-7421)

**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 the following: (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

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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.

In 2011, the Legislature abolished HECB and created a Council for Higher Education subject to the recommendation of the Higher Education 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 Education Data Center, referred to as the Education Research and Data Center (ERDC), is established in the Office of Financial Management. ERDC, with the Legislative Evaluation and Accountability Program Committee, conduct analyses of education issues across the P-20 system. Additionally, ERDC must coordinate with state education agencies to compile and analyze education data, identify data needed to ensure that legislative interests are served, and assist other agencies' efforts to develop a long-range enrollment plan for higher education, including estimates to meet demographic and workforce needs.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Council for Higher Education (Council). *Mission and Duties.* The mission of the Council is to be a resource for policymakers on issues concerning higher education, to develop statewide higher education polices based on relevant and objective data, and to facilitate the coordination of the state's institutions of higher education. The duties of the Council are to:

- 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 polices, program approval, and approving private-degree-granting postsecondary institutions;

- monitor higher education activities for compliance with all relevant state policies for higher education and provide timely and relevant data and policy analysis using the ten-year plan for context;
- aggregate and disseminate information and resources to students regarding college preparedness and attendance and financial aid, and serve as an advocate on behalf of students and the overall higher education system;
- represent public interests above those of the institutions;
- promote interinstitutional cooperation and coordinate educational activities among all segments of higher education;
- establish minimum admission standards for four-year institutions of higher education;
- 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, the Office, SBCTC, and the Superintendent of Public Instruction (SPI) to create a seamless system of public education;
- oversee the Office as provided in the bill.

The Council must evaluate whether to expand its duties to coordinate transitions from secondary to postsecondary education. The Council shall also evaluate whether membership changes are needed, and provide recommendations to the Joint Higher Education Committee (Committee) by December 1, 2012.

*Membership.* The Council consists of 14 members:

- one representative of a state university, appointed by the council of presidents in collaboration with the state universities;
- one representative of a regional university, appointed by the council of presidents in collaboration with the regional universities;
- one representative of an independent, nonprofit institution, appointed by an association of independent nonprofit colleges and universities;
- two representatives of the community and technical colleges, appointed by SBCTC;
- one student representative, appointed by the Governor;
- eight people reflecting diverse, statewide representation based on their knowledge of or experience in higher education, nominated by the legislature and appointed by the Governor.

Each of the two largest caucuses in the House and Senate must appoint two of the eight citizen seats. By June 1, 2012, each caucus must submit a list to the Governor. By July 1, 2012, the Governor must appoint members to the Council, and at least one of the eight must be an individual representing a business in the science, technology, engineering, and math (STEM) field.

Except for the student member, Council members serve four-year terms. No member may serve more than two full terms or a maximum of ten years. Six of the terms are staggered for the initial two years. The student member serves one year. Vacancies due to a term expiration or a member leaving are filled in the same manner as original appointment. The chair and vice chair are selected from among the eight caucus nominees.

The Council must meet at least four times a year. Members are expected to consistently attend meetings, and those who miss more than two meetings in a calendar year without cause may be removed by the Chair.

The Council must employ a director and may delegate agency management to the director. 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, 2012, 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. The Council of Presidents must develop a prioritized list of capital projects for the Legislature to consider. The institutions and SBCTC no longer have to submit budget outlines to HECB.

The Council is to be known as the S. B. White Board.

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 (the Council for Higher Education).

Office of Student Financial Assistance. The Office must operate under the authority of the Council. The Council must review statutory requirements of the Office and the former HECB and recommend any legislative action to the Committee. The Office and Council may be collocated if they choose to do so. The Office must employ a director who will serve at the pleasure of the Council.

The Joint Higher Education 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 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 authorize degree-granting institutions and recognize by rule accrediting associations that institutions may be accredited by. Technical corrections are made to change board to office in reference to the Office.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2012.

**Committee/Commission/Task Force Created:** Yes.

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

**Staff Summary of Public Testimony:** PRO: The long-term goal is student achievement and graduation. The bill sets up a different structure and gives the legislative body the ability to nominate folks from the private sector to serve on the Council. Partisanship is taken out of it. The goal is to create a body that everyone talks and trusts. National consultants have said that putting K-12 and higher education together results in both systems failing. Thus, the Council evaluates if they could bring 10-12 into the Council later on. The bill includes all stakeholders in the process, and we appreciate that there is a student on the board. We like the appointment process because it is more inclusive to start with the Legislature and confirm by

the Governor. We like that the director is chosen by the Council. We also like the metrics, particularly reporting on cost studies. However, the needs of the entire constituency are not necessarily met with one student, and we want students to be involved in the selection of the student. Access and affordability issues come from a board that has public agenda at its forefront. There is no one perfect solution. There is a comprehensive vision of state-level activity throughout the bill and appropriately limited state-level role in institutions. Important duties are included in function of new entities. It is important to connect policy planning with financial aid operations.

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 we 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:*** PRO: Senator Becker, prime sponsor; Steve Lindstrom, NW Career Colleges Federation; Andrew J. Lewis, Associated Students, University of WA (UW), WA Student Assn.; Don Bennett, HECB; Jake Atwell-Scrivner, WA Student Assn.; Margaret Shepherd, UW; Chris Thompson, Independent Colleges of WA; Shelby Pelon, Associated Students of Eastern WA University.

OTHER: Michael Reilly, Council of Presidents; Ann Anderson, Central WA University; David Mitchell, Olympic College, SBCTC; Mike Bogatay, WA Student Assn.