

# HOUSE BILL REPORT

## SSB 6362

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**As Reported by House Committee On:**  
Higher Education  
Capital Budget

**Title:** An act relating to creating efficiencies for institutions of higher education.

**Brief Description:** Creating efficiencies for institutions of higher education.

**Sponsors:** Senate Committee on Higher Education (originally sponsored by Senators Bailey, Becker, Frockt, Kohl-Welles and Tom).

**Brief History:**

**Committee Activity:**

Higher Education: 2/25/14 [DP];

Capital Budget: 2/28/14 [DP].

**Brief Summary of Substitute Bill**

- Specifies that only the public baccalaureate institutions that raise tuition above the assumed levels in the omnibus appropriations act must provide financial aid mitigation information and modifies the due date for mitigation reporting.
- Adjusts certain reporting requirements for financial aid mitigation.
- Requires that the Joint Legislative Audit Review Committee's audit of the impact of tuition-setting authority consider student completion rather than institutional quality.
- Permits institutions of higher education to change payroll frequency from semimonthly to biweekly and prorate paychecks for faculty who are on nine-month appointments.
- Increases the predesign project limit for capital projects from \$5 million to \$10 million.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

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*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.*

**Majority Report:** Do pass. Signed by 19 members: Representatives Seaquist, Chair; Pollet, Vice Chair; Haler, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Gregerson, Hansen, Hargrove, Johnson, Magendanz, Muri, Reykdal, Sawyer, Scott, Sells, Smith, Tarleton, Walkinshaw, Walsh and Wylie.

**Staff:** Madeleine Thompson (786-7304).

**Background:**

Financial Aid to Mitigate Tuition Increases.

Legislation enacted in 2011 that temporarily removed the cap the Legislature placed on tuition increases for public baccalaureate institutions also required institutions to report on methods used to mitigate the impact of tuition increases. In addition, institutions are required to report the additional financial aid received by students in the aggregate and per-student, and for middle- and low-income students.

Report on the Impact of Tuition Increases.

The Joint Legislative Audit and Review Committee (JLARC) is directed to conduct an audit of the impact of tuition-setting authority on student access, affordability, and institutional quality. The JLARC submitted a project update to the Legislature on January 7, 2014. The final report must include recommendations on whether to continue providing authority to the public baccalaureate institutions to set their own tuition rates beyond the 2018-19 academic year.

Performance Accountability Information.

Legislation enacted in 2011 that provided the public baccalaureate institutions with temporary authority to set tuition also required certain kinds of accountability information. The institutions are required to report by December 1 annually on performance data and this information must be displayed on the Office of Financial Management's (OFM) website. The website, known as the Data Dashboard, is maintained by the Education Research and Data Center.

Each public baccalaureate institution must also develop a Performance Plan that is negotiated with the OFM and must include a minimum set of expected outcomes as follows:

- time and credits to degree;
- retention and success of students from low-income, diverse, or underrepresented communities;
- baccalaureate degree production for resident students; and
- degree production in high-employer demand programs of study and critical state need areas.

Pay Periods for State Employees.

Pay periods for state employees are divided into two pay periods per month. All state officers and employees must be paid for services rendered from the first day of the month through the 15th day of the month and for services rendered from the 16th day of the month through the last calendar day of the month. Pay dates for these two pay periods are established by the Director of the OFM.

### Predesigns for Capital Projects.

A predesign is a decision-making tool that is required for all capital projects that exceed \$5 million. The purpose of the predesign is to identify the facility need or problem to be addressed and provide an analysis of the options to meet the need or solve the problem. The predesign includes information about the space needs of the proposed program, alternatives to the preferred project, and estimated budget information. The predesign is often prepared by architectural consultants and usually includes a detailed space plan.

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### **Summary of Bill:**

Specificity is added that only public baccalaureate institutions that raise tuition above the assumed levels in the omnibus appropriations act must report to the Governor and the Legislature on the effectiveness of the various sources and methods of financial aid in mitigating tuition increases. The due date for public baccalaureate institutions to report financial aid mitigation for tuition increases is modified from August 15 to December 31.

Financial aid mitigation reporting requirements are adjusted as follows: institutions are required to report the total amount of financial aid provided to resident middle- and low-income students, rather than the amount of additional financial aid for all middle- and low-income students; and sources and methods of financial aid must be reported for resident, undergraduate students, rather than all students.

The JLARC report on the impact of removing tuition-setting authority must measure completion rather than institutional quality.

Public institutions of higher education are permitted to change payroll frequency from semimonthly to biweekly and prorate paychecks for faculty who are on nine-month appointments.

The predesign project limit for capital projects at institutions of higher education is increased from \$5 million to \$10 million.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 24, 2014.

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

### **Staff Summary of Public Testimony:**

(In support) The intent of this proposal is to help universities save money and operate more efficiently. This bill could save the institution \$700,000 annually due to the payroll period changes. There are benefits to be realized through the capital provisions in the bill.

(Opposed) None.

**Persons Testifying:** Steve DuPont, Central Washington University; and Margaret Shepherd, University of Washington.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 13 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Appleton, Christian, Riccelli, Robinson, Scott, Senn, Smith, Stonier and Warnick.

**Staff:** Steve Masse (786-7115).

### **Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Higher Education:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

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

### **Staff Summary of Public Testimony:**

(In support) This will provide needed efficiencies for the higher education institution's major capital projects.

(Opposed) None.

**Persons Testifying:** Steve DuPont, Central Washington University.

**Persons Signed In To Testify But Not Testifying:** None.