

SENATE BILL REPORT

HB 1736

As Reported by Senate Committee On:
Higher Education, March 26, 2013

Title: An act relating to higher education operating efficiencies.

Brief Description: Concerning higher education operating efficiencies.

Sponsors: Representatives Zeiger, Seaquist, Haler, Pollet, Ryu, Sawyer, Bergquist, Magendanz and Farrell.

Brief History: Passed House: 3/04/13, 98-0.

Committee Activity: Higher Education: 3/19/13, 3/26/13 [DPA].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Baumgartner, Frockt, McAuliffe and Tom.

Staff: Kimberly Cushing (786-7421)

Background: Reporting Requirements. Under current state law, the institutions of higher education submit multiple reports on their buildings and vehicles to the departments of Ecology, Enterprise Services, and Transportation. For example, as state agencies, they must periodically report to the Department of Ecology on progress in achieving the emissions reduction requirements. The institutions must submit a strategy to meet the emissions reduction requirements that addresses employee travel activities and teleconferencing alternatives, and includes existing and proposed actions, a timeline for reductions, and recommendations for incentives to reduce emissions.

Electronic Signatures. The Washington Electronic Authentication Act was adopted in 1999 to facilitate electronic commerce, ensure that digital signatures are not denied legal recognition solely because they are in electronic form, and provide licensing mechanisms, procedures, and security measures for the use of digital signatures using public key encryption. State agencies are permitted to use electronic signatures for certain operations. For example, the state Health Care Authority may accept electronic signatures on required applications, enrollment forms, and eligibility certification documents for benefits administered by the authority.

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.

Reciprocity Agreements. In fall 2010, the U.S. Department of Education (ED) issued a regulation requiring any institution offering education programs beyond its state borders to document that it has proper approval from each state in which it enrolls students. That regulation was overturned in court in 2011 on a technicality. However, many states have moved forward on this issue, expecting that ED will revisit it in the future. Thus, institutions that want to provide educational opportunities to students in multiple states may have to negotiate a variety of individual state regulations and complex fee structures. Additionally, states face the potential of thousands of colleges and universities requesting approval from their state authorization agency – in Washington, this agency is the Student Achievement Council (Council).

As a result, the Western Interstate Commission for Higher Education (WICHE) and other regional higher education compacts are working to craft interstate solutions. WICHE drafted a model reciprocity agreement that would provide a way for accredited, degree-granting institutions to be authorized in their home state, eliminating the need for them to obtain individual approvals in each state where they serve students.

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

Summary of Bill (Recommended Amendments): Reporting Requirements. The Office of Financial Management (OFM) must work with the departments of Enterprise Services, Transportation, and Commerce, the institutions of higher education, and others as necessary to comprehensively review reporting requirements related to state energy code building standards, high-performance public buildings, motor vehicle transportation services, air contaminants, and greenhouse gas emissions. By September 1, 2014, OFM must report recommendations for coordinating and streamlining the reporting and promotion of the most efficient use of state resources at institutions of higher education to the Governor and the Legislature's higher education committees.

Electronic Signatures. Institutions of higher education and state higher education agencies may use or accept secure electronic signatures for any human resource, benefits, or payroll process that requires a signature. The electronic signature is valid and enforceable.

An electronic signature is defined as an electronic sound, symbol, or process attached to, or logically associated with, a contract or other record that is executed or adopted by a person with the intent to sign the signature.

A secure electronic signature is defined as an electronic signature that is unique to the person making the signature; uses a technology or a process that is under the sole control of the person signing and can identify the person signing; and can be linked with an electronic record in order to determine whether the record has been changed since the electronic signature was added.

Reciprocity Agreements. The Student Achievement Council (Council) may enter into interstate reciprocity agreements with other state or multistate entities if the agreements are consistent with Washington law concerning degree-granting institutions. The Council may also enter into agreements with degree-granting institutions of higher education based in

Washington, that are otherwise exempt from adhering to the Council's minimum standards, for the purpose of ensuring consistent consumer protection in interstate distance delivery of higher education.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (Recommended Amendments): Clarifies that an electronic signature must be executed or adopted by a person with the intent to sign the signature. Specifies that a secure electronic signature must: be unique to the person making the signature; use a technology or a process that is under the sole control of the person signing and which can identify the person signing; and be able to link with an electronic record in order to determine whether the record has been changed since it was signed.

Changes the date OFM must report recommendations for coordinating and streamlining reporting to the Governor and the Legislature from December 1, 2013, to September 1, 2014. Changes the section expiration date from July 1, 2014, to August 1, 2015.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Reporting requirements do not need to be duplicated. Sustainability is important to campuses and institutions that fully support using efficient energy, but they must submit multiple reports at different times of year. Coordinating reporting data would conserve staff time to better serve students. Electronic signatures should be allowed. The University of Washington (UW) is most excited about electronic signatures. As the third-largest employer in Washington State, with approximately 50,000 employees, this would impact forms for health care and retirement benefits. Electronic signatures are more secure and it is customer service-friendly to employees. UW is okay with the substitute language to make sure signatures are secure. Reciprocity agreements save money. Each college may have to enter into an agreement for online delivery of education, which is a huge burden for college and states because we have colleges with students in all 50 states. For example, military students or their family members continue their education where they are stationed. Having a single state entity to coordinate agreements would be effective.

OTHER: OFM would like an amendment for an additional year to coordinate reporting requirements, making the report due in 2014 instead of 2013. Reporting requirements exist for other government entities and OFM could review these for all public entities. This is a good project for lean principles, but it would take more time.

Persons Testifying: PRO: Representative Zeiger, prime sponsor; Barbara McCullough, Grays Harbor College; Connie Broughton, State Board for Community and Technical Colleges; and Margaret Shepherd, UW, Council of Presidents.

OTHER: Julie Murray, OFM.