
Higher Education Committee

HB 1893

Brief Description: Increasing transparency in community and technical colleges by requiring certain budget detail to be available online.

Sponsors: Representatives Sells, Haler, Moscoso, Zeiger, Pollet, S. Hunt, Appleton, Riccelli, Tarleton, Ormsby and Bergquist.

Brief Summary of Bill

- Requires the State Board for Community and Technical Colleges (State Board) to develop an online format in which to post all non-state appropriated revenue for the community and technical colleges (CTCs) to its website.
- Requires each CTC to supply budget plans and expenditures to the State Board within 60 days of the adoption of their annual fiscal budget plan and at the end of their fiscal year budget.

Hearing Date: 2/10/15

Staff: Megan Mulvihill (786-7304).

Background:

There are 34 community and technical colleges (CTCs) in Washington which are governed by the State Board for Community and Technical Colleges (State Board). The State Board has the role of financial manager and general accountant for the CTC system. The State Board is in charge of reviewing the budgets that are prepared by the Boards of Trustees at each CTC and then establishes a general budget for the state system of CTCs and adult education. The State Board submits this budget request to the Governor and the legislature. The State Board also has the responsibility of allocating funds received from the legislature to the CTCs.

The CTCs have two sources of funding: appropriated and non-appropriated. Appropriated funds are those designated by the legislature for the use by the CTCs for specific purposes, amounts,

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and time frames. Non-appropriated funds are made up from a variety of revenue sources and can be expended by the CTC without legislative appropriation.

The State Board currently posts their annual Academic Year Reports online, which include a section on funding and expenditures for the past academic year. The Washington Education Research and Data Center (ERDC) posts higher education finance information online known as the Higher Education Finance Report. The Higher Education Finance Report breaks down financial data by a specific community or technical college for revenues, expenditures, student subsidy, and performance categories.

In Fiscal Year 2013-14, the expenditures by source of funds for the CTC system was broke down by the following percentages:

- 46 percent state appropriated funds;
- 27 percent student operating fees (tuition);
- 16 percent from grants and contracts; and
- 11 percent from dedicated local funds.

The local dedicated fund includes: revenue from investments; student fees for self-supported courses; miscellaneous fees such as lab, technology, and other fees established for specific purposes; and instructional enterprises such as food service, bookstore, parking, and auto repair courses. These auxiliary enterprises each have their own enterprise fund and accounts.

Summary of Bill:

The State Board is responsible for posting all non-state appropriated funds, known as local funds, to its website. Local funds include revenue from tuition, parking, rentals, parking lot fees, bookstore sales, international student fees and tuition, and any other revenue generating fees that are non-state appropriated.

Each CTC is responsible for supplying budget plans and expenditures to the State Board within 60 days of the adoption of their annual fiscal budget plan and at the completion of their fiscal year budget. The CTC must make sure the use of non-state appropriated revenues is clearly explicated in the budget plans and expenditures. The State Board must make sure they obtain the budget and spending data from each CTC, and they must develop the format used to display the budget information online.

Appropriation: None.

Fiscal Note: Requested on 02/03/15.

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