

SENATE BILL REPORT

SB 5960

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 21, 2019

Title: An act relating to higher education data and transparency.

Brief Description: Concerning higher education data and transparency.

Sponsors: Senator Palumbo.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/19/19, 2/21/19 [DPS-WM].

Brief Summary of First Substitute Bill

- Requires all postsecondary institutions that receive state financial aid to submit student level data to the Education Data Center.
- Directs the Workforce Training and Education Coordinating Board to maintain a publicly accessible dashboard with postsecondary cost and outcome data.
- Requires public higher education institutions to spend directly out of appropriated accounts, not comingle them with non-appropriated fund sources.
- Requires higher education institutions to report data by certain expenditure categories to the Office of Financial Management.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5960 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Palumbo, Chair; Randall, Vice Chair; Holy, Ranking Member; Brown, Ericksen, Liias and Wellman.

Staff: Alicia Kinne-Clawson (786-7407)

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.

Background: Postsecondary Data. In 2011 under E2SHB 1795, the Legislature created an accountability monitoring and reporting system for four-year higher education institutions to measure progress toward achieving long-term performance goals in higher education. The four-year institutions must report each December 1st on performance data that include the following: graduate and professional degrees; science, technology, engineering, and mathematics participation; student debt load; and disaggregation of measures based on various student demographics, including socio-economic status and income level, among others. This information must be displayed on the Education Data Center (EDC) website, in a uniform dashboard format.

In 2018 under HB 1439, the Legislature directed the William D. Ruckelshaus Center to complete its study of for-profit, postsecondary, degree-granting institutions and private vocational schools in Washington. One of the three work groups formed as a result of the project was related to addressing longstanding issues with data standardization across this sector. The work group findings and recommendations are based on the goal of providing a publicly-accessible and easy-to-navigate website where prospective students can compare costs and outcomes across Washington postsecondary education and training programs. Among the work group recommendations was collecting standard student-level data across all higher education institutions.

Higher education institutions eligible for financial aid include public two and four-year colleges and universities and many accredited private and independent colleges, universities, and career schools in the state.

Higher Education Accounting. The Joint Legislative Audit and Review Committee created a report in 2010 called *Transparency in Higher Education Data*. The report found the Legislature and others cannot easily examine expenditure and revenue information for the state's four-year and two-year higher education institutions.

Currently, institutions are required to disclose on their tuition billing statement or websites the total revenue and uses of tuition revenue for the prior year. The governing board of each institution must make public its proposals for tuition and fee increases. The services and activities fees committee at each institution must post the services and activities fees expenditures for the prior year on the institution website, including the amounts expended in all major expenditure categories.

Summary of Bill (First Substitute): Part I: Data collection. All postsecondary institutions receiving state financial aid must submit student level data to EDC to:

- evaluate how postsecondary institutions are preparing students for the workforce;
- compare and contrast postsecondary institutions' programs;
- assist state policymakers and postsecondary institutions' in evaluating programs and gaps in the workforce;
- inform legislatively mandated research on the effectiveness of state postsecondary and workforce programs; and
- assist state policymakers and postsecondary institutions in making policy decisions relating to student success in state student financial aid programs.

Theology programs are exempt from data reporting requirements.

Data shall be made available to researchers by January 1, 2020.

Part II: Postsecondary Education and Workforce Dashboard. The EDC is required to supply data collected under part I to support the dashboard. The workforce board is required to use the data as part of the career bridge dashboard and to display the data in an easy-to-navigate way which includes:

- programmatic level data by institution including cost and student outcomes;
- labor market data; and
- links between labor market and occupational data and postsecondary program information.

The Department of Revenue (DOR) is required to work with the workforce board to use available data to address the gap in data for self-employed individuals.

Part III: Higher Education Accounting Transparency. The public higher education institutions are required to spend directly out of appropriated accounts, not commingle them with non-appropriated fund sources to provide more information by fund source. The state auditor is required to audit implementation of the new accounting detail.

Beginning in FY 2020—unless a waiver is granted for an additional year to come into compliance—the higher education institutions must report to state accounting in the Office of Financial Management the following data:

- spending and staffing by instructional staff type;
- spending by campus department;
- spending by instructional program;
- tuition revenue by campus, student, and tuition type;
- revenue for auxiliary activities such as housing and athletics;
- spending on Internet technology (IT); and
- revenue and spending by student fee types.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute):

- Adds a new section requiring DOR to share tax data with the workforce board.
- Directs the workforce board to post summary statistics of student level data and not student level data specifically.

Appropriation: None.

Fiscal Note: Requested on February 18, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Throughout the course of this

session we have asked questions and sometimes the data is there and sometimes it is not. This bill will be helpful for piecing together all of the data we collect as well as on the fiscal side so you know what is actually being spent.

OTHER: We will be asking for amendatory language to address some gaps in currently available data as part of this legislation. We evaluate thousands of programs for earnings and employment rates of recent graduates through age record matches. One limitation of this data is that we are unable to match self-employed people which is as much as 10 percent of the workforce. We are committed to accountability and transparency and want to work with you on this. Our institutional researchers are reviewing this legislation at the campus level and will want to have a conversation further about this. We also think this should be considered in conjunction with the federal higher education act conversations that are happening. We are unable to give detailed feedback at this time but will be following up in the coming days. I think it is important that you consider the wealth of data that already exists and not duplicate existing data collection efforts. I would also ask that you consider the complexity of data we have and that our colleges are six separate entities. We also hope you consider consumer privacy rights and data tracking and would want you to ensure appropriate privacy protections for student data.

Persons Testifying: PRO: Senator Guy Palumbo, Prime Sponsor.

OTHER: Terri Standish-Kuon, Independent Colleges of Washington; Cody Eccles, Council of Presidents; Nova Gattman, Workforce Board.

Persons Signed In To Testify But Not Testifying: No one.