

# HOUSE BILL REPORT

## ESSB 5512

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**As Passed House:**

April 5, 2023

**Title:** An act relating to adding financial transparency reporting requirements to the public four-year dashboard.

**Brief Description:** Adding financial transparency reporting requirements to the public four-year dashboard.

**Sponsors:** Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Holy, Liias, Rivers, Salomon, Wilson, J., Schoesler, Torres, Wilson, L., MacEwen, Dozier, Wagoner, Warnick, Gildon, McCune, Short, King, Braun, Muzzall, Nguyen, Billig and Boehnke).

**Brief History:**

**Committee Activity:**

Postsecondary Education & Workforce: 3/10/23, 3/24/23 [DP].

**Floor Activity:**

Passed House: 4/5/23, 98-0.

**Brief Summary of Engrossed Substitute Bill**

- Adds additional measures of data to the statewide public four-year dashboard.

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### HOUSE COMMITTEE ON POSTSECONDARY EDUCATION & WORKFORCE

**Majority Report:** Do pass. Signed by 15 members: Representatives Slatter, Chair; Entenman, Vice Chair; Reed, Vice Chair; Ybarra, Ranking Minority Member; Waters, Assistant Ranking Minority Member; Chandler, Hansen, Jacobsen, Klicker, Leavitt, McEntire, Paul, Pollet, Schmidt and Timmons.

**Staff:** Elizabeth Allison (786-7129).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

The Education Research and Data Center (ERDC) provides information and research about transitions between the education and workforce sectors to assist students, parents, educators, and policy makers in making decisions. Information is presented in various data dashboards.

The public four-year institutions of higher education (institutions) are required to submit certain data to the ERDC annually by December 1. Institutions must display such data in a uniform dashboard format on the Office of Financial Management's (OFM) website. The data must be disaggregated by race and ethnicity, gender, state and country of origin, age, and socioeconomic status.

Examples of data that must be reported include:

- the number of bachelor's, graduate, and professional degrees awarded;
- graduation and transfer rates;
- time and credits to degree;
- student enrollment in remedial education and success beyond remedial education;
- credit accumulation per student;
- retention rates;
- course completion rates;
- annual enrollment and annual first-time enrollment rates;
- program participation and degree completion rates;
- degree completion;
- market penetration;
- student debt load; and
- yearly percentage increases in the average cost of undergraduate instruction.

The Integrated Postsecondary Education Data System (IPEDS) is a postsecondary education data collection program for the National Center for Education Statistics (NCES). The NCES is within the Institute of Education Sciences, which is the statistics, research, and evaluation entity within the United States Department of Education. Institutions that receive federal aid are required to report to the IPEDS on certain metrics.

**Summary of Bill:**

Institutions are required to collect and report the following measures and data for the dashboard:

- the ratio of fall head count students to fall head count faculty appointments;
- the annualized ratio of full-time equivalent (FTE) students to annualized FTE nonfaculty positions;
- the net position for the academy as defined by the NCES;
- the annual primary reserve ratio as measured by expendable net assets to total expenses;

- the cash on hand as calculated by the ratio of total cash on hand for the academy divided by operating expenses for the academy minus noncash expenses divided by 365;
- the viability ratio as measured by unrestricted and expendable net assets, not including capital projects expendable net assets, divided by total debt;
- the ratio of total expendable net assets for the academy per FTE student;
- the total market value of college or university endowment holdings; and
- the total annual market value of college or university endowment earnings, less any fees, and the percentage of the remaining earnings of total earnings annually.

Data must be reported to the OFM by January 15.

**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) Questions on the cost per institution per student are what prompted the bill. The ERDC publishes data from institutions on a yearly basis. This bill involves data that a number of states collect and is considered the best practice nationwide to inform students. Cost differences between community and technical colleges and four-year institutions range from a few thousand dollars to several thousand dollars, and people are wondering why. Folks need to know what programs are available and the program completion times. The process is evolving to where a minority of students complete a degree within four years after high school. Nontraditional students are becoming the norm, and folks want to find out the market viability of degrees and programs. The additional dashboard data in the bill will help these folks look at schools and find their needs, and also find out the viability of programs and degrees and the track available to complete their programs.

(Opposed) None.

**Persons Testifying:** Senator Jeff Holy, prime sponsor.

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