SECOND SUBSTITUTE HOUSE BILL 1882

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Wallace, Moeller, Haigh, McDermott, Kagi, Roberts, O'Brien, Kenney, Hurst and Ormsby)

READ FIRST TIME 03/28/07.

AN ACT Relating to higher education costs; adding new sections to chapter 28B.15 RCW; adding a new section to chapter 28B.76 RCW; creating new sections; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that access to 6 higher education is of critical importance to the current and future 7 prosperity of the citizens of the state of Washington. However, the 8 legislature further finds that the following three factors are creating 9 barriers to access for students:

10 (a) Tuition increases have varied dramatically over the last 11 decade, making the cost of postsecondary attendance unpredictable for 12 students and families.

(b) There are at least thirty separate state and federal programs providing direct financial aid or tax benefits to individuals seeking postsecondary education, in addition to institutional aid, private scholarships, and other programs. The system is complicated and difficult to understand, with the unfortunate effect of discouraging some low-income students from even applying to college. Additionally, some students are not able to access enough financial assistance to
 make postsecondary education affordable.

3 (c) Students frequently must repeat college-level coursework when
4 transferring from one institution of higher education to another,
5 increasing their financial and time costs.

6 (2) Through implementing of a complementary and coordinated set of 7 policies around tuition, financial aid, and student transitions, the 8 legislature intends to make access to higher education a top priority.

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FINANCIAL AID

PART 1 STATEWIDE TUITION POLICY

12 <u>NEW SECTION.</u> Sec. 101. A new section is added to chapter 28B.15
13 RCW to read as follows:

14 TUITION--FUNDING LEVELS--LIMITATIONS. (1) Beginning with the 2007-08 academic year and ending with the 2016-17 academic year, 15 tuition fees charged to full-time resident undergraduate students may 16 increase no greater than seven percent over the previous academic year 17 in any institution of higher education. Annual reductions or increases 18 19 in full-time tuition fees for resident undergraduate students shall be as provided in the omnibus appropriations act, within the seven percent 20 21 increase limit established in this section. To the extent that state appropriations combined with tuition and fee revenues are insufficient 22 to achieve the total per-student funding goals established 23 in 24 subsection (3) of this section, the legislature may revisit state appropriations, authorized enrollment levels, and changes in tuition 25 fees for any given fiscal year. 26

27 (2) If in any year, the level of instructional state support per 28 full-time equivalent student at a public four-year institution does not 29 equal or exceed the amount of the previous year's instructional state support adjusted for inflation using the implicit price deflator, the 30 tuition cap may be increased. In this circumstance, the governing 31 board of each impacted institution may elect to increase tuition and 32 fee revenues above the seven percent cap to a level sufficient to cover 33 34 the amount not received through the state appropriation. Upon meeting 1 the goal established in subsection (3) of this section, this authority 2 is suspended.

(3) The state shall adopt as its goal total per-student funding 3 levels, from state appropriations plus tuition and fees, of at least 4 the sixtieth percentile of total per-student funding at similar public 5 institutions of higher education in the global challenge states. 6 The 7 office of financial management shall develop a funding trajectory for each four-year institution of higher education and for the community 8 and technical college system as a whole that when combined with tuition 9 10 and fees revenue allows the state to achieve its funding goal for each four-year institution and the community and technical college system as 11 12 a whole no later than fiscal year 2017. The state shall not reduce 13 enrollment levels below fiscal year 2007 budgeted levels in order to 14 improve or alter the per-student funding amount at any four-year institution of higher education or the community and technical college 15 The state recognizes that each four-year 16 system as a whole. institution of higher education and the community and technical college 17 system as a whole have different funding requirements to achieve 18 desired performance levels, and that increases to the total per-student 19 funding amount may need to exceed the minimum funding goal. 20

21 (4) By September 1st of each year beginning in 2008, the office of 22 financial management shall report to the governor, the higher education coordinating board, and appropriate committees of the legislature with 23 updated estimates of the total per-student 24 funding level that 25 represents the sixtieth percentile of funding for comparable 26 institutions of higher education in the global challenge states, and 27 the progress toward that goal that was made for each of the public institutions of higher education. 28

(5) As used in this section, "global challenge states" are the top 29 performing states on the new economy index published by the progressive 30 policy institute as of the effective date of this section. The new 31 economy index ranks states on indicators of their potential to compete 32 in the new economy. At least once every five years, the office of 33 financial management shall determine if changes to the list of global 34 35 challenge states are appropriate. The office of financial management 36 shall report its findings to the governor and the legislature.

<u>NEW SECTION.</u> Sec. 102. A new section is added to chapter 28B.15
 RCW to read as follows:

BILLING DISCLOSURES TO STUDENTS. In addition to the requirement in 3 RCW 28B.76.300(4), institutions of higher education shall disclose to 4 5 their undergraduate resident students on the tuition billing statement, in dollar figures for a full-time equivalent student: (1) The full 6 7 cost of instruction, (2) the amount collected from student tuition and fees, and (3) the difference between the amounts for the full cost of 8 9 instruction and the student tuition and fees, noting that the difference between the cost and tuition was paid by state tax funds and 10 11 other moneys.

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PART 2

FINANCIAL AID ACCESS AND TRANSPARENCY

14 <u>NEW SECTION.</u> **Sec. 201.** (1) The higher education coordinating 15 board shall conduct a review of:

16 (a) The current types and amounts of need-based financial aid 17 available to students in Washington from state, federal, and 18 institutional sources, with information on the eligible population for 19 each source; and

20 (b) The level of understanding of available financial aid and 21 requirements for accessing the aid, among high school students, high 22 school parents, and college students.

(2) Based on the results of the review, the higher educationcoordinating board shall develop and propose a plan to:

25 (a) Simplify the delivery of financial aid;

26 (b) Provide easy access to high quality financial aid information; 27 and

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(c) Address gaps in the financial aid system.

(3) The board shall submit its plan to the fiscal and higher education committees of the legislature by December 20, 2007, and shall coordinate its research and development with the state board for community and technical colleges and the superintendent of public instruction.

(4) The board may, in carrying out this study, accept, use, and
 dispose of contributions of money, services, and property. All moneys
 received by the board for the study must be deposited in a depository

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approved by the state treasurer. Disbursements of such funds shall be on authorization of the institute or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control, such funds are subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of such funds. (5) This section expires December 31, 2007.

PART 3 STUDENT TRANSITIONS

9 <u>NEW SECTION.</u> **Sec. 301.** A new section is added to chapter 28B.76 10 RCW to read as follows:

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11 (1) The legislature desires to make transitions among high school, two-year, and four-year institutions of higher education through a 12 standard practice, whether through course design, common course 13 numbering, or transfer agreements. The legislature recognizes that 14 15 significant progress has been accomplished in this area through a joint 16 access oversight group. However, challenges that still exist lead to unnecessary time and money costs for students. The higher education 17 coordinating board, in collaboration with the state board for community 18 and technical colleges and the council of presidents, shall convene a 19 work group that includes representatives of the public baccalaureate 20 21 institutions and the community and technical colleges. The work group 22 may include representatives from independent four-year institutions as 23 appropriate. The work group shall be responsible for identifying and 24 examining:

25 (a) The criteria and circumstances under which courses that 26 transfer within an associate degree program do and do not transfer 27 separately from a degree;

(b) A comprehensive list of additional major-related program agreements that are needed to best prepare transfer students for specific baccalaureate majors;

31 (c) The current availability of baccalaureate degree programs into 32 which associate of applied science technical degrees transfer, and a 33 list of those to be considered in the future; and

34 (d) The transferability of advanced placement courses, and other35 college-level and dual credit coursework taken during high school.

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(2) Based upon the information identified by the work group in 1 2 subsection (1) of this section, the work group shall provide the higher education coordinating board with a recommended work plan and timetable 3 to improve transfer, that includes: (a) Options for course and degree 4 transfer, (b) an expansion of baccalaureate degree options for 5 graduates of associate of applied science technical degree programs, 6 7 and (c) recommended strategies to improve student understanding of courses that are appropriate for transfer into various types of 8 baccalaureate degrees. The higher education coordinating board, in 9 10 collaboration with the state board for community and technical colleges and the council of presidents, shall review and modify the work group's 11 12 recommendations as necessary.

13 (3) The higher education coordinating board shall report to the 14 higher education committees of the house of representatives and the 15 senate on the work plan, its implementation, and any resulting policy 16 changes on an annual basis, beginning January 10, 2008.

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PART 4 MISCELLANEOUS PROVISIONS

19 <u>NEW SECTION.</u> Sec. 401. Part headings and captions used in this 20 act are not any part of the law.

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