

HOUSE BILL REPORT

HB 2634

As Reported by House Committee On:
Higher Education
Education Appropriations

Title: An act relating to promoting efficiencies including institutional coordination and partnerships in the community and technical college system.

Brief Description: Promoting efficiencies including institutional coordination and partnerships in the community and technical college system.

Sponsors: Representatives Carlyle, Kagi and Morrell.

Brief History:

Committee Activity:

Higher Education: 1/15/10, 1/27/10 [DPS];
Education Appropriations: 2/4/10 [DPS(HE)].

Brief Summary of Substitute Bill

- Requires that community college districts coordinate with districts in the region to avoid unnecessary duplication of student services and administrative functions.
- Requires the State Board for Community and Technical Colleges (SBCTC) to establish criteria and procedures for consolidating district structures to form multiple campus districts and, in collaboration with the boards of trustees, identify potential administrative efficiencies, complimentary administrative functions, and complimentary academic programs in adjacent college districts.
- Requires colleges to collaborate with faculty representatives, students, and community representatives when deliberating about system efficiencies and complimentary administrative functions.
- Requires the SBCTC to submit a preliminary report on the development of detailed implementation plans for removing or modifying district boundaries by December 1, 2010, with a final report due on December 1, 2011.
- Requires SBCTC to identify any districts that can be consolidated and, by December 1, 2012, to submit any required legislative changes to the Governor and appropriate committees of the Legislature.

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.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Wallace, Chair; Anderson, Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Angel, Carlyle, Driscoll, Haler and White.

Minority Report: Without recommendation. Signed by 1 member: Representative Hasegawa.

Staff: Andi Smith (786-7304).

Background:

Washington's Community and Technical College Act (Act) of 1991 provides for a state system of community and technical colleges separate from both the public secondary schools and four-year institutions. The Act requires that the colleges "offer an open door to every citizen, regardless of his or her academic background or experiences, at a cost normally within his or her economic means."

Each of the 34 college districts is required to "offer thoroughly comprehensive educational, training, and service programs to meet the needs of both the communities and students served by combining high standards of excellence in academic transfer courses; realistic and practical courses in occupational education, both graded and ungraded; community services of an educational, cultural, and recreational nature; and adult education." As of 2007-08, four colleges were authorized to award applied baccalaureate degrees providing career advancement for technical associate-degree graduates. Each district is governed by a board of five trustees appointed to five-year terms by the Governor with the consent of the Senate.

Community and technical colleges served nearly half a million people – 460,696 students, representing 169,189 full-time equivalents (FTEs) in the 2007-08 academic year. The reason most commonly identified for attending the community and technical colleges was related to the workforce education mission – to prepare for a new job or upgrade existing job skills. Some 45 percent of students enrolled for a workforce purpose. Another 39 percent of students enrolled to pursue an academic transfer degree, while another 12 percent of students enrolled to take basic-skills courses.

Summary of Substitute Bill:

Each of the 34 community college districts is required to coordinate with districts in their region in offering education and training. The districts are required to avoid unnecessary duplication of student services and administrative functions.

The State Board for Community and Technical Colleges (SBCTC) must work in collaboration with the boards of trustees for the community and technical colleges to identify potential administrative efficiencies, complimentary administrative functions, and

complimentary academic programs in college districts within a regional area. During this process the colleges must involve faculty representatives, students, and community representatives. The SBCTC and trustees must consider economic feasibility, cost savings, the extent to which changes will contribute to student access to academic programs, as well as the extent to which changes contribute to the vision, goals, priorities, and statewide strategies in the comprehensive master plan and the strategic master plan for higher education.

The SBCTC must have developed and adopted a detailed implementation plan of any changes that would result in cost savings while maintaining student access and achievement. The plan must establish a time frame within which any proposed changes must be accomplished as well as any agreements established to provide complimentary academic programs or coordinate administrative functions. The implementation plan takes effect once it is approved by the SBCTC. The SBCTC must submit a preliminary progress report on the implementation plan to the Legislature by December 1, 2010, and must submit a final report by December 1, 2011. Cost savings realized from the implementation are retained by the respective districts to be used for enhancing student access and success.

The SBCTC, working in consultation with the boards of trustees, must identify adjacent college districts that can feasibly be consolidated or whose boundaries can be modified. The SBCTC must consider the effect on student access and the extent of financial efficiencies in its deliberations. The SBCTC must have adopted proposed district consolidations or changes by December 1, 2012, and must submit any required legislative changes to the Governor and appropriate committees of the Legislature.

Substitute Bill Compared to Original Bill:

The substitute bill removes stipulation that current community college districts will remain in effect until June 30, 2013, after which the boundaries will be designated in rule by the SBCTC. As such, the boundaries will remain established in statute. The college districts are required to coordinate regionally, not just with adjacent districts.

The SBCTC is still charged with leading a dialogue about identifying potential administrative efficiencies, complimentary administrative functions, and complimentary academic programs. During that process the colleges must involve faculty representatives, student representatives, and community representatives. Further, the SBCTC and trustees are required to consider how changes would provide students greater flexibility to transfer credits and obtain degrees and certificates from other colleges within the region. The substitute bill removes the Higher Education Coordinating Board from the list of required entities with which to consult when making determinations about district consolidations and modifications. The SBCTC is required to consult with local boards of trustees when evaluating any proposed district consolidations and boundary changes. Timelines for the submission of implementation plans are adjusted so that the SBCTC must submit a preliminary progress report to the Legislature by December 1, 2010, and a final report by December 1, 2011.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The Community and Technical Colleges (CTCs) serve place-bound students and communities and students who are engaged in the three mission areas of the CTCs need to be served differently. The policy question is; "how do we empower the system to explore the use of technology so that we can operate more efficiently, reinvest those dollars on the academic side, and also improve results?" We have done this already with *Washington Online*. Several years ago, individual schools were providing their online education individually. The SBCTC got some resources to invest in *Washington Online* and improved the quality of the product - then colleges made a market choice to join in, because it made financial sense. That is the kind of incentive-based models that have a lot of promise. We have to have a courageously honest conversation about sharing services on the back end, for instance in financial aid and admissions. The critical philosophical issue is examining the role of boundaries. The federated colleges must have that conversation amongst themselves in a thoughtful, gracious way. This bill is not about closing schools or cutting spending. It is about improving quality on the front end to real students living real lives.

Colleges are already doing many things to collaborate and share services. The federation already has combined administrative systems for student information, financial management, and human resources. In terms of academics, *Washington Online* has been a huge collaborative success and we realize that technology will be an even bigger part of how we deliver education in the future. Advances in technology will allow us to centralize even more administrative functions and this has the greatest potential for increasing efficiency and reducing cost. Community colleges receive national acclaim for being innovative and effective; however, in these economic times, there are opportunities for further innovation. Colleges are already working together to identify efficiencies to increase service to students and the state.

(With concerns) The SBCTC is struggling with the timeframe in the bill and hopes to get to a due date for the final report to be put off for a year to facilitate the conversation. There is also a presumption of consolidation in the language. To facilitate a richer dialogue, the SBCTC wants to make sure that there are no foregone conclusions. The SBCTC also does not want the districts set in rule and would prefer to have those set in statute.

The union members of Pierce County Colleges as well as colleges on the north-end met and expressed some concerns. This is a scary bill to many people, even though it is targeted at administrative functions, it also talks about programs. That could mean job loss. You may be talking about getting rid of deans, but deans have assistants. It could also mean a loss of faculty positions. The timeline is very short with a heavy burden hanging over our heads. When there are forced mergers, there are often failures. Colleges have different cultures that might not meld. The process is also not very inclusive, though there is potential for that.

The bill might also mean merging collectively bargained contracts. The bill is not very flexible in its current form. We want to continue to find ways to collaborate and make this work; we just need an organic, bottom-up process.

(Opposed) None.

Persons Testifying: (In support) Representative Carlyle, prime sponsor; and Jim Hills, Shoreline Community College.

(With concerns) Charlie Earl, State Board for Community and Technical Colleges; and Sandra Schroeder, American Federation of Teachers - Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

Majority Report: The substitute bill by Committee on Higher Education be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Haigh, Chair; Probst, Vice Chair; Priest, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Anderson, Carlyle, Haler, Hunter, Kagi, Maxwell, Nealey and Quall.

Minority Report: Without recommendation. Signed by 1 member: Representative Rolfes.

Staff: Serah Stetson (786-7109).

Summary of Recommendation of Committee On Education Appropriations Compared to Recommendation of Committee On Higher Education:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There are difficult considerations that go to the balancing of overall effectiveness and the autonomy of the individual community and technical college (CTC) districts that are raised by this legislation. The modifications made in the Higher Education Committee very much enable this work to be within the CTC family. The process is good and this will allow some very good work. Having the savings retained at the local level for teaching and learning will keep the CTC's motivated to pursue these efficiencies.

The CTC system has identified ways to be more efficient so far. This includes common course numbering; the Integrated Basic Education and Skills Training (IBEST) programs that

combine vocational training with basic education, applied baccalaureates, the expansion of e-learning and the student achievement initiative among others. Administrative costs are 62 percent of the national average as of 2006, the national average for administrative spending per student was \$2,492. In Washington it is \$1,462 per student. That is a strong measure of efficiency. One concern would be that the fiscal note indicates that this can be handled within current resources; however this is an enormous task that will require a collection of data on a massive scale, stakeholder involvement and many meetings. State Board and CTC staff are already very stretched. It will be difficult to do this task justice within current resources. Of all the options available, advances in technology hold the greatest promise of increasing efficiency while saving money. By centralizing electronic operational functions that are currently handled separately at all 34 colleges, great strides could be made in achieving the goal of this legislation. However, this would require some investments in new technology.

(Opposed) This is a solution in search of a problem. Community and technical colleges are not in need of additional efficiencies and cost savings. The system is efficient to a fault. Washington is the fourth or fifth in the nation in community college participation, but in the CTC system, full-time salaries lag 43 percent behind the rest of the region and 75 percent of the faculty are relatively low paid part-timers, many of whom have no benefits and have saved colleges millions over the years allowing the colleges to continue running. This bill won't solve this problem and may exacerbate it. It isn't reasonable at this time to look at consolidation of colleges for efficiency purposes; there are not empty classrooms or colleges struggling to meet enrollment goals. The system is still reeling from cuts from last year and anticipating further cuts. The focus should be on stopping the cuts and finding revenue. This bill has not been vetted thoroughly by stakeholders. This is a new issue that doesn't address numerous issues around faculty bargaining, or how this affects students.

Persons Testifying: (In support) Charlie Earl, State Board for Community and Technical Colleges; and Pamela Trausue, Tacoma Community College.

(Opposed) Wendy Rader-Konofalski, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.