

HOUSE BILL REPORT

HB 2483

As Reported by House Committee On:

Higher Education
Ways & Means

Title: An act relating to increasing educational attainment.

Brief Description: Creating the office of the student achievement council.

Sponsors: Representatives Seaquist, Haler, Zeiger and Kelley; by request of Governor Gregoire.

Brief History:

Committee Activity:

Higher Education: 1/19/12, 1/23/12, 1/26/12, 1/30/12 [DPS];

Ways & Means: 2/6/12, 2/27/12, 3/1/12, 3/3/12 [DP2S(w/o sub HE)].

Brief Summary of Second Substitute Bill

- Creates the Student Achievement Council (Council) as a state agency with 10 voting members.
- Sets out the mission and duties for the Council including: proposing statewide goals and priorities for higher education; tracking progress; conducting research and analysis; identifying transition issues and solutions, administering financial aid; protecting higher education consumers; and advocating for higher education.
- Requires the Council to complete a strategic action plan every two years with the first due by December 1, 2012.
- Requires the Council to create a 10-year roadmap for the higher education system, outlining specific components of the roadmap, with the first due by December 1, 2013, and updated every two years.
- Requires the Council to collaborate with education and higher education agencies and boards, and higher education institutions.
- Establishes a Joint Committee on Higher Education to review the work of the Council.
- Directs that the Office of Student Financial Assistance is within the Council and under the direction of the Council.

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.

- Transfers certain duties of the Higher Education Coordinating Board (HECB) to the Council or to another entity.
- Eliminates certain duties of the HECB.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Hasegawa, Pollet, Reykdal, Sells, Springer, Warnick, Wylie and Zeiger.

Minority Report: Do not pass. Signed by 5 members: Representatives Parker, Assistant Ranking Minority Member; Asay, Buys, Crouse and Fagan.

Staff: Madeleine Thompson (786-7304).

Background:

The Legislature established a state agency, the Council on Higher Education, to review and recommend higher education policy in 1969. In 1975 this agency became the Council for Postsecondary Education following federal legislation that required states to establish or designate a single state postsecondary education planning agency to qualify for federal planning and other funds. The state agency that currently conducts planning for the higher education system, reports on performance, administers state and federal financial aid programs, and approves private institutions to operate in the state is the Higher Education Coordinating Board (HECB) which was established in 1985.

Legislation enacted in 2011 abolishes the HECB effective July 1, 2012, and replaces it with a Higher Education Council. Under this legislation, a number of HECB functions are eliminated effective July 1, 2012. Functions eliminated include: developing a statewide strategic master plan for higher education; reporting on state support received by students, the costs of higher education, gender equity, costs and benefits of tuition and fee reciprocity with Oregon, Idaho, and British Columbia; and transmitting undergraduate and graduate educational costs to boards of regents. The financial aid office under the administration of the HECB becomes a separate state agency, the Office of Student Financial Assistance, effective July 1, 2012. The 2011 legislation also created a temporary Higher Education Steering Committee to recommend the duties and members of the new Higher Education Council by December 1, 2011.

The Higher Education Steering Committee, chaired by the Governor and comprised of legislators and representation from education and higher education sectors in the state, met four times in 2011 to determine the new duties of a state higher education agency. The recommendations included two different options for an executive branch office and an advisory council, and set out duties for the new Higher Education Council.

Summary of Substitute Bill:

Student Achievement Council.

The Student Achievement Council (Council) is created as a state agency with the purpose of educational attainment in the state. The executive director is appointed by the Council rather than the Governor.

Membership of the Student Achievement Council.

The Council is comprised of 10 voting members:

- five citizen members are appointed by the Governor, with the consent of the Senate. These members must serve for four-year terms with the initial members' terms staggered, and they must be diverse from different geographic parts of the state; and one of the citizens must be a student;
- a representative of the four-year public baccalaureate institutions selected by the presidents of the institutions;
- a representative of community and technical colleges;
- a representative of the Superintendent of Public Instruction;
- a representative of workforce training; and
- a representative of independent nonprofit degree granting institutions.

The chair must be selected by the Council from among the citizen members, and serve for a one-year term but may serve longer if selected to do so by the Council members. The Council is permitted to create advisory committees on an ad hoc basis for the purpose of informing research and policy, and for obtaining input from students, faculty, and higher education experts and practitioners, citizens, business and industry, and labor. Council members may be compensated for travel expenses and other expenses in accordance with statute pertaining to class three part-time board and council members.

The Joint Select Legislative Committee on Student Achievement.

A Joint Select Legislative Committee on Student Achievement (Committee) is established to review the Council's work and make policy and budget recommendations on improving educational attainment in Washington. The Committee must be comprised of 16 legislators with four members from each caucus in the Senate and the House of Representatives who serve on education, higher education, workforce development, or appropriations committees. The members must be appointed and reappointed before the close of each regular legislative session during odd-numbered years. A chair and vice chair, from opposite parties, must be chosen by the Committee. The Committee must report its findings and recommendations to the Governor and the Legislature each year by December 1.

Purpose and Mission of the Council.

The dual mission of the Council is to propose goals, policies, and budgets to the Governor and Legislature to increase educational attainment and to make recommendations related to innovations that improve the adaptability and effectiveness of the higher education system. The Council is required to link the work of the Superintendent of Public Instruction, the State Board of Education, the State Board for Community and Technical Colleges, the Workforce Training and Education Coordinating Board, the public baccalaureate institutions, and the independent schools and colleges. The Council is directed to be a leader in higher education research and analysis.

Goal Setting.

The Council is required to propose educational attainment goals, and certificates and degrees that meet workforce needs. At the same time, each agency and institution must continue to have individual goals and strategic plans. In addition, the Council is required to identify the resources necessary to meet the goals and recognize current state economic conditions and resources. The goals must be reviewed and revised every two years with the first revision due by December 1, 2012.

Strategic Planning.

In order to meet goals for increasing educational attainment, the Council must conduct strategic planning with collaboration of agencies, stakeholders, and the Legislature, and develop a 10-year strategic roadmap. The roadmap must be updated every two years with the initial roadmap due by December 1, 2013. The Council must conduct system reviews as needed.

Innovation, Research, and Data.

The Council is required to facilitate the development and expansion of innovative practices with, between, and among the sectors to increase educational attainment, including accountability measures to determine the effectiveness of the innovations. The Council must use the data and analysis produced by the Education Research and Data Center (ERDC) at the Office of Financial Management in developing policy recommendations and setting goals. In conducting research and analysis, the Council must at a minimum:

- identify barriers to increasing educational attainment, evaluative effectiveness of the various educational models, identify best practices, and recommend methods to overcome barriers;
- analyze data from multiple sources including data from academic research and from areas and agencies outside of education including but not limited to data from the Department of Health, the Department of Corrections, and the Department of Social and Health Services, to determine best practices to remove barriers to improving educational attainment;
- assess educational achievement disaggregated by income level, age, gender, race and ethnicity, country of origin, and other relevant demographic groups working with the ERDC;
- track progress toward meeting the state's goals; and
- communicate results and provide access to data analysis to policymakers, the Office of the Superintendent of Public Instruction, institutions of higher education, students, and the public.

Transitions.

Regarding transitions from secondary to postsecondary education, the Council must set minimum college admission standards for four-year institutions of higher education. The Council must develop programs to encourage students to prepare and pursue postsecondary college and career programs.

The Council is charged with recommending policies that require coordination between or among sectors from high school to postsecondary education including community and technical colleges, four-year institutions of higher education, apprenticeships, training, and

workplace education; between two-year and four-year institutions of higher education; and from postsecondary education to career.

Administering Student Financial Aid.

The Office of Student Financial Assistance is within the Council. The Council must administer student financial aid programs including the State Need Grant, the College Bound Scholarship, the Guaranteed Education Tuition payment, and work study programs. The Council must administer state and federal grants and programs including programs that provide incentives for improvement related to increasing access and success in postsecondary education.

Consumer Protection.

Consumer protection duties of the Council include approving private, degree-granting institutions, approving programs that are eligible programs for students to use federal benefits such as veterans' benefits, and implement statutory residency requirements through adopting rules.

Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) must conduct a review of the Council and its functions. The JLARC must present its findings to the Legislature by December 1, 2019.

Other.

Statutes relating to budget priorities and levels of funding, development of methods and protocols for measuring educational costs, and the creation of the Higher Education Council are repealed. Definitions are adjusted to create consistency with new titles for the Council, and the Office of Student Financial Assistance that is within the Council. A section from 2011 legislation is amended to create consistency with the purpose of this act.

Emergency clauses are added for the establishment of the Council to take effect on June 1, 2012, and for the section that amends effective dates from 2011 legislation to take effect immediately.

Substitute Bill Compared to Original Bill:

Student Achievement Council.

The Council is created as a state agency rather than an advisory council. The executive director is appointed by the Council rather than the Governor.

Membership of the Student Achievement Council.

The Council is comprised of 10, rather than nine, voting members and two non-voting members are removed. A representative from an independent nonprofit degree-granting institution is added as a voting member.

The Council is permitted, rather than required, to create advisory committees on an ad hoc basis. The Council must maintain a contact list of stakeholders and advise stakeholders of work plans, means of participation, and desired outcomes for any ad hoc committees created.

Purpose and Mission of the Council.

The mission is reworded to clarify the role of the Council to propose goals, policies, and budgets to the Governor and the Legislature. The other mission of the Council is to make recommendations related to innovations that improve the adaptability and effectiveness of the higher education system.

The Council's duty to recommend statutes formerly assigned to the HECB that should be transferred, or eliminated is removed.

Goal Setting.

The Council is required to propose, rather than set, short-term and long-term educational attainment goals, including certificates and degrees that meet workforce needs. The goals must be reviewed and revised every two years with the first revision due by December 1, 2012, rather than 2013.

Strategic Planning.

In order to meet goals for increasing educational attainment, the Council must conduct strategic planning with collaboration of agencies, stakeholders, and the Legislature. The plan must be updated every two years with the initial plan due by December 1, 2013, rather than 2014. The Council must conduct system reviews as needed. The substitute bill transfers the HECB duty to conduct a needs assessment to the Council while eliminating specific program approval duties.

Innovation, Research, and Data.

The Council is required to facilitate the development and expansion of innovative practices with, between, and among the sectors to increase educational attainment, including accountability measures to determine the effectiveness of the innovations. The Council must use, rather than review, the data and analysis produced by the Education Research and Data Center at the Office of Financial Management in developing policy recommendations and setting goals.

Administering Student Financial Aid.

The Office of Student Financial Assistance is within the Council. The Council must administer student financial aid programs including the State Need Grant, the College Bound Scholarship, the Guaranteed Education Tuition payment, and work study programs. The Council must administer state and federal grants and programs including programs that provide incentives for improvement related to increasing access and success in postsecondary education.

Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee is no longer required to conduct a review of the Council.

Other.

Definitions are adjusted to create consistency with new titles for the Council and the Office of Student Financial Assistance that is within the Council. A section from 2011 legislation is amended to create consistency with the purpose of this act. Emergency clauses are added for

the establishment of the Council to take effect on June 1, 2012, and for the section that amends effective dates from 2011 legislation to take effect immediately.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available. New fiscal note requested on January 31, 2012.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on June 1, 2012, except for section 17, relating to technical changes, which takes effect immediately.

Staff Summary of Public Testimony:

(In support) This provides "value-added" for the state that will help drive Washington into the future with increased educational attainment. There needs to be an organization focused on improving student achievement and providing a clear focus. If this does not go forward there will be no entity that is focused on educational attainment and bringing all the sectors together. We support this bill. The duties outlined reflect the goals. It is time that this was addressed. We support this bill and hope there is Legislative "buy-in" and "stay-in."

(In support with concerns) We would prefer to see early learning included in the new entity. The best structure is to have a Council that employs its own executive director. The current system works well, we want to ensure that whatever is created does not compromise the initiatives and efficiencies that we have already achieved. We want to ensure that our accountability measures are not duplicated and that the Council does not get involved in the day-to-day operations of the institutions. There is distinction between an institutional budget and devising a budget that will support the educational goals for the state. We would like to clarify the language related to the non-voting members.

(With concerns) Students should be represented on the Council. The independent nonprofit institutions should be represented.

(Information only) The various functions that are necessary are strategic planning, providing a needs assessment to identify higher education needs of the state, researching employment data and the needs of the economy, focusing on transition points, conducting data research and analysis, paying attention to specific populations, and communicating with multiple entities the information, the needs, and the goals.

(Other) It is time to address this issue. This is an extraordinary opportunity to migrate the functions that are working and put together the right types of functions, roles, duties, and missions you want, and put together the kind of system that will be the kind of higher education system that will deliver what you want.

(Opposed) None.

Persons Testifying: (In support) Representative Seaquist, prime sponsor; Leslie Goldstein, Office of the Governor; Marcia Fromhold, Office of the Superintendent of Public Instruction; Amy Blondin, Department of Early Learning; and Ben Rarick, State Board of Education.

(In support with concerns) Mike Reilly, Council of Presidents; and Steve Lindstrom, Northwest Career Colleges Federation.

(With concerns) David Mitchell, Olympic College; Wilbert Pina, Jake Atwell-Scrivner, and Mike Bogatay, Washington Student Association; and Chris Thompson, Independent Colleges of Washington.

(Information only) Don Bennett, Higher Education Coordinating Board.

(Other) Ann Anderson, Central Washington University.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 20 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Haler, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer, Sullivan and Wilcox.

Minority Report: Do not pass. Signed by 6 members: Representatives Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Parker, Ross and Schmick.

Staff: Trista Zugel (786-7157).

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Higher Education:

The Executive Director of the Student Achievement Council (Council) is appointed by the Governor who chooses from a list of names provided by the Council. The Governor, with the approval of the Council, may dismiss the Executive Director. The Council may dismiss the Executive Director. The Executive Director may hire his or her own staff.

Citizen members of the Council must represent the diversity of the state and state's geography. The student member is to serve a one-year term.

The Council is permitted to convene ad hoc advisory committees. Any advisory committees addressing secondary to postsecondary transitions, and university and college admissions requirements must include K-12 sector representatives including teachers, school directors, principals, administrators, and others.

A mission is added to charge the council with advocating for higher education.

The legislative committee created is retitled the Joint Committee on Higher Education (Joint Committee) and is comprised of eight legislators rather than 16. The Joint Committee is charged to review the work of the Council, and create recommendations for higher education policy including proposed legislation.

The Council is required to develop both a two-year strategic action plan every two years with the first due by December 1, 2012, and a 10-year roadmap due December 1, 2013, that must be updated every two years. Elements of the strategic plan are specified.

The Council must report by December 1, 2014, to the Joint Committee on the outcomes of students who receive the State Need Grant, and also present options for prioritizing the State Need Grant.

The Higher Education Coordinating Board (HECB) duties related to capital budget prioritization are transferred to the Council, while specific HECB duties to prioritize institutional operating budget requests are eliminated.

The HECB duties related to higher education system design are transferred to the Council. The following HECB duties related to system design are eliminated:

- approval of new degree programs;
- approval of the creation of any off-campus program by a four-year institution;
- approval of the lease or purchase of major off-campus facilities by a four-year institution; and
- approval of applied baccalaureate degree programs developed by a community or technical college.

The Council must adopt residency requirements by rule; arbitrate disputes between and among four-year institutions and the State Board for Community and Technical Colleges; may solicit, accept, receive or administer federal funds or private funds to support the purposes and functions of the Council; and must represent the broad public interest above the interests of the individual institutions of higher education.

The Education Research and Data Center (ERDC) is required to support higher education accountability. The public baccalaureate institutions must report to the ERDC regarding accountability measures. The Council must use education data and analysis produced by and in consultation with the ERDC to:

- identify barriers to increasing education attainment;
- evaluate the effectiveness of various educational models;
- assess educational achievement;
- track progress toward meeting the state's goals; and
- communicate results.

The Council must identify the data needed to carry out its responsibilities for policy analysis in consultation with the ERDC, institutions of higher education, and state education agencies. The ERDC may, in consultation with the Council, update data requirements to be consistent

with best practices across the country. The HECB duties related to identifying cost-effective methods for collecting data, and protocols are eliminated.

The ERDC is required to conduct an educational cost study. The ERDC, in consultation with the institutions of higher education, must develop information on the approximate amount of state support that students receive, including the level of support received by students in each tuition category, and provide this information annually. The ERDC is required to compare per student funding with similar public institutions of higher education in the global challenge states. The Council must report annually a national comparison of tuition and fees.

Clarification is provided for the College Bound Scholarship to ensure alignment with statutory provisions for the State Need Grant unless otherwise directed in statute.

The emergency clause is removed.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 101, 117, 401, 402, 501 through 594, 601 through 609, 701 through 708, 801 through 821, 902, and 904, relating to the transfer of the HECB duties to the Council, which take effect July 1, 2012.

Staff Summary of Public Testimony:

(In support) The interim work group tried to create a high value program that will assist us in long-range higher education planning. In developing this legislation, many people worked to develop a streamlined, laser-like focus on educational student achievement. The state needs more students who graduate from high school, and get Associate's, Bachelor's, Master's, and Doctoral degrees and certificates. This bill helps the state set clear goals for what the state needs. The state needs an entity to coordinate higher education priorities. There are many different concepts floating around right now. The State Board for Community and Technical Colleges likes this bill just the way it is right now. The current Higher Education Coordinating Board wants to fashion a Council that will improve higher education outcomes in Washington. All efforts need to be aligned around that. There is a need for robust analytical capability. The state needs to be able to measure and effectively use metrics to determine how institutions are performing. The HECB believes that approximately \$2 million per year for all of this effort is very efficient. The new agency has a wide range of duties and currently not enough funding. The Council of Presidents believes that the bill last year did not go far enough to remove things that do not add value, and would like to make changes so that the requirements are reduced to match the appropriation. The private institutions appreciate the chance to be part of this discussion and think that many very important improvements have been made. These institutions suggest that this committee will need to take a good look at the duties required and the resources available. There does seem to be a bit of a resource gap.

(Opposed) None.

Persons Testifying: Representative Seaquist, prime sponsor; Leslie Goldstein, Governor's Executive Policy Office; Deb Merle, State Board for Community and Technical Colleges; Don Bennett, Higher Education Coordinating Board; Paul Francis, Council of Presidents; and Chris Thompson, Independent Colleges of Washington.

Persons Signed In To Testify But Not Testifying: None.