H-1654.1	

HOUSE BILL 1954

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Zeiger, Carlyle, Warnick, Haler, and Fagan Read first time 02/14/11. Referred to Committee on Higher Education.

- 1 AN ACT Relating to public interest degrees; amending RCW
- 2 28B.76.020, 28B.76.230, and 28B.15.068; and creating new sections.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- MEW SECTION. Sec. 1. (1) The legislature recognizes that strategic investment in higher education is a matter of public interest, and that certain baccalaureate programs are in the public interest.
 - (2) The legislature finds that:

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- 9 (a) The subsidized, public higher education system should increase 10 production of degrees that are in the public interest;
- 11 (b) State policy goals and strategies should focus on degree 12 production that best meet the public interest; and
- 13 (c) Students need specific incentives to select and complete 14 degrees which are in the public interest.
- 15 **Sec. 2.** RCW 28B.76.020 and 2010 c 245 s 4 are each amended to read 16 as follows:
- 17 The definitions in this section apply throughout this chapter 18 unless the context clearly requires otherwise.

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1 (1) "Board" means the higher education coordinating board.

- (2) "Four-year institutions" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.
 - (3) "Major expansion" means expansion of the higher education system that requires significant new capital investment, including building new institutions, campuses, branches, or centers or conversion of existing campuses, branches, or centers that would result in a mission change.
- (4) "Mission change" means a change in the level of degree awarded or institutional type not currently authorized in statute.
- 13 (5) "Public interest degrees" means associate, baccalaureate, or 14 graduate degrees in the following fields: Biological science, computer 15 engineering, computer science, electrical engineering, information 16 technology, mathematics, mechanical engineering, and physical science.
 - Sec. 3. RCW 28B.76.230 and 2010 c 245 s 5 are each amended to read as follows:
 - (1) The board shall develop a comprehensive and ongoing assessment process to analyze the need for additional degrees and programs, additional off-campus centers and locations for degree programs, and consolidation or elimination of programs by the four-year institutions. Board recommendations regarding proposed major expansion shall be limited to determinations of whether the major expansion is within the scope indicated in the most recent strategic master plan for higher education or most recent system design plan. Recommendations regarding existing capital prioritization processes are not within the scope of the evaluation of major expansion. Major expansion and proposed mission changes may be proposed by the board, any public institution of higher education, or by a state or local government.
 - (2) As part of the needs assessment process, the board shall examine:
- 33 (a) Projections of student, employer, and community demand for 34 education and degrees, including liberal arts degrees, on a regional 35 and statewide basis;
 - (b) Current and projected degree programs and enrollment at public

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and private institutions of higher education, by location and mode of service delivery;

- (c) Data from the workforce training and education coordinating board and the state board for community and technical colleges on the supply and demand for workforce education and certificates and associate degrees; and
- (d) Recommendations from the technology transformation task force created in chapter 407, Laws of 2009, and institutions of higher education relative to the strategic and operational use of technology in higher education. These and other reports, reviews, and audits shall allow for: The development of enterprise-wide digital information technology across educational sectors, systems, and delivery methods; the integration and streamlining of administrative tools including but not limited to student information management, financial management, payroll, human resources, data collection, reporting, and analysis; and a determination of the costs of multiple technology platforms, systems, and models.
- (3) Every two years the board shall produce, jointly with the state board for community and technical colleges and the workforce training and education coordinating board, an assessment of the number and type of higher education and training credentials required to match employer demand for a skilled and educated workforce. The assessment shall include the number of forecasted net job openings at each level of higher education and training and the number of credentials needed to match the forecast of net job openings.
- (4) Prior to enrolling students each academic year, the board shall identify which programs qualify as public interest degrees in RCW 28B.76.020 for which students may enroll at reduced tuition rates in RCW 28B.15.068.
- (5) The board shall determine whether certain major lines of study or types of degrees, including applied degrees or research-oriented degrees, shall be assigned uniquely to some institutions or institutional sectors in order to create centers of excellence that focus resources and expertise.
- $((\frac{5}{}))$ (6) The following activities are subject to approval by the board:
 - (a) New degree programs by a four-year institution;
 - (b) Creation of any off-campus program by a four-year institution;

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- 1 (c) Purchase or lease of major off-campus facilities by a four-year institution or a community or technical college;
 - (d) Creation of higher education centers and consortia;

- (e) New degree programs and creation of off-campus programs by an independent college or university in collaboration with a community or technical college; and
- (f) Applied baccalaureate degree programs developed by colleges under RCW 28B.50.810.
- ((+6))) (7) Institutions seeking board approval under this section must demonstrate that the proposal is justified by the needs assessment developed under this section. Institutions must also demonstrate how the proposals align with or implement the statewide strategic master plan for higher education under RCW 28B.76.200.
- ((+7)) (8) The board shall develop clear guidelines and objective decision-making criteria regarding approval of proposals under this section, which must include review and consultation with the institution and other interested agencies and individuals.
- ((+8))) (9) The board shall periodically recommend consolidation or elimination of programs at the four-year institutions, based on the needs assessment analysis.
- $((rac{(+9+)}{}))$ (10) In the case of a proposed major expansion or mission change, the needs assessment process under subsection (2) of this section constitutes a threshold inquiry. If the board determines that the need for the proposed major expansion or mission change has not been justified, the inquiry is concluded. If the board determines that the need for the proposed major expansion or mission change has been sufficiently established, the board, in consultation with any directly involved institutions and other interested agencies and individuals, shall proceed to examine the viability of the proposal using criteria including, but not limited to:
- (a) The specific scope of the project including the capital investment requirements, the number of full-time equivalent students anticipated, and the number of academic programs planned;
 - (b) The existence of an efficient and sustainable financial plan;
 - (c) The extent to which existing resources can be leveraged;
- 36 (d) The current and five-year projected student population, 37 faculty, and staff to support the proposed programs, institution, or 38 innovation;

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1 (e) The plans to accommodate expected growth over a twenty-year 2 time frame;

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- (f) The extent to which new or existing partnerships and collaborations are a part of the proposal; and
- (g) The feasibility of any proposed innovations to accelerate degree production.
- $((\frac{(10)}{(10)}))$ (11) After the board completes its evaluation of the proposed major expansion or mission change using the needs assessment under subsection (2) of this section and viability determination under subsection $((\frac{(9)}{(9)}))$ (10) of this section, the board shall make a recommendation to either proceed, modify, or not proceed with the proposed major expansion or mission change. The board's recommendation shall be presented to the governor and the legislature.
- 14 **Sec. 4.** RCW 28B.15.068 and 2009 c 540 s 1 are each amended to read 15 as follows:
 - (1) Beginning with the 2007-08 academic year and ending with the 2016-17 academic year, tuition fees charged to full-time resident undergraduate students, except in academic years 2009-10 and 2010-11, may increase no greater than seven percent over the previous academic year in any institution of higher education. Annual reductions or increases in full-time tuition fees for resident undergraduate students shall be as provided in the omnibus appropriations act, within the seven percent increase limit established in this section except as provided in RCW 28B.76.020. For academic years 2009-10 and 2010-11 the omnibus appropriations act may provide tuition increases greater than seven percent. To the extent that state appropriations combined with tuition and fee revenues are insufficient to achieve the total perstudent funding goals established in subsection $((\frac{2}{2}))$ (3) of this section, the legislature may revisit state appropriations, authorized enrollment levels, and changes in tuition fees for any given fiscal year.
 - (2) <u>Tuition fees charged to full-time resident undergraduate</u> students who enroll or are accepted to be enrolled in public interest degrees in RCW 28B.76.020, may increase no greater than five percent over the previous academic year in any institution of higher education, except in academic years 2009-10 and 2010-11.

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(3) The state shall adopt as its goal total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states. defining comparable per-student funding levels, the office of financial management shall adjust for regional cost-of-living differences; for differences in program offerings and in the relative mix of lower division, upper division, and graduate students; and for accounting and reporting differences among the comparison institutions. The office of financial management shall develop a funding trajectory for each fouryear institution of higher education and for the community and technical college system as a whole that when combined with tuition and fees revenue allows the state to achieve its funding goal for each four-year institution and the community and technical college system as a whole no later than fiscal year 2017. The state shall not reduce enrollment levels below fiscal year 2007 budgeted levels in order to improve or alter the per-student funding amount at any four-year institution of higher education or the community and technical college system as a whole. The state recognizes that each four-year institution of higher education and the community and technical college system as a whole have different funding requirements to achieve desired performance levels, and that increases to the total per-student funding amount may need to exceed the minimum funding goal.

 $((\frac{3}{2}))$ (4) By September 1st of each year beginning in 2008, the office of financial management shall report to the governor, the higher education coordinating board, and appropriate committees of the legislature with updated estimates of the total per-student funding level that represents the sixtieth percentile of funding for comparable institutions of higher education in the global challenge states, and the progress toward that goal that was made for each of the public institutions of higher education.

((4)) (5) As used in this section, "global challenge states" are the top performing states on the new economy index published by the progressive policy institute as of July 22, 2007. The new economy index ranks states on indicators of their potential to compete in the new economy. At least once every five years, the office of financial management shall determine if changes to the list of global challenge

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states are appropriate. The office of financial management shall 1 report its findings to the governor and the legislature. 2

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- $((\frac{5}{1}))$ (6) During the 2009-10 and the 2010-11 academic years, institutions of higher education shall include information on their billing statements notifying students of tax credits available through the American opportunity tax credit provided in the American recovery and reinvestment act of 2009.
- <u>NEW SECTION.</u> **Sec. 5.** (1)(a) The joint select legislative task 8 9 force on public interest degrees is established, with members as 10 provided in this subsection.
- 11 (i) The president of the senate shall appoint two members from each 12 of the two largest caucuses of the senate.
- (ii) The speaker of the house of representatives shall appoint 13 14 members from each of the two largest caucuses of the house of representatives. 15
- 16 (iii) The governor shall appoint four members representing the higher education coordinating board, the state board for community and 17 technical colleges, the employment security department, and the 18 workforce training and education coordinating board. 19
- 20 (b) The task force shall choose its cochairs from among its 21 legislative membership.
- 22 (2) The task force shall review and make recommendations on the 23 following:
 - (a) Modifications to public interest degrees in RCW 28B.76.020; and
 - (b) Policies that increase the ability of public and private institutions of higher education to prepare Washington citizens with the higher education qualifications that are in the public interest.
 - The senate's committee services and the of representatives' office of program research shall provide staff support for the task force.
- (4) Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, 32 except those representing an employer or organization, are entitled to 33 34 be reimbursed for travel expenses in accordance with RCW 43.03.050 and 35 43.03.060.
- 36 (5) The expenses of the task force must be paid jointly by the

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senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house executive rules committee, or their successor committees.

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(6) The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by November 30, 2011.

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