

HOUSE BILL REPORT

SSB 6355

As Reported by House Committee On:
Higher Education

Title: An act relating to expanding the higher education system upon proven demand.

Brief Description: Expanding the higher education system upon proven demand.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Becker, Rockefeller and Shin).

Brief History:

Committee Activity:

Higher Education: 2/17/10, 2/23/10 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House)**

- Endorses the System Design Plan approved by the Higher Education Coordinating Board (HECB).
- Defines "major expansion" and "mission change" and requires the HECB to evaluate proposed major expansions or mission changes and present recommendations to the Governor and the Legislature.
- Requires the HECB to consider, in the needs assessment process, recommendations from the Technology Transformation Task Force and institutions of higher education regarding the strategic and operational use of technology.
- Removes applied baccalaureate degrees from pilot status and removes statutory limitations on the number of such programs of study that may be offered.
- Makes changes to the Washington Fund for Innovation and Quality: (1) making the HECB the lead entity; (2) eliminating the two-year time limit on grants; (3) providing additional direction with respect to grants for improving the use of technology; and (4) allowing grants to be awarded to private nonprofit institutions of higher education, in addition to public institutions and consortia of institutions, to encourage programs designed to address specific system problems.

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: Do pass as amended. Signed by 10 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Angel, Carlyle, Driscoll, Haler, Hasegawa and White.

Staff: Cece Clynch (786-7195).

Background:

Higher Education Coordinating Board – System Design Plan.

In 2009 the Legislature tasked the Higher Education Coordinating Board (HECB) with conducting a system design planning project aimed at defining how the current higher education delivery system could be shaped and expanded to meet the needs of citizens and businesses for high quality and accessible post-secondary education. Washington's last comprehensive study – *Building a System: Foundation Elements (1989)* – laid the groundwork for construction of the branch campuses and defined the territory of existing institutions, as well as other system policies. Thereafter, other studies were conducted to determine regional needs in areas like Skagit, Snohomish, and Island Counties and the Kitsap Peninsula, but no additional comprehensive study was undertaken until the 2009 *System Design Plan*.

Completed in late 2009, the *System Design Plan*'s recommendations are based upon extensive data analysis and seven months of work by a system design group made up of state partner agencies. Numerous meetings also were held to discuss ideas with presidents and provosts of all public universities and several independent institutions.

The *System Design Plan* provides a framework for making decisions about how to reach the goal of increasing educational attainment in Washington. Specifically, the plan recommends pathways for expanding system capacity, recruiting and supporting a new generation of college students, increasing efficiency, and emphasizing accountability.

Expand on Demand Concept.

Included in the *System Design Plan* is a new growth management policy to determine when and where new capital expenditures are warranted. The policy is labeled "expand on demand" and predicates expansion to new sites or new missions requiring substantial new capital expenditures on the concept that capacity should follow demand.

Under this framework, institutions and/or communities would submit proposals – either developed at their own initiative or in response to the HECB-initiated requests for proposals – to identify under-served regions and populations or high-need program areas requiring capital investment. The HECB would then evaluate the proposals and make a recommendation to the Legislature. In other words, institutional growth requiring new capital expenditures would be approved by the HECB and the Legislature only after a set of external criteria had been met.

Other less-expensive expansion projects, such as growing university centers in leased facilities and developing new teaching sites, would be accomplished through regular budget and program approval processes.

Summary of Amended Bill:

The Legislature finds that the strategies outlined in the *System Design Plan* support the concept of expand on demand and would increase degree production by first using existing capacity while also providing long-term strategies to guide significant future growth and expansion. The Legislature endorses the plan approved by the HECB and adopts the recommendations and strategies in the *System Design Plan*.

A "mission change" is defined as a change in the level of degree awarded or institutional type not currently authorized in statute. "Major expansion" means expansion of the system that requires significant new capital investment. Mission changes and major expansions are subject to approval by the HECB. Gaining the HECB approval is a two-step process. First, a needs assessment process is conducted to analyze the need for the proposed change. If the need is established, the HECB next proceeds to examine the viability of the proposed mission change or major expansion. The HECB's recommendations to proceed with a proposed change, proceed with modifications, or not proceed are presented to the Legislature and the Governor.

The applied baccalaureate degree is no longer considered a pilot project, and references to pilot status are removed. The limitation on the number of applied baccalaureate degree programs is also eliminated. Community and technical colleges may apply to the State Board for Community and Technical Colleges (SBCTC) to develop and offer applied baccalaureate degree programs and may enroll students in upper-division courses after approval by the SBCTC and the HECB.

The HECB is identified as the lead entity for purposes of the Washington Fund for Innovation and Quality in Higher Education and makes awards in collaboration with the SBCTC and other local and regional entities. Grants may be awarded to private nonprofit institutions, as well as state public institutions of higher education or consortia of institutions. The two-year time limitation on these grants is eliminated. The priority given to multiple sector education proposals is eliminated. The HECB is not required to establish review committees to assist in proposal evaluation. The superfluous guidelines applicable only to the 1999-01 biennium are eliminated.

Amended Bill Compared to Substitute Bill:

A requirement is added that, as part of the needs assessment process, the HECB must consider recommendations from the Technology Transformation Task Force and institutions of higher education relative to the strategic and operational use of technology in higher education.

Additional direction is provided to the HECB with respect to awarding grants from the Washington Fund for Innovation for improving the use of technology.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended 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) Two years ago, the Legislature blessed the Master Plan. The Master Plan recognized that to be competitive, the state must produce more degrees. Then the question was: how to do that? The *System Design Plan* has been a good process and the HECB should be commended for this. This bill flows from that plan and lays out rational rules for expanding on demand. The applied baccalaureate piece is a very important part of this bill. This bill is identical to the version that passed the House Higher Education Committee. It contains a good set of strategies and the coalition supports these strategies. There is agreement with respect to the goal and the conclusions. University centers and applied baccalaureates are important components of the system. The work called for in this bill is the type of work that the HECB does and the HECB already has the staff and the expertise. The only possible new cost would be if the Legislature chose to fund the Fund for Innovation but that is entirely up to the Legislature and such funding is not part of this bill. This is a policy bill that identifies strategies. It lays out a strategy for growth, and provides a roadmap that says if there is growth, this is how it should occur. Applied baccalaureates provide a valuable option for students. These degrees can save money and time. Sometimes, a student with a technical degree wants to go on to get a baccalaureate and sometimes a student with a baccalaureate wants to go back for a technical degree rather than another baccalaureate. Many place-bound students would not be able to get a four-year degree any other way.

(In support with concerns) On page 5, lines 3 and 4, the following should be deleted from the definition of major expansion: "or significant expansion of existing campuses, branches, or centers." There is no definition of significant expansion. Currently, there is already a process in place through the Office of Financial Management (OFM) when there is a need for a new building. If a new building constituted major expansion under this bill, that would add a lengthy and duplicative process. Sticking with the OFM process is preferable. The language on page 8, lines 33 through 35 should not be stricken but should remain because strong priority should be given to proposals that involve more than one sector of education, and to proposals that show substantive institutional commitment.

(Opposed) None.

Persons Testifying: (In support) Senator Kilmer, prime sponsor; Maddy Thompson, Workforce Training and Education Coordinating Board; Ann Daley, Higher Education and

Coordinating Board; Jan Yoshiwara, State Board for Community and Technical Colleges; Malcolm Grothe, South Seattle Community College; and Mike Hudson.

(In support with concerns) Ann Anderson, Central Washington University.

Persons Signed In To Testify But Not Testifying: None.