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## Higher Education Committee

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### HB 2613

**Brief Description:** Creating efficiencies for institutions of higher education.

**Sponsors:** Representatives Gregerson, Zeiger, Seaquist, Haler, Morrell, Pollet and Jinkins.

#### Brief Summary of Bill

- Specifies that only the public baccalaureate institutions that raise tuition above the assumed levels in the Omnibus Appropriations Act must provide financial aid mitigation information and modifies the due date for mitigation reporting.
- Adjusts certain reporting requirements for financial aid mitigation.
- Provides direction on how to measure higher education quality for the Joint Legislative Audit Review Committee report on the impact of removing tuition setting authority.
- Permits institutions of higher education to change payroll frequency from semimonthly to biweekly and prorate paychecks for faculty who are on nine-month appointments.
- Increases the predesign project limit for capital projects from \$5 million to \$10 million.
- Adds that performance targets must be included in the Performance Plans required from public baccalaureate institutions for the purpose of determining performance incentive funding.

**Hearing Date:** 1/29/14

**Staff:** Madeleine Thompson (786-7304).

**Background:**

Financial Aid to Mitigate Tuition Increases.

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*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.*

Legislation enacted in 2011 that temporarily removed the cap the Legislature placed on tuition increases for public baccalaureate institutions, also required institutions to report on methods used to mitigate the impact of tuition increases. In addition, institutions are required to report the additional financial aid received by students in the aggregate and per student, and for middle-income and low-income students.

#### Report on the Impact of Tuition Increases.

The Joint Legislative Audit and Review Committee (JLARC) is directed to conduct an audit of the impact of tuition-setting authority on student access, affordability, and institutional quality. The JLARC submitted a project update to the Legislature on January 7, 2014. The final report must include recommendations on whether to continue providing authority to the public baccalaureate institutions to set their own tuition rates beyond the 2018-19 academic year.

#### Performance Accountability Information.

Legislation enacted in 2011 that provided the public baccalaureate institutions with temporary authority to set tuition, also required certain kinds of accountability information. The institutions are required to report by December 1 annually on performance data and this information must be displayed on the Office of Financial Management's (OFM) website maintained by the Education Research and Data Center, known as the Data Dashboard.

Each public baccalaureate institution must also develop a Performance Plan that is negotiated with OFM and must include a minimum set of expected outcomes as follows:

- time and credits to degree;
- retention and success of students from low-income, diverse, or underrepresented communities;
- baccalaureate degree production for residents students; and
- degree production in high-employer demand programs of study and critical state need areas.

#### Pay Periods for State Employees.

Pay periods for state employees are divided into two pay periods per month. All state officers and employees must be paid for services rendered from the 1st day of the month through the 15th day of the month and for services rendered from the 16th day of the month through the last calendar day of the month. Pay dates for these two pay periods are established by the Director of OFM.

#### Predesigns for Capital Projects.

A predesign is a decision-making tool that is required for all capital projects that exceed \$5 million. The purpose of the predesign is to clearly identify the facility need or problem to be addressed and provide a thoughtful analysis of the options to meet the need or solve the problem. The predesign includes information about the space needs of the proposed program, alternatives to the preferred project, and estimated budget information. The predesign is often prepared by architectural consultants and usually includes a detailed space plan.

#### **Summary of Bill:**

Specificity is added that only public baccalaureate institutions that raise tuition above the assumed levels in the Omnibus Appropriations Act must report to the Governor and the

Legislature on the effectiveness of the various sources and methods of financial aid in mitigating tuition increases. The due date for public baccalaureate institutions to report financial aid mitigation for tuition increases is modified from August 15 to December 31.

Financial aid mitigation reporting requirements are adjusted as follows: institutions are required to report the total amount of financial aid provided to resident middle- and low-income students, rather than the amount of additional financial aid for all middle and low income students; and sources and methods of financial aid must be reported for resident, undergraduate students, rather than all students.

Direction is provided on how to measure institutional quality for the Joint Legislative and Audit Review Committee report on the impact of removing tuition setting authority, due in 2018. JLARC must measure institutional quality based on student completion and retention, and on selected indicators from the accreditation reports that institutions submit to national accrediting bodies related to:

- employability of students;
- community engagement of students, faculty and staff;
- analytical skill development;
- student performance;
- program quality; and
- student support services.

In addition to expected outcomes, performance targets must be included in the Performance Plans required from public baccalaureate institutions for the purpose of determining performance incentive funding.

Public institutions of higher education are permitted to change payroll frequency from semi-monthly to bi-weekly and prorate paychecks for faculty who are on nine-month appointments.

The pre-design project limit for capital projects at institutions of higher education is increased from \$5 million to \$10 million.

**Appropriation:** None.

**Fiscal Note:** Requested on January 24, 2014.

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