

# SENATE BILL REPORT

## SB 5736

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As Reported by Senate Committee On:  
Higher Education, February 14, 2013

**Title:** An act relating to higher education operating efficiencies.

**Brief Description:** Concerning higher education operating efficiencies.

**Sponsors:** Senators Bailey, Kohl-Welles and Baumgartner.

**Brief History:**

**Committee Activity:** Higher Education: 2/14/13 [DP-WM].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Baumgartner, Frockt, Kohl-Welles, Ranking Member; McAuliffe and Tom.

**Staff:** Kimberly Cushing (786-7421)

**Background:** Reporting Requirements. Under current state law, the institutions of higher education submit multiple reports on their buildings and vehicles to the departments of Ecology, Enterprise Services, and Transportation. For example, as state agencies, they must periodically report to the Department of Ecology on progress in achieving the emissions reduction requirements. The institutions must submit a strategy to meet the emissions reduction requirements that addresses employee travel activities and teleconferencing alternatives, and includes existing and proposed actions, a timeline for reductions, and recommendations for incentives to reduce emissions.

Electronic Signatures. The Washington Electronic Authentication Act was adopted in 1999 to facilitate electronic commerce, ensure that digital signatures are not denied legal recognition solely because they are in electronic form, and provide licensing mechanisms, procedures, and security measures for the use of digital signatures using public key encryption. State agencies are permitted to use electronic signatures for certain operations. For example, the state Health Care Authority may accept electronic signatures on required applications, enrollment forms, and eligibility certification documents for benefits administered by the authority.

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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.*

Reciprocity Agreements. In fall 2010, the U.S. Department of Education (ED) issued a regulation requiring any institution offering education programs beyond its state borders to document that it has proper approval from the states in which it enrolls students. That regulation was overturned in court in 2011 on a technicality. However, many states have moved forward on this issue, expecting that ED will revisit it in the future. Thus, institutions that want to provide educational opportunities to students in multiple states may have a variety of individual state regulations and complex fee structures that can run to many thousands of dollars. Additionally, states face the potential of thousands of institutions requesting approval from the state authorization agency – in Washington, this agency is the Student Achievement Council.

As a result, the Western Interstate Commission for Higher Education (WICHE) and other regional higher education compacts are working to craft interstate solutions. WICHE has drafted a model reciprocity agreement that would provide a way for accredited, degree-granting institutions to be authorized in their home state, eliminating the need for them to obtain individual approvals in all the states where they serve students.

**Summary of Bill:** Reporting Requirements. The Office of Financial Management (OFM) must work with the departments of Enterprise Services, Transportation, and Commerce, the institutions of higher education, and others as necessary to comprehensively review reporting requirements related to state energy code building standards, high-performance public buildings, motor vehicle transportation services, air contaminants, and greenhouse gas emissions. By December 1, 2013, OFM must report to the Governor and the Legislature's higher education committees recommendations for coordinating and streamlining the reporting and promotion of the most efficient use of state resources at institutions of higher education.

Electronic Signatures. Institutions of higher education and state higher education agencies may use or accept electronic signatures for any human resource, benefits, or payroll process that requires a signature. The electronic signature is valid and enforceable. An electronic signature is defined as a signature in electronic form attached to or logically associated with an electronic record including, but not limited to, a digital signature.

Reciprocity Agreements. The Student Achievement Council (Council) may enter into interstate reciprocity agreements with other state or multistate entities if the agreements are consistent with Washington law concerning degree-granting institutions. The Council may also enter into agreements with degree-granting institutions of higher education based in Washington, that are otherwise exempt from adhering to the Council's minimum standards for such institutions, for the purpose of ensuring consistent consumer protection in interstate-distance delivery of higher education.

**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2013.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This regulatory relief proposal was spurred by legislation in 2011, which asked institutions to report on efficiencies. This bill could save hundreds of hours of staff time. Colleges try to be as efficient as possible and focus their resources. Data is often required to be reported in different time periods, and we have cut staff in the departments that compile reports. We want to see the results of the data we turn in. Institutions keep original signatures on health benefits and retirement paperwork. Some staff don't work locally or work nontraditional hours. The University of Washington (UW) has 50,000 employees and the Public Employees Benefits forms have to be distributed on paper. The information from the forms is entered manually. Electronic signatures would save lots of time, reduce errors, and save trees. Each state has their own law regarding degrees because of consumer protection concerns. Colleges and universities with online programs become subject to many different state laws. Working with WICHE and others will save time and allow college to serve veterans and active duty students. Reciprocity agreements will allow our own students who move to another state to continue their education through distance learning.

**Persons Testifying:** PRO: Barbara McCullough, Grays Harbor College; Stephen Ward, Centralia College; Bill Saraceno, Columbia Basin College; Joann Wiszmann, Pierce College; Paul Francis, Council of Presidents; Margaret Shepherd, UW; Don Bennett WA Student Achievement Council, WICHE.