

SENATE BILL REPORT

SHB 1893

As of March 18, 2015

Title: An act relating to increasing transparency in community and technical colleges by requiring certain budget detail to be available online.

Brief Description: Increasing transparency in community and technical colleges by requiring certain budget detail to be available online.

Sponsors: House Committee on Higher Education (originally sponsored by Representatives Sells, Haler, Moscoso, Zeiger, Pollet, S. Hunt, Appleton, Riccelli, Tarleton, Ormsby and Bergquist).

Brief History: Passed House: 3/06/15, 96-2.

Committee Activity: Higher Education: 3/17/15.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Kimberly Cushing (786-7421)

Background: The State Board for Community and Technical Colleges currently posts their Academic Year Report online. The report provides a snapshot of funding and expenditures for the past academic year. In fiscal year 2013-14, the expenditures by source of funds for the community and technical college system was reported as follows:

- 46 percent from state-appropriated funds;
- 27 percent from operating fees – tuition;
- 16 percent from grants and contracts; and
- 11 percent from dedicated local funds.

The local dedicated funds include revenue from investments; student fees for self-supported courses; miscellaneous fees such as lab, technology, and other fees established for specific purposes; and instructional enterprises such as food service and campus bookstores.

The Washington Education Research and Data Center posts higher education finance information online in the Higher Education Finance Report, which contains detailed financial data by a specific community or technical college for revenues, expenditures, student subsidy, and performance categories.

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.

Summary of Bill: Each community and technical college district must post on its website the budgeted and nonbudgeted revenues and anticipated expenditures for all nonstate, nonappropriated funds within 30 days of adopting their annual college budgets. The funds include, but are not limited to, revenue from tuition, parking, rentals, bookstore sales, contract revenues, running start, and all other nonappropriated accounts.

Each college must post on its website the ending fund balances for all nonstate, nonappropriated funds and accounts from the previous fiscal year within 30 days after fiscal closing each year. The balance must be reported as ending fund balances from the recently closed fiscal year and projected beginning fund balances. Where there is a difference between ending fund balances and beginning fund balances due to transfers of funds between accounts, these balances must be reported as ending fund balances from the recently closed fiscal year and projected beginning fund balances for the upcoming year.

The Office of the State Treasurer and the Office of Financial Management are strongly encouraged to make all relevant data available to each college to ensure timely posting of the relevant information.

Appropriation: None.

Fiscal Note: Available.

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 information is all available if asked for; but, the public should be able to access the information without asking. The colleges will have less public disclosure requests to respond to. In most communities, the college is the largest business in the community and it is important for the public to understand all the college has to do. Many students want to know their tuition dollars are being spent on them in this moment. Budget data is very complex, but it would be aggregated and presented in an accessible form in one spot. We could compare college dollars. Students would be empowered to make informed decisions about where they want to spend their money.

CON: The State Board for Community and Technical Colleges (SBCTC) provides many years' worth of data online. Budget information is provided to students by program on their tuition statements. This bill moves beyond providing operating funds spent on educational services and includes college business activities. At the two-year college level, data is rolled up into one report. Thus, the work is new and would take additional staff time. Understanding fund balances can be confusing without context.

Persons Testifying: PRO: Kevin Asman, Faculty, South Puget Sound Community College; Rowland Thompson, Allied Daily Newspapers of WA.

CON: Alison Grazzini, SBCTC.