

HOUSE BILL REPORT

HB 2089

As Reported by House Committee On:
College & Workforce Development

Title: An act relating to increasing transparency and financial accountability in higher education to students, parents, and taxpayers.

Brief Description: Increasing transparency and financial accountability in higher education to students, parents, and taxpayers.

Sponsors: Representatives Kraft, Van Werven, Gildon, Griffey and Graham.

Brief History:

Committee Activity:

College & Workforce Development: 1/28/20, 2/5/20 [DPS].

Brief Summary of Substitute Bill

- Requires the public four-year institutions of higher education to submit their anticipated college-level revenues and expenditures made from state appropriated funds and tuition revenue to the Education Research and Data Center to display on the data dashboard.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Bergquist, Kraft, Mead, Paul, Pollet, Ramos, Rude, Sells, Slatter, Sutherland and Young.

Staff: Megan Mulvihill (786-7304).

Background:

The Education Research and Data Center (ERDC) is housed within the Office of Financial Management and is tasked with maintaining the state's preschool to grade 20 to workforce (P20W) longitudinal data system. The ERDC links education and workforce data from

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multiple state agencies through the use of data-sharing agreements to conduct cross-sector analyses of education programs and issues. The ERDC also maintains the public four-year data dashboard, which displays data on enrollment, progression, graduation, and other metrics. The data must be broken down by demographics to the extent practicable and is to be updated annually by December 1 of each year.

The ERDC also posts higher education finance reports online. The data in these reports comes from information submitted by the institutions of higher education to the United States Department of Education's Integrated Postsecondary Education Data System. The published finance reports include revenue and expenditure information, but not to the unit level. The finance reports were last updated in 2012.

Summary of Substitute Bill:

The public four-year institutions of higher education (institutions) must submit their anticipated college-level revenues and expenditures made from state appropriated funds and tuition revenue to the ERDC. The state universities must submit the information to the ERDC within 90 days of the Board of Regent's adoption of the university's operating budget, beginning with the fiscal year (FY) 2021 Operating Budget. The regional universities and the state college must submit the information to the ERDC within 90 days of the Board of Trustee's adoption of the university's or college's operating budget, beginning with the FY 2021 Operating Budget.

The ERDC must compile and display the information on the data dashboard by December 1 of each year. The ERDC must report the information to the higher education committees of the Legislature each year by December 31. The institutions must include on their websites in a visible, easy to locate section, a link to the information on the ERDC's website that includes a description of the information.

Substitute Bill Compared to Original Bill:

The substitute bill modifies the fiscal information that the institutions must report from administrative, academic, and auxiliary unit budgets that display the revenue and expenditures for each unit to anticipated college-level revenues and expenditures made from state appropriated funds and tuition revenue. The timeline for when institutions have to report the information to the ERDC is expanded to 90 days, and the information needs to be reported beginning with FY 2021. The emergency clause was removed.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Substitute 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) The committee has heard a lot of bills about making college more affordable. This bill is not about how we fund higher education, but about why the cost of college is so expensive. The cost drivers are essentially increasing tuition and the need for people to continuously come forward asking the state for financial assistance. The bill seeks to create a transparent look at the four-year institutions' expenses and revenues at the department level by having them report into the ERDC. This bill establishes further accountability.

(Opposed) None.

(Other) The four-year sector believes in demonstrating transparency and accountability. Institutions go to significant lengths to post similar information online and most are already in compliance. Some of the terminology could be interpreted differently. There is an assumption that "unit" means department budgets. The institutions could have some issues getting down to that level of detail. Below the institutional level there is variance between each institution on how they organize and categorize fund sources. For example, academic advising might be embedded within an academic department at a large institution whereas a smaller university might classify it on its own. By far the biggest cost drivers are salaries and benefits. The recent William D. Ruckelshaus Center report on data addressed some of these concerns.

Persons Testifying: (In support) Representative Kraft, prime sponsor.

(Other) Steve DuPont, Central Washington University.

Persons Signed In To Testify But Not Testifying: None.