

# SENATE BILL REPORT

## ESHB 2076

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As Reported By Senate Committee On:  
Higher Education, April 3, 2003

**Title:** An act relating to roles and responsibilities of the higher education coordinating board.

**Brief Description:** Requiring a statewide strategic plan for higher education.

**Sponsors:** House Committee on Higher Education (originally sponsored by Representatives Kenney, Cox, Fromhold, Chase, Miloscia, Conway, Berkey, Upthegrove, Moeller, Wood and Schual-Berke).

**Brief History:**

**Committee Activity:** Higher Education: 3/27/03, 4/3/03 [DPA].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass as amended.

Signed by Senators Carlson, Chair; Schmidt, Vice Chair; Horn, Kohl-Welles, Mulliken, B. Sheldon and Shin.

**Staff:** Jean Six (786-7423)

**Background:** The Higher Education Coordinating Board (HECB) was created by the 1985 Legislature. It has responsibilities for planning and coordination; is assigned a variety of rule-making, regulatory, and administrative responsibilities; and manages an array of state financial aid programs.

Comprehensive Master Plan. The HECB is charged with identifying the state's higher education goals, objectives, and priorities. The HECB is also directed to establish role and mission statements for the various institutions, including the community and technical college system. Every four years the HECB updates a master plan for higher education, in consultation with public and private institutions and other state education agencies. The statute outlines a number of needs assessments to be included in the master plan, such as:

- Basic and continuing needs of various age groups;
- Business and industrial needs for a skilled work force;
- Demographic, social, and economic trends;
- College attendance, retention, and dropout rates; and
- Needs of recent graduates and placebound adults.

At the time of its creation, the HECB was directed to place its initial planning priorities on heavily populated areas underserved by public institutions. In addition, the HECB recommends enrollment levels, tuition and fee policies, and priorities for financial aid based on comparisons with peer institutions.

When a new master plan is created, the HECB submits it to the Legislature for approval by concurrent resolution. Once approved, the plan is intended to serve as the state's higher education policy. The next master plan is due to the Legislature by December 1, 2003.

In addition to the state master plan, institutions are supposed to develop their own institution-level plans and the State Board for Community and Technical Colleges (SBCTC) develops a system plan for community and technical college training and education.

HECB Regulatory Responsibilities. The HECB is responsible for reviewing and approving certain activities of the four-year institutions, including new degree programs and off-campus programs and education centers. There are no statutory criteria for this review. The HECB also evaluates and makes recommendations to the Governor and the Legislature on operating and capital budget requests from the four-year institutions and the community and technical college system. This review is based in part on the findings from the master plan.

Review of the HECB Mission. In a 2003 report, the Washington State Institute for Public Policy found varying opinions among interview respondents about how the HECB is meeting its mission. Generally, the HECB's regulatory responsibilities were viewed less favorably than its administrative responsibilities. Many respondents spoke of the HECB role in planning as its most important function, at least in theory. There was, however, criticism of recent master plans.

**Summary of Amended Bill:** Statewide Strategic Master Plan for Higher Education. The HECB is directed to develop a statewide strategic master plan for higher education that proposes a vision and identifies goals and priorities for higher education. The HECB will also specify strategies for maintaining and expanding access, affordability, quality, efficiency, and accountability. In addition to consulting with institutions and state education agencies, the HECB will seek input from students, faculty organizations, community and business leaders, the Legislature, and the Governor.

The HECB's current responsibility to develop institutional role and mission statements forms a foundation for the plan. In performing this function, the HECB is also directed to determine whether certain major lines of study or types of degrees, including applied or research degrees, will be uniquely assigned to some institutions.

Most of the needs assessment information referred to in the current master plan is included in the new strategic master plan for higher education. New information for consideration includes: demand for opportunities for lifelong learning; technological trends and their impact on service delivery; and transfer rates.

The strategic master plan for higher education is required to have certain components. The HECB continues to recommend enrollment levels, tuition and fee policies, and priorities for financial aid. Enrollment recommendations will be based on forecasts and analysis of data about demand for higher education. Recommendations on tuition and financial aid policies are no longer required to be based on comparisons with peer institutions. New aspects of the plan include state or regional priorities for new or expanded degree programs or off-campus programs and for addressing needs in high demand fields. The plan will recommend policies to improve the efficiency of student transfer and graduation or completion. Finally, the plan must recommend specific actions to be taken and identify measurable performance indicators

and benchmarks for gauging progress in achieving the state's goals and objectives for higher education.

The HECB must present the plan in a way that provides guidance for other planning and decision-making efforts by institutions, the Governor, and the Legislature. A draft statewide strategic master plan for higher education based on these revisions is due to the Legislature by December 15, 2003. The HECB publishes a final report incorporating any legislative changes by June 1, 2004.

In exercising its regulatory responsibilities regarding program approval and review of institution capital and operating budgets, the HECB must consider how the proposals align with and implement the statewide strategic plan. The HECB must develop guidelines and objective decision-making criteria regarding approval of proposals. Institution-level plans (including the comprehensive plan prepared by the SBCTC for the community and technical college system) must implement the statewide strategic plan and also contain measurable performance indicators and benchmarks.

Legislative Work Group. A Legislative work group is created to provide guidance for the statewide strategic plan and review options pertaining to the HECB. Members of the House and Senate higher education and fiscal committees are included. The work group will define legislative expectations for the strategic plan; make recommendations for ensuring coordination of capital and operating budgets with the strategic plan; and examine opportunities to update the other roles and responsibilities of the HECB.

**Amended Bill Compared to Original Bill:** It is clarified that the strategic plan is the strategic master plan for higher education -- not an additional plan.

The Council of Presidents is included in the planning process. Membership in the legislative work group is expanded to include all members of the Senate and House higher education and fiscal committees who wish to participate in the oversight work. Co-chairs of the work group are the Chair of the Senate Higher Education Committee and the Chair of the House Higher Education Committee.

The timeline for the strategic master plan for higher education may be advanced to include a preliminary report by December 15, 2003, framework for development of future budgets and policy proposals. The HECB will publish the final report in June 2004 and will incorporate any legislative changes.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Higher education needs a common vision and a strategic plan to meet the challenges it faces. The HECB must identify goals and strategies as well as provide recommendations on tuition, financial aid and high demand programs. Collaboration is required among legislators, higher education stakeholders, and the local community. It is important to include the fiscal committees in any strategic planning deliberations.

The focus should be on the master plan not the HECB. The HECB wants to meet legislative expectations. If the Legislature cannot support the master plan, there is a problem. The plan needs both policy and fiscal buy-in.

Faculty look forward to participating in any strategic planning efforts. Clear agreements allow all of us to do our work well. Collective bargaining parameters must be respected.

**Testimony Against:** None.

**Testified:** PRO: Representative Kenney, prime sponsor; Marc Gaspard, HECB; Cindy Hough, SBCTC; Terry Teale, COP; Jim Huckabay, CFR; Gary King, WEA; Wendy Rader-Konafalski, WFT.