

# HOUSE BILL REPORT

## E2SHB 2483

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### As Passed Legislature

**Title:** An act relating to higher education coordination.

**Brief Description:** Regarding higher education coordination.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Seaquist, Haler, Zeiger and Kelley; by request of Governor Gregoire).

**Brief History:**

**Committee Activity:**

Higher Education: 1/19/12, 1/23/12, 1/26/12, 1/30/12 [DPS];

Ways & Means: 2/6/12, 2/27/12, 3/1/12, 3/3/12 [DP2S(w/o sub HE)].

**Floor Activity:**

Passed House: 3/6/12, 64-32.

Senate Amended.

Passed Senate: 3/8/12, 49-0.

Passed House: 3/8/12, 72-26.

Passed Legislature.

### Brief Summary of Engrossed Second Substitute Bill

- Creates the Student Achievement Council (Council) as a state agency with 9 voting members.
- Sets out the mission and duties for the Council including: proposing statewide goals and priorities for higher education; tracking progress; conducting research and analysis; identifying transition issues and solutions, administering financial aid; protecting higher education consumers; and advocating for higher education.
- Requires the Council to complete a strategic action plan every two years with the first due by December 1, 2012.
- Requires the Council to create a 10-year roadmap for the higher education system, outlining specific components of the roadmap, with the first due by December 1, 2013, and updated every two years.
- Requires the Council to collaborate with education and higher education agencies and boards, and higher education institutions.

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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.*

- Establishes a Joint Committee on Higher Education to review the work of the Council.
- Directs that the Office of Student Financial Assistance is within the Council and under the direction of the Council.
- Transfers certain duties of the Higher Education Coordinating Board (HECB) to the Council or to another entity.
- Eliminates certain duties of the HECB.

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## HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Hasegawa, Pollet, Reykdal, Sells, Springer, Warnick, Wylie and Zeiger.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Parker, Assistant Ranking Minority Member; Asay, Buys, Crouse and Fagan.

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

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## HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 20 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Haler, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer, Sullivan and Wilcox.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Parker, Ross and Schmick.

**Staff:** Trista Zugel (786-7157).

### **Background:**

The Legislature established a state agency, the Council on Higher Education, to review and recommend higher education policy in 1969. In 1975 this agency became the Council for Postsecondary Education following federal legislation that required states to establish or designate a single state postsecondary education planning agency to qualify for federal planning and other funds. The state agency that currently conducts planning for the higher education system, reports on performance, administers state and federal financial aid programs, and approves private institutions to operate in the state is the Higher Education Coordinating Board (HECB) which was established in 1985.

Legislation enacted in 2011 abolishes the HECB effective July 1, 2012, and replaces it with a Higher Education Council. Under this legislation, a number of HECB functions are eliminated effective July 1, 2012. Functions eliminated include: developing a statewide strategic master plan for higher education; reporting on state support received by students, the costs of higher education, gender equity, costs and benefits of tuition and fee reciprocity with Oregon, Idaho, and British Columbia; and transmitting undergraduate and graduate educational costs to boards of regents. The financial aid office under the administration of the HECB becomes a separate state agency, the Office of Student Financial Assistance, effective July 1, 2012. The 2011 legislation also created a temporary Higher Education Steering Committee to recommend the duties and members of the new Higher Education Council by December 1, 2011.

The Higher Education Steering Committee, chaired by the Governor and comprised of legislators and representation from education and higher education sectors in the state, met four times in 2011 to determine the new duties of a state higher education agency. The recommendations included two different options for an executive branch office and an advisory council, and set out duties for the new Higher Education Council.

### **Summary of Engrossed Second Substitute Bill:**

#### Findings and Intent.

The Legislature recognizes that increasing educational attainment is critical to social and economic well-being and creates the Student Achievement Council to provide the focus and set goals for the state's higher education system.

#### Student Achievement Council.

The Student Achievement Council (Council) is created as a state agency. The Executive Director of the Council is appointed by the Governor who chooses from a list of names provided by the Council. The Governor, with the approval of the Council, may dismiss the Executive Director. The Council may dismiss the Executive Director. The Executive Director may hire his or her own staff.

The Council comprises 9 voting members as follows:

- five citizen members appointed by the Governor with the consent of the Senate, one must be a student; citizen members must represent the diversity of the state and state's geography; four citizen members serve four-year terms and the student serves a one-year term;
- a representative of the public baccalaureate institutions selected by the presidents of public baccalaureate institutions;
- a representative of the community and technical college system, selected by the State Board for Community and Technical Colleges (SBCTC);
- a representative of the K-12 system selected by the Office of the Superintendent of Public Instruction (OSPI) in consultation with the Department of Early Learning and the State Board of Education (SBE) who must excuse himself or herself from voting on matters pertaining primarily to institutions of higher education; and
- a representative of an independent, nonprofit higher education institution selected by an association of independent nonprofit baccalaureate degree-granting

institutions who is to excuse him or herself from matters that pertain primarily to public institutions.

The Council is permitted to convene ad hoc advisory committees. Any advisory committees addressing secondary to postsecondary transitions, and university and college admissions requirements must include K-12 sector representatives including teachers, school directors, principals, administrators, and others.

#### Purpose and Mission.

The Council must make recommendations to the Governor and the Legislature to increase educational attainment. The Council must propose goals, recommend resources, monitor progress, propose improvements and innovations in higher education to adapt to evolving needs, and advocate for the higher education system.

The Council is required to link the work of the OSPI, the SBCTC, the SBE, the Professional Educator Standards Board (PESB), the Workforce Board, public baccalaureate institutions, and independent schools and colleges; and take a leading role in higher education research and analysis.

#### Legislative Oversight and Review.

A Joint Committee on Higher Education (Joint Committee) is created, comprising four legislators from each chamber. The Joint Committee is charged to review the work of the Council and create recommendations for higher education policy, including proposed legislation. The Joint Committee must meet twice after the close of session.

#### State Higher Education Goals and Strategic Planning.

The Council must propose educational attainment goals and priorities aligned with the state's biennial budget and policy cycles. The goals must address the needs of Washington residents to reach higher levels of educational attainment and Washington's workforce needs for certificates and degrees in particular fields of study. The Council must identify the resources to meet statewide goals and recognize current state economic conditions and resources. In proposing goals, the Council must collaborate with the OSPI, the PESB, the SBE, the SBCTC, the public baccalaureate institutions, independent colleges and degree-granting institutions, certificate-granting institutions, and the Workforce Board.

The Council is required to create a two-year strategic action plan with the first due December 1, 2012. The strategic action plan must be updated every two years. The Council must create a 10-year roadmap due December 1, 2013, and updated every two years. The Council is required to conduct strategic planning in collaboration with agencies and stakeholders and outline strategies that address:

- strategic planning, including setting benchmarks and goals for long-term degree production generally and in particular fields of study;
- expanding access, affordability, quality, efficiency, and accountability among the various institutions of higher education;
- higher education finance planning and strategic investments;
- system design and coordination;
- improving student transitions;

- higher education data and analysis, in collaboration with the Education Data and Research Center (ERDC);
- college and career preparedness in collaboration with the OSPI and the SBE;
- expanding participation and success for racial and ethnic minorities in higher education; and
- relevant policy research.

#### Other Duties of the Council.

##### *Transitions.*

The Council is required to collaborate with agencies and stakeholders to improve student transitions and success. The Council must set minimum college admission standards, and propose programs and policies to encourage students to prepare for, understand how to access, and pursue postsecondary college and career programs, including specific policies and programs for students with disabilities. The Council must recommend policies that require coordination between sectors and identify transition issues and solutions.

##### *Financial Aid.*

The Council is charged to direct the work of the Office of Financial Assistance and administer state and federal financial aid programs.

##### *Innovations.*

The Council is required to facilitate the development and expansion of innovative practices to increase educational attainment, including accountability measures to determine the effectiveness of the innovations.

##### *Consumer Protection.*

The Council is charged to protect higher education consumers with the specific duty to approve degree-granting postsecondary institutions and establish minimum criteria to assess whether students who attend for-profit institutions of higher education are eligible for the State Need Grant and other forms of state financial aid. The Council must report by December 1, 2014, to the Joint Committee on the outcomes of all students who receive the State Need Grant and also present options for prioritizing the State Need Grant.

##### *Capital Budget Prioritization.*

The Higher Education Coordinating Board (HECB) duties related to capital budget prioritization are transferred to the ERDC, while specific HECB duties to prioritize institutional operating budget requests are eliminated.

##### *Higher Education System Design.*

The HECB duties related to higher education system design are transferred to the Council. The following HECB duties related to system design are eliminated:

- approval of new degree programs;
- approval of the creation of any off-campus program by a four-year institution;
- approval of the lease or purchase of major off-campus facilities by a four-year institution; and
- approval of applied baccalaureate degree programs developed by a community or technical college.

### *Other Duties.*

The Council must adopt residency requirements by rule; arbitrate disputes between and among four-year institutions and the SBCTC; may solicit, accept, receive, or administer federal funds or private funds to support the purposes and functions of the Council; and must represent the broad public interest above the interests of the individual institutions of higher education.

### Higher Education Accountability, Research, and Data.

The ERDC is required to support higher education accountability. The public baccalaureate institutions must report to the ERDC regarding accountability measures. The Council must use education data and analysis produced by, and in consultation with, the ERDC to:

- identify barriers to increasing education attainment;
- evaluate the effectiveness of various educational models;
- assess educational achievement;
- track progress toward meeting the state's goals; and
- communicate results.

The Council must identify the data needed to carry out its responsibilities for policy analysis in consultation with the ERDC, institutions of higher education, and state education agencies. The ERDC may, in consultation with the Council, update data requirements to be consistent with best practices across the country. The HECB duties related to identifying cost-effective methods for collecting data and protocols are eliminated.

The ERDC is required to conduct an educational cost study. The ERDC, in consultation with the institutions of higher education, must develop information on the approximate amount of state support that students receive, including the level of support received by students in each tuition category, and provide this information annually. The ERDC is required to compare per student funding with similar public institutions of higher education in the global challenge states. The Council must report annually a national comparison of tuition and fees.

### Transfer or Elimination of HECB Functions.

The HECB powers, duties, resources, and records are transferred to the Council. Exempt staff that are necessary to the functions of the Council, and subject to the Executive Director, are transferred from the HECB to the Council. Remaining functions of the HECB are transferred to the Council, or transferred to other agencies, or eliminated.

### Other.

Clarification is provided for the College Bound Scholarship to ensure alignment with statutory provisions for the State Need Grant unless otherwise directed in statute.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 101, 117, 401, 402, 501 through 594, 601 through 609, 701 through 708, 801 through 821, 902, and 904, relating to the transfer of the HECB duties to the Council, which take effect July 1, 2012.

### **Staff Summary of Public Testimony (Higher Education):**

(In support) This provides "value-added" for the state that will help drive Washington into the future with increased educational attainment. There needs to be an organization focused on improving student achievement and providing a clear focus. If this does not go forward there will be no entity that is focused on educational attainment and bringing all the sectors together. We support this bill. The duties outlined reflect the goals. It is time that this was addressed. We support this bill and hope there is Legislative "buy-in" and "stay-in."

(In support with concerns) We would prefer to see early learning included in the new entity. The best structure is to have a Council that employs its own executive director. The current system works well, we want to ensure that whatever is created does not compromise the initiatives and efficiencies that we have already achieved. We want to ensure that our accountability measures are not duplicated and that the Council does not get involved in the day-to-day operations of the institutions. There is distinction between an institutional budget and devising a budget that will support the educational goals for the state. We would like to clarify the language related to the non-voting members.

(With concerns) Students should be represented on the Council. The independent nonprofit institutions should be represented.

(Information only) The various functions that are necessary are strategic planning, providing a needs assessment to identify higher education needs of the state, researching employment data and the needs of the economy, focusing on transition points, conducting data research and analysis, paying attention to specific populations, and communicating with multiple entities the information, the needs, and the goals.

(Other) It is time to address this issue. This is an extraordinary opportunity to migrate the functions that are working and put together the right types of functions, roles, duties, and missions you want, and put together the kind of system that will be the kind of higher education system that will deliver what you want.

(Opposed) None.

### **Staff Summary of Public Testimony (Ways & Means):**

(In support) The interim work group tried to create a high value program that will assist us in long-range higher education planning. In developing this legislation, many people worked to develop a streamlined, laser-like focus on educational student achievement. The state needs more students who graduate from high school, and get Associate's, Bachelor's, Master's, and Doctoral degrees and certificates. This bill helps the state set clear goals for what the state needs. The state needs an entity to coordinate higher education priorities. There are many different concepts floating around right now. The State Board for Community and Technical Colleges likes this bill just the way it is right now. The current Higher Education Coordinating Board wants to fashion a Council that will improve higher education outcomes in Washington. All efforts need to be aligned around that. There is a need for robust analytical capability. The state needs to be able to measure and effectively use metrics to determine how institutions are performing. The HECB believes that approximately \$2

million per year for all of this effort is very efficient. The new agency has a wide range of duties and currently not enough funding. The Council of Presidents believes that the bill last year did not go far enough to remove things that do not add value, and would like to make changes so that the requirements are reduced to match the appropriation. The private institutions appreciate the chance to be part of this discussion and think that many very important improvements have been made. These institutions suggest that this committee will need to take a good look at the duties required and the resources available. There does seem to be a bit of a resource gap.

(Opposed) None.

**Persons Testifying (Higher Education):** (In support) Representative Seaquist, prime sponsor; Leslie Goldstein, Office of the Governor; Marcia Fromhold, Office of the Superintendent of Public Instruction; Amy Blondin, Department of Early Learning; and Ben Rarick, State Board of Education.

(In support with concerns) Mike Reilly, Council of Presidents; and Steve Lindstrom, Northwest Career Colleges Federation.

(With concerns) David Mitchell, Olympic College; Wilbert Pina, Jake Atwell-Scrivner, and Mike Bogatay, Washington Student Association; and Chris Thompson, Independent Colleges of Washington.

(Information only) Don Bennett, Higher Education Coordinating Board.

(Other) Ann Anderson, Central Washington University.

**Persons Testifying (Ways & Means):** Representative Seaquist, prime sponsor; Leslie Goldstein, Governor's Executive Policy Office; Deb Merle, State Board for Community and Technical Colleges; Don Bennett, Higher Education Coordinating Board; Paul Francis, Council of Presidents; and Chris Thompson, Independent Colleges of Washington.

**Persons Signed In To Testify But Not Testifying (Higher Education):** None.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** None.