

June 2011

Wrap-Up: 2011 Legislative Session

Four major bills impacting student access and completion—bills that will change higher education and student financial aid funding and accountability in Washington—were approved by the 2011 Legislature.

E2SHB 1795 sets new benchmarks for degree production and establishes new accountability metrics to monitor and improve student achievement, including a student achievement funding initiative. The Higher Education Coordinating Board (HECB) is assigned to develop an accountability monitoring and reporting system, and each institution is required to develop a performance plan with the Office of Financial Management (OFM).

E2SSB 5182 establishes a new Office of Student Financial Assistance and creates a new Council for Higher Education, whose duties will involve accountability monitoring. ESHB 2088 creates a new Opportunity Scholarship Fund to provide public/private-funded scholarship accounts for low- and middle-income students. ESSB 5749 authorizes an assessment of any changes needed to ensure the financial performance of the Guaranteed Education Tuition (GET) program.

E2SHB 1795 – Tuition, Funding, Accountability

TUITION SETTING AUTHORITY

The state's four-year colleges and universities:

- May set their own tuition rates for the next four years.
- May set their own tuition rates for the ensuing four years, although tuition may not exceed 60 percent of the average of comparable Global Challenge State (GCS) institutions.
- Must set aside 4 percent of their tuition revenue for financial aid, or 5 percent if their tuition rates exceed those recommended in the omnibus appropriations act.
- Are required to report on the effectiveness of financial aid in mitigating the impact of tuition increases.

HIGHER EDUCATION FUNDING

- Statutes establishing performance agreements and setting the per-student funding goal at 60 percent of the GCS average are repealed.
- A legislative task force is formed and charged with reviewing the basis of state funding for higher education and recommending, by January 2012, a method of budgeting that offers greater efficacy, transparency, and accountability.
- Beginning September 2011, and every other year thereafter, institutions must negotiate a performance plan with OFM that includes expected outcomes for measures such as diversity, time to degree, retention, etc.
- OFM will convene a workgroup to develop recommendations to improve efficiency and effectiveness across higher education campuses.

ACCOUNTABILITY

- Requires the HECB to establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals in higher education.
- A Student Achievement Initiative is established to encourage four-year public baccalaureate institutions to meet degree production, retention, and high demand degree targets. A limited financial incentive is provided for making measured progress.
- New accountability measures are established for higher education outcomes that include increasing bachelor's degree production by 6,000 by the year 2018 (2,000 of which must be in high-demand fields), achieving parity in degree attainment for those from under-represented and low-income groups, and addressing a wide range of student success measures.
- Adoption of the National Governors Association accountability metrics also is recommended.

E2SSB 5182 – HECB Elimination

- This bill eliminates the HECB effective July 1, 2012 and divides it into an Office of Student Financial Assistance, with a director appointed by the Governor, and a Council for Higher Education.
- A Governor-appointed steering committee is established to study and make recommendations by December 2011 on the membership of the Council for Higher Education and the role and scope of its duties.
- The HECB is authorized to assist the steering committee in carrying out its work.
- The new Office of Student Financial Assistance will have responsibility for all financial aid programs now administered by the HECB and for the GET program.

ESSB 5749 – GET

- In light of the new tuition-setting authority granted in E2SHB 1795, the GET bill requires the program's governing body to work with the State Actuary to assess whether changes are needed for GET units purchased on or after September 1, 2011.
- A report during the legislative session from the State Actuary affirmed the financial solvency of the existing GET program. The additional assessment of GET unit pricing, payout value, and enrollment schedule will help ensure the continued soundness of the program in the face of tuition changes resulting from enactment of E2SHB 1795.

ESHB 2088 – Opportunity Scholarship

- Establishes two new public/private scholarship accounts for low- and middle-income students enrolled in high employer demand studies and other bachelor's degree programs in Washington. A third public/private fund supports institutional proposals that increase bachelor's degree production in high-demand fields.

Other Key Pieces of Legislation

- Less Than Half-Time State Need Grant
- Aerospace Training Loan Program
- College Bound Caseload Forecasting
- Doctoral Programs at Branch Campuses
- University Center of North Puget Sound
- Eastern Washington University Educational Specialist Degrees
- Community and Technical College Technology Plan Financing
- Western Governors University-Washington
- Accelerated Baccalaureate Degrees