

Legislative Update

As of January 28, 2010

The Senate Higher Education and Workforce Development Committee has revised membership for the 2010 session. Fred Jarrett resigned from the Senate, and in the wake of his departure, Sen. Jim Kastama has been appointed Vice Chair of the committee. In addition, Sen. Rodney Tom has been appointed to the committee. Early session action has included a strong focus on enacting efficiency measures and early funding reductions in agency budgets. The main work on the budget is underway, but won't become public for some time yet. In the meantime, policy committees are working furiously in advance of the policy committee cut-offs dates of February 2 in the House and February 5 in the Senate.

System Design

Legislation to implement System Design Plan recommendations was introduced in the House and Senate by the chairs of the Higher Education committees (SB 6355/HB 2655). Public hearings were held last week and much positive testimony was offered. A substitute version was prepared in consultation with stakeholders. The substitute version was approved without opposition by the Senate Higher Education & Workforce Development Committee on Wednesday. The bill is expected to go next to the Senate Rules Committee. In the House committee, action is scheduled for Friday, January 29 at 8 a.m.

The substitute bill includes an intent section stating that the Legislature endorses the System Design Plan and adopts the recommendations and strategies in the plan. When a college offers a new level of degree, the bill defines that as a mission change. Major expansion of the higher education system is defined as expansion that requires significant new capital investment, including building new institutions, campuses, branches or centers or significant expansion of existing campuses, branches or centers. Proposals for mission changes and major expansions will be subject to review by the HECB in a needs assessment process and, if warranted, a viability determination. The HECB would then make recommendations to the governor and the Legislature to proceed, modify or not proceed with the mission change or major expansion.

Regarding applied baccalaureate degrees, their pilot status is removed. Two-year colleges that want to begin offering applied baccalaureate degrees must submit applications and both the HECB and the SBCTC select the colleges that will be permitted to proceed.

The bill revises the existing "fund for innovation and quality in higher education," which has been in law since 1999 but never funded. The revisions align the purpose and structure of the existing fund with the Fund for Innovation proposed in the system design plan. The HECB, working in close collaboration with SBCTC and other entities, could award competitive grants to public or private nonprofit institutions or consortia of institutions to improve productivity and educational attainment needs as described in the Master Plan and the System Design Plan.

Tuition

Legislation to begin implementation of HECB recommendations on tuition was introduced in both chambers (HB 2822/SB 6509). Both bills had public hearings last week and remain in committee. The House committee has scheduled action on HB 2822 on Friday (today).

A substitute version of the bill was prepared that includes a section of findings and legislative intent. The intent language states the Legislature will establish limits to ensure resident undergraduate tuition does not exceed the 60th percentile of tuition at similar public institutions in the global challenge states, and affirms the state's responsibility as the majority shareholder in financing public higher education. The language also recognizes the value of greater tuition differentiation based on institutional role and mission, campus and student populations served. Finally, the bill requires institutions and SBCTC to submit to the HECB by July 1 of even-numbered years proposed tuition rates along with budget requests. The HECB would then review and make recommendations to the Legislature and the governor on both tuition rates and appropriation requests. The HECB evaluation of the requests and proposed tuition rates would take into account alignment with performance agreements and per-student funding goals, among other factors.

Three other tuition bills have been given public hearings in the Senate. One bill gives UW unfettered tuition-setting authority (SB 6276).

Another bill (SB 6625) gives all public baccalaureate institutions tuition-setting authority and creates a mandatory system of income-based tuition waivers – 100% of tuition is waived for students at or below 50% of median family income; for MFI of 50% to 75%, 75% of tuition is waived; for 75% to 100% MFI, 50% of tuition is waived; and for 100 to 125% MFI, 25% of tuition is waived. The requirement to use 3.5% of tuition revenue for financial aid is repealed, and tuition revenue would no longer be retained by institutions but would have to be appropriated by the Legislature. The tuition rate for an individual student would have to be held constant for a period of four years.

Finally, SB 6562 (HB 2946) would raise the cap on how much resident undergraduate tuition could increase at baccalaureate institutions. Tuition could not increase more than 14% in any one year, and could not increase more than an annual rate of 10% on average over a 15 year period. In addition, tuition levels could not exceed the 75th percentile of tuition at similar public institutions in the global challenge states. Institutions would be required to increase institutional financial aid from 3.5% to 4.5% of tuition revenue. The bill also changes current law on performance agreements. They would be 10-year agreements negotiated between OFM and the individual baccalaureate institutions starting in September 2011. Institutions would annually report to OFM, and would be required to demonstrate “satisfactory progress” in order to be approved by OFM.

All four Senate bills had a public hearing in the Senate committee, and none have yet been passed by the committee.

Financial Aid

Senate Bill 6409 would dedicate most proceeds from the **lottery to a series of financial aid** programs, including opportunity grants, educational opportunity grants, GET ready for math and science, passport to college promise, college bound scholarship and the Washington promise scholarship. In addition, at least two percent of the revenue would be dedicated to the STARS program, which supports entrepreneurial researchers, innovation partnership zones and research teams. During testimony at the public hearing (January 27, Senate Higher Education & Workforce Development Committee) on the bill, the bill sponsor (Sen. Kastama) and the chairman (Sen. Kilmer) indicated interest in adding additional financial aid programs to the bill.

The **Higher Education Loan Program** (HELP) authorized by the Legislature last year is the focus of House Bill 2854. The bill would set up some of the infrastructure necessary for administration of the program, pending authorization of funding to actually begin offering the program to students. The bill describes goals of the program as increasing access and affordability, reducing reliance on private loans, and complementing existing federal financial aid programs. The intent section further states the Legislature's intent to seek a stable and predictable source of funding, that the program be self-sustaining, and that self-help aid not replace gift aid. The program would serve students up to 130% of median family income if they complete a FAFSA and meet several other qualifications. Authority granted in 2007 to the Washington Higher Education Facilities Authority to make student loans would be repealed. The bill received a public hearing last week and is scheduled for executive action Friday.

House Bill 2936 would significantly **restructure the State Need Grant**. Need Grant recipients would be eligible for the program for just two years, rather than the current five years. Eligibility would be restricted to students under 30 years of age with the exception of single parents. Current recipients are grandfathered in under the previous program rules. Half of program funding would be set aside to serve part-time students, though funds not needed to serve part time students could be granted to other students. The fiscal note projects spending for the program would be reduced by about \$90 million in 2011-13 and \$102 million in 2013-15. The bill was heard this week and is scheduled for executive action in the House Higher Education Committee on Friday.

Current law requires the SBCTC to develop plans for the use of worker retraining funds. House Bill 2630 stipulates that those plans give priority to applicants working toward careers in aerospace, health care, advanced manufacturing, construction, renewable energy, and other high demand programs identified in state comprehensive plans and plans developed by local workforce development councils, or occupations and industries identified by community and technical colleges. The bill creates an **opportunity express** account from which up to \$100 million could be appropriated. Appropriations from the account could only be used for the worker retraining, opportunity internship and opportunity grant programs. The bill was passed by the House Higher Education Committee and has been referred to the House Education Appropriations Committee.

Efficiencies

Legislation (SB 5237) introduced last year to require baccalaureate institutions to develop **accelerated baccalaureate degree** programs has been revived this year. The degrees would be obtainable in three years without students having to attend summer sessions or take course loads in excess of full time. The programs would be available to students graduating from high school with a 3.5 GPA, or who scored in the top 10% on both the critical reading and mathematics sections of the SAT or in the top 10% in English and math on the ACT. The institutions' plans would be submitted to the HECB for approval. The bill is scheduled for public hearing Friday at 1:30 in the Senate Higher Education Committee.

The SBCTC, in consultation with HECB, WTECB and other stakeholders, would be required to develop **policies for awarding academic credit for learning from work** and military experience, military and law enforcement training, career college training, internships and apprenticeships. The policies would address verification, accreditation and transfer of academic credit, licensing and professional recognition, and financial aid. Policies would be submitted to the appropriate committees of the Legislature by December 31, 2010. The bill (SB 6357) was passed by the Senate Higher Education & Workforce Development Committee this week.

Legislation promoting **efficiencies in the community and technical college system** has been passed by the House Higher Education Committee (SHB 2634 – the companion, SB 6359, has passed the Senate committee as well). The House bill requires that community college districts coordinate with districts in their regions to avoid unnecessary duplication of student services and administrative functions. The SBCTC is required to establish criteria and procedures for consolidating district structures to form multiple campus districts and identify potential administrative efficiencies. A preliminary report is due in December, and a final report in December 2011.

K-12 Education

Legislation introduced in both houses (HB 3025/SB 6778) would permit students to **graduate from high school by meeting the minimum college admission standards** and attain a 3.0 GPA in the required courses and complete a culminating project. Current high school graduation requirements include earning at least 19 credits in specified subjects. Minimum admission standards call for earning 15 credits in specified subjects and earning a 2.0 GPA on those courses. The House bill was heard and is scheduled for executive action February 2nd. The Senate bill is scheduled for public hearing February 4th.

The **Future Teachers and Alternative Route** Conditional Scholarship programs are revised under House Bill 2930. Priority is given to individuals seeking specialty endorsements in math approved by PESB and individuals uniquely qualified to help schools successfully address the achievement gap. Eligibility for the Future Teachers program is reduced from five to two years and a loan repayment benefit would be added to the Alternative Routes program. Loan repayment and conditional scholarship awards are authorized up to the cost of attendance up to a maximum of \$15,000 per academic year. The bill was heard this week and is scheduled for executive action Friday in House Higher Education.

Senate Bill 6597 would establish an **additional high school graduation requirement**. Students would have to complete an application to a postsecondary education program, including four-year institutions, community college or technical programs, private career schools, or apprenticeship programs. The bill has not been scheduled for public hearing.

Other

Legislation requested by the HECB authorizing the agency to offer **higher education retirement plans** has been scheduled for public hearing in the House Ways and Means Committee on February 1 at 3:30.

Performance agreement statutes would be revised by House Bill 2979. The state performance agreement committee membership is changed – OSPI is removed, and two legislative members and one HECB representative are added. Of the two members representing the HECB, one must be the executive director. The six legislators would include the higher education committee chairs, the chair or chair's designee of the fiscal committees, and two minority party members. Institutions would develop a preliminary draft agreement. Representatives of the state committee would then negotiate with each individual institution a draft performance agreement to be submitted to the full state committee for adoption by September 15, 2010 and submitted to the governor by October 1. Agreements would cover three biennia, beginning with 2011-13. The pilot status of performance agreements and the audit by the Joint Legislative Audit and Review Committee are repealed. The bill had a public hearing this week and is scheduled for executive action Friday.

House Bill 2694 recognizes the state faces a shortage of nurses and, subject to specific funding for this purpose, directs the University Center at Everett Community College, in partnership with UW Bothell, to offer a **bachelor of science in nursing** program. The program must have the capacity to serve at least 50 FTE students (though funding would have to be separately provided or the measure is null and void). The bill was passed last week by House Higher Education Committee and has been referred to the Education Appropriations Committee.

Confirmation of Andrew Helm was before the Senate Higher Education & Workforce Development Committee on Wednesday. The committee unanimously recommended confirmation of Mr. Helm. The recommendation now goes to the full Senate for possible action.