

April 2007

Legislative Action: 2007 Regular Session

Issue	Background/Context	Description of Final Legislation as Approved and Sent to Governor
Snohomish/ Island/ Skagit	Regional leaders have long advocated creation of a 4-year institution in the area. HECB study in 2005-07 produced report to serve as backdrop for discussion this session. A primary focus of debate was the governance structure for a new campus	<p>Capital budget language directs the University of Washington to govern and operate an additional branch campus in the region. Top priorities are upper division and graduate capacity high demand fields, particularly science, technology and engineering. Lower division offerings linked to specific majors are authorized in fields not addressed at local community colleges. Freshmen and sophomores may be directly admitted in accordance with a campus plan to be submitted to HECB.</p> <p>UW and OFM will assess options and make recommendations on siting and will develop operational and management plans.</p> <p>Five years after students are first admitted, the HECB will work with the institution and a local advisory board to review progress in meeting needs, and assess the need for further action. \$4 million is provided. (ESHB 1092)</p>
Funding and tuition policy	HECB master plan policy advocates limiting tuition increases to no more than 7% annually (31% over four years). Washington Learns recommended a similar tuition limit	Tuition increases are to be set in the state budget, but should not exceed 7% annually. The state adopts as a minimum funding goal the 60 th percentile of per student funding at similar public institutions in the global challenge states. OFM develops a funding trajectory for each public baccalaureate institution and for the two-year sector as a whole which will achieve over a 10-year period at least the minimum funding goals. The funding goal incorporates revenue from both tuition and state appropriations, and will be adjusted for regional differences in cost of living, and the mix of programs and enrollment by lower division, upper division and graduate levels in the states. If funding goals are not met, the Legislature may revisit appropriations, enrollment and tuition levels in any given year. (2SSB 5806)

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HECB duties	Washington Learns proposed various governance changes. The proposal approved by the Legislature is intended to ensure HECB budget recommendations are received by OFM early enough to be fully considered by the governor	<p>Institutions and the SBCTC are required to submit to HECB by July 1st of even-numbered years all budget enhancements and additions that will be requested. HECB is required to submit budget recommendations and priorities to OFM by October 1st of even-numbered years.</p> <p>SPI may send a representative to the HECB advisory council.</p> <p>The Master Plan for higher education will be a 10-year plan updated every four years. The plan will address additional topics including access, methods of delivering education, performance measures, financial aid transparency, and the needs of non-traditional learners. (ESHB 1883)</p>
Accountability	HECB and OFM negotiated higher education performance measures and targets in 2006.	The budget directs HECB and the 4-year institutions and the SBCTC to review and revise performance targets based on per-student funding levels approved in the 2007-09 operating budget. The review and revisions are to be done by July 31, 2007. (SHB 1128)
College Bound Scholarship	SB 6744 in 2006 by Sen. Rockefeller proposed awarding GET units for students based on WASL scores. Washington Learns embraced scholarships for low-income students promised to them at an early age.	<p>Students eligible for free or reduced-price lunch in seventh grade will be eligible for the College Bound Scholarship if:</p> <ul style="list-style-type: none"> • family income does not exceed 65% of median family income when they graduate • they graduate from high school with a GPA of 2.0 or better; and • they are not convicted of a felony. <p>Scholarships are for use in Washington, and amount of awards are the difference between tuition and state-funded grants, waivers and other scholarships, plus \$500 for books and materials. GET units may the vehicle used to award scholarship support. (E2SSB 5098)</p>
Math and Science scholarship	Math and science education across the P-20 spectrum was a major theme of Washington Learns.	<p>Scholarships available to students who:</p> <ul style="list-style-type: none"> • score in level 4 (“advanced”) on the 10th grade WASL in mathematics or science or score above the 95th percentile in math on the SAT or ACT; • earn a bachelor’s degree in math, science or related fields, while taking at least one related course every term; • work in Washington for three years after graduation in a math, science, or related occupation; and • whose family income does not exceed 125% of state median family income. <p>Scholarship awards cannot exceed resident undergraduate tuition rates at UW and are subject to funding availability. Private match equal to state funds is required. (E2SHB 1779)</p>

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<p>Opportunity Grant scholarship</p>	<p>Legislation proposed in 2006 to create this program was not approved. However, funds were included in the supplemental budget for fiscal year 2007.</p>	<p>Workforce education program to provide support to students below 200% of federal poverty level for up to one year of study in approved program at CTCs, proprietary schools or apprenticeship programs (subject to funding). Students may receive up to \$1,000 per year for books and supplies. Institutions may receive up to \$1,500 per FTE to provide advising, tutoring, child care and transportation.</p> <p>SBCTC identifies eligible programs leading to a credential, certificate or degree in high demand occupations, based on employer demand exceeding supply and training capacity being underutilized. CTCs partner with workforce development councils to match students with mentors from business or labor. (2SHB 1096)</p>
<p>Foster youth financial assistance pilot</p>	<p>The state has taken several actions in recent years to better meet the needs of those who are or were in foster care. These actions have occurred both within and outside the confines of higher education policy and funding. In higher education, the creation of the foster care endowed scholarship in 2005 is an example.</p>	<p>A six-year pilot program intended to encourage and assist former foster care youth to prepare for and succeed in higher education is created, called the Passport to College Promise pilot program. The program is subject to the availability of funding and is eliminated June 30, 2013. To be eligible, students must enroll at least half time before age 21 in an institution in Washington, not be pursuing a degree in theology, must have been in foster care at least one year after turning 16 years of age, and must meet a variety of other criteria.</p> <p>Scholarship awards cannot exceed resident undergraduate tuition at the highest-priced public institution in the state. Students are expected to contribute a reasonable amount of their own resources (to be defined by HECB) and to be supported by other sources of financial assistance for which they might be eligible. This scholarship is intended to alleviate remaining unmet financial need. If funded, the HECB is to develop a web site and outreach programs to provide information and resources to eligible students. (ESHB 1131)</p>

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State Need Grant Less-Than-Half-Time Pilot	The HECB conducted a pilot project in 2005-07 and issued a report in 2006 recommending extending eligibility for the State Need Grant to students enrolled for 3 to 5 credit course loads.	<p>Students taking 3 to 5 credits per quarter, or the semester equivalent, are eligible for the SNG program until June 30, 2011 to the extent funds are specifically included in the budget for this purpose. When financial need is calculated for these less than half-time students, child support payments will be excluded from the calculation of the students' income.</p> <p>Institutions are encouraged to provide students attending less than half-time with the same access to institutional financial assistance as is offered to students taking 6 or more credits. There is no expiration date on the extension of eligibility for institutional aid. (ESHB 1179)</p>
HECB budget provisos	HECB requested authority and funds to maintain scholarship clearinghouse HECB proposed assigning work study students as interns in schools	<ul style="list-style-type: none"> • \$1 million is provided to develop more math and science teachers. Half these funds are to expand future teacher scholarships by 35 students per year; half is for internships for work-study students in secondary math and science classrooms • \$256,000 is provided for HECB to maintain and update the scholarship clearinghouse. • HECB was granted \$200,000 to study capital facility and technology capacity in relation to 10-year enrollment projections through 2019. Report due October 1, 2008. (SHB 1128)
Tuition waivers for veterans' families	Institutions are permitted to waive all or part of tuition and fees for specified categories of students	Institutions are required to waive all tuition and fees for the children and spouses of military veterans or National Guard members who died or were permanently and totally disabled while on active duty or who have been declared missing in action or prisoners of war. A child is eligible up to age 26 and must be domiciled in Washington. A surviving spouse is eligible for 10 years from the date of event triggering eligibility. A surviving spouse becomes ineligible upon remarriage. (SSB 5002)
Tuition waivers for educational employees	Institutions are currently authorized to waive tuition for state employees on a space-available basis	Institutions are authorized to waive all or part of tuition for teachers and other certificated instructional staff working in public common and vocational schools if they hold or are seeking an endorsement or assignment in a state-identified shortage area. (SSB 5101)

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CWU and TESC tuition waivers	When institutions were allowed to retain tuition revenue, the state limited funding it would provide to institutions to offset revenue lost due to tuition waivers. That limit was based on the amount of tuition revenue waived by each institution in 1992.	<p>This legislation increases the limit on how much tuition revenue can be waived by Central Washington University for which the state provides compensating or offsetting appropriations. The previous limit has been 8 percent of total operating fee revenue. The limit is increased to 10 percent (which compares with a limit of 10 percent at WWU, 11 percent at EWU and 20 percent at WSU and 21 percent at UW). The budget includes \$500,000 for CWU, reflecting the Legislature's intention to increase state-funding supported tuition waiver limits over a five-year period.</p> <p>Although this statute affects only CWU, the budget also includes \$614,000 for TESC to increase its comparable tuition waiver limit from 6 percent to 10 percent over five years. (ESHB 1497)</p>
Educational Loans	Dept of Community, Trade and Economic Development recommended the state authorize issuance of bonds for educational loans after the Student Loan Finance Assn became ineligible to continue doing so	The Washington Higher Education Facilities Authority, which finances bond sales to support facility projects at independent institutions located in the state, is authorized to issue revenue bonds and to buy and sell educational loans. This is an alternative educational loan program. The loans are not guaranteed by the state and the program as a whole is not authorized to incur any obligation of the state. Bonds issued by WHEFA are excluded from the state debt limit. It is unknown whether loans offered through this program will offer students terms that are any more favorable than are currently available through banks and other institutions active in the private alternative loan market. (SSB 5385)
Endowed Scholarship Fund Investment	HECB developed this proposal to improve the rate and predictability of investment returns	HECB currently administers two endowed scholarship programs – the American Indian and former foster youth programs. Responsibility for investing funds from endowed scholarship programs administered by the HECB is transferred from the state treasurer to the State Investment Board. (SSB 5039)
Investment of higher education funds	State was granted federal lands to be held in trust for benefit of higher education.	State Constitution prohibits the state from investing in stock, so most state funds can only be invested in government securities and certificates of deposit. This proposed constitutional amendment, if approved by the voters, will allow the State Investment Board to invest universities' permanent funds in equities under the assumption that higher rates of return can be realized, thus providing greater funding support for public baccalaureate institutions. (SHB 1784)

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Education Data Center	Washington Learns recommended creating a data center in OFM to examine issues spanning P-20 education sectors	The educational data center is established in OFM. It will compile data and will, jointly with the legislative evaluation and accountability program (LEAP), conduct collaborative analyses of educational data, programs and issues across the P-20 educational system. HECB and other agencies are to work with the center to develop data-sharing and research agreements. The center shall make data from collaborative analyses available to agencies that contribute data. The center will assist other agencies' collaborative efforts to develop a long-range enrollment plan for higher education. School districts are required to provide OSPI with data linking the specific teacher with individual students taking each class offered in every school. (E2SSB 5843)
K-12 system changes	Washington Learns recommended many changes in K-12 education, many of which were approved by the Legislature as part of this and other legislation.	<p>The State Board of Education is directed to revise high school graduation requirements to include a minimum of 3 credits of math, one of which may be a career and technical course equivalent in math, and prescribe the math content in the three required credits.</p> <p>HECB is to administer new conditional scholarship programs. The pipeline for paraeducators program envisions those with three years of classroom experience will obtain an associate degree in two years and pursue an alternative route to teacher certification. The retooling to teach math and science program envisions current teachers earning an endorsement to teach math or science within two years.</p> <p>SBCTC, COP, HECB and OSPI are to jointly revise the math placement test to serve as common college readiness test with a common performance standard for all 2- and 4-year public institutions by September, 2008.</p> <p>As part of the needs assessment, the HECB shall assess the need for additional baccalaureate programs in teacher preparation for math, science and technology, and to encourage institutions to create such programs if needed. (2SHB 1906)</p>

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WASL graduation requirements	Students were scheduled to be required to score proficient on WASL to graduate starting 2008	Students will not be required to score at the proficient level on the math portion of the WASL prior to the class of 2013. Proficient scores on math and science WASLs become graduation requirements in 2013. (Certain students in special education programs are exempted.) Students in the classes of 2008 through 2012 will be required to achieve proficiency on the reading and writing WASLs, or score at specified levels on alternative assessments (Advanced Placement tests, SAT and ACT). Students not proficient on math WASL or an alternative are required to take additional math credits (1 year for class of 2008, 2 years for '09 through '12) or career and technical course equivalents, and continue taking the math WASL. (ESSB 6023)
High demand degree production	Prosperity Partnership, HECB, Washington Learns and others have advocated greater degree production	A committee is formed to develop by December 1, 2007 a plan to increase degree bachelor's degree production by 10,000 per year by 2020, and to significantly increase production of associate degrees and certificates. High impact, high demand areas of study are the special emphasis. Legislators, HECB and other agencies and private sectors stakeholders are on the committee. The committee will be co-chaired by legislators and staff support will be provided by the Legislature. (SSB 5731)
Innovation Partnership Zones	Governor's Global Competitiveness Council recommended state funding support local concentrations of innovation	CTED will designate innovation partnership zones based on specified criteria such as local research capacity, globally competitive firms in a research-based industry and training capacity. A zone is administered by a local government, port, economic development council or workforce development council. Designation lasts 4 years and brings eligibility for a variety of funds. The Economic Development Commission, in conjunction with HECB and research institutions, develop by the end of 2007 a plan to expand research into commercially viable technologies. HECB is responsible for implementing the plan in conjunction with publicly funded research institutions. (SHB 1091)
Health Sciences and Services Authority	As an economic development strategy, local governments have explored developing and expanding health science research and teaching activities and health service delivery	One health sciences and services authority is authorized. A local government meeting certain criteria may apply for such designation. HECB determines whether an application from a local government shall be approved. Applications are due by December 31, 2007 and must be processed within 60 days. HECB must develop evaluation and performance measures and provide a biennial report to the legislature, beginning December 1, 2009. \$193,000 was provided to CTED in the budget, though that relevant work is to be done by HECB. (E2SHB 1705)

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Textbook costs	Legislation in 2006 attempting to mitigate the rising cost of course materials students must buy applied to 4-year institutions	Boards of Trustees for 2-year institutions are required to develop rules applying to affiliated bookstores. The rules are to provide students the option to purchase unbundled course material when possible, disclose changes in new editions of textbooks, and promote book buy-backs. Faculty are required to consider the lowest cost options when assigning course material. (HB 1224)
Textbook disclosures	Legislation directing faculty to consider costs when assigning course material has passed in 2006 and '07	When publishers market textbooks and other course material to faculty, the publisher is required to disclose the history of revisions to the publication or other products, and is required to disclose the intended price that would be charged students at a bookstore affiliated with or run under contract with an institution of higher education. (SHB 2300)
Private vocational school regulation	Workforce Training and Education Coordinating Board licenses and regulates the operation of private vocational schools. Schools that close unexpectedly can harm students and the state.	This legislation directs WTECB to modify the rules governing the schools. WTECB may determine if a school or program is at risk of closure or termination, and must require the school to take corrective action under such a determination. To obtain and maintain a license to operate in the state, the schools are required to demonstrate to WTECB that they are financially viable and responsible. The schools are required to test students for whom English is a second language in order to determine the student's ability to benefit from and complete a program. If a school closes without adequate notice, WTECB must provide transitional assistance and services to students, such as information about transfer options and job search strategies. (SB 5402)
Scope of bonding authority for UW and WSU	UW and WSU may issue bonds for research and enterprise facilities, but not academic or administrative facilities	Research universities are authorized to issue bonds for any university purpose. They may also use any nonappropriated funds to repay bonds. Examples of such nonappropriated funds are revenue from student housing and dining halls, parking, athletics and hospitals. As a result, the universities will be authorized to develop academic and administrative facilities using lower cost financing. The bonds are not backed by the state and are not counted toward the state debt limit. (SHB 1398)

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Contracting rules for construction, remodeling work	A public bidding process and awarding contracts to the lowest responsible bidder is required when institutions do construction, renovation, etc.	Public 4-year and 2-year institutions must allow public bids and must award contracts to the lowest responsible bidder for building, construction, renovation, remodeling or demolition work when the cost of the project reaches a certain level. This does not apply to maintenance and repair work. The legislation raises the threshold cost above which these requirements apply to a project. The cost trigger is increased to \$55,000, (from \$35,000 at the 4-year and \$25,000 at the 2-year institutions) and if the work involves only one trade, the public bidding process is required above \$35,000. (ESSB 5770)
UW branch campus master plan areas	Certain cities have property tax reduction programs to spur urban residential development	Cities have been authorized for several years by the state to provide property tax reductions for certain residential development. The program in the City of Tacoma is so successful in stimulating development that there is growing concern the cost of property within the UW Tacoma campus facilities master plan could significantly increase. This legislation bars such property tax abatement within the boundaries of the Tacoma and Bothell UW branch campus facility master plan areas. (ESHB 2164)