

HOUSE BILL REPORT

HB 1500

As Reported by House Committee On:
Higher Education

Title: An act relating to a study of higher education cost drivers.

Brief Description: Concerning a study of higher education cost drivers.

Sponsors: Representatives Zeiger, Haler, Pollet, Manweller, Bergquist, Condotta, Magendanz and McCaslin.

Brief History:

Committee Activity:

Higher Education: 2/3/15, 2/10/15, 2/11/15, 2/13/15 [DPS].

Brief Summary of Substitute Bill

- Requires the Joint Higher Education Committee (Committee) to conduct a study of higher education costs at the state universities, regional universities, and The Evergreen State College.
- Requires the Committee to convene an advisory panel to provide guidance, data, and recommendations to the Committee.
- Requires the Committee to report its findings to the Legislature by November 1, 2016.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Hansen, Chair; Pollet, Vice Chair; Zeiger, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Bergquist, Gregory, Hargrove, Holy, Reykdal, Stambaugh, Tarleton and Van Werven.

Staff: Megan Mulvihill (786-7304).

Background:

Joint Higher Education Committee.

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.

The Joint Higher Education Committee (Committee) was created in 2012 with the purpose of reviewing the work of the Student Achievement Council (Council), providing feedback, and engaging with the Council and the higher education community to create greater communication, coordination, and alignment between the higher education system and the expectations of the Legislature. The Committee must provide recommendations for higher education policy to the higher education and fiscal committees of the Legislature. The Committee consists of four members from the House of Representatives and four members from the Senate. The Committee is required to meet at least twice annually after the legislative session each year.

Global Challenge States.

The Legislature uses the Global Challenge (GC) States to compare Washington to. The list of GC States is determined by the new economy index published by the Progressive Policy Institute, which ranks states based on indicators of their potential to compete in the new economy. The list is reviewed every five years by the Office of Financial Management (OFM) to determine if it is still appropriate. The Legislature uses the sixtieth percentile of resident undergraduate tuition at similar institutions of higher education in the GC States as a limit for Washington resident undergraduate tuition levels. The Legislature also uses the sixtieth percentile of total per-student funding for comparable institutions of higher education in the GC States as a goal for state funding.

2013 Joint Transportation Project Efficiencies and Cost Drivers.

In 2013 the Legislature required the Joint Transportation Committee to analyze transportation cost drivers in Washington, compare the Washington State Department of Transportation costs to comparable projects elsewhere, identify best practices and inefficiencies, and recommend changes to improve efficiency and save money. The study included an advisory panel to help provide recommendations.

Summary of Substitute Bill:

The Committee must conduct a study of higher education costs at the state universities, the regional universities, and The Evergreen State College using the 2013 Joint Transportation Cost Driver study as a model. The Committee must convene an advisory panel with members from the Committee and representatives from the OFM, the Council, the Washington Students Association (WSA), the Council of Presidents, the State Auditor's Office, the largest labor union at the regional universities, and the faculty of the state universities to meet four times to provide guidance, data, and recommendations.

The study must describe the cost drivers for each institution and for the students over the most recent 30-year period. The study must compare the cost drivers in Washington to the cost drivers for institutions and students in the GC States and other comparable states. The cost drivers to be considered include:

- research;
- faculty and staff salaries;
- administration;
- health care and benefits;

- capital;
- student services;
- textbooks; and
- student housing.

The Committee must report the findings of the study to the legislative higher education committees by November 1, 2016.

Substitute Bill Compared to Original Bill:

The substitute bill: (1) adds the WSA to the list of advisory panel members required to provide guidance, data, and recommendations to the Committee in conducting the higher education cost driver study; and (2) changes the time frame from a 20-year period to a 30-year period for looking back at historical data regarding cost drivers for each institution.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) As Washingtonians face higher tuition costs, it is helpful for legislators to identify what is driving these costs. This is what this study aims to do. It is believed that analyzing cost drivers will provide students, their parents, and others with greater transparency.

(In support with concerns) The overall costs of higher education have not gone up. Instead, there was a shift between funding support between the state and tuition. There are concerns about extending the study to 30 years as the proposed substitute bill does. The Evergreen State College is only 41 years old, so that kind of historical data might not be reliable. There are also costs associated with changing demographics. This study would require additional resources, and the Education Research and Data Center (ERDC) should be identified in the advisory panel. There is also concern with using the GC States as a point of comparison as this is an outdated comparison.

(With concerns) Initiatives that provide increased transparency are supported, but it is important to make sure it's additive. This kind of information is already available. The ERDC's Higher Education Finance Report includes information on revenue and expenditures. The OFM does a cost expenditures study that looks at research, administration, and instruction costs. There is a plethora of information already provided, so anything additional should have value.

(Opposed) None.

Persons Testifying: (In support) Representative Zeiger, prime sponsor; and Hayley Hohman, Associated Students of Washington State University.

(In support with concerns) Julie Garver, The Evergreen State College.

(With concerns) Cody Eccles, The Council of Presidents.

Persons Signed In To Testify But Not Testifying: None.