Every legislative session presents a new opportunity to examine Washington’s public higher education funding and governance structure. Several recent task forces and bills have attempted to carve out a guaranteed funding scheme for higher education and/or a new governance structure. The most compelling of these efforts in the last three years have been the elimination of the Higher Education Coordinating Board and planning efforts for its replacement agency, the Governor’s Higher Education Task Force, and last year’s Higher Education Opportunity Act, which gave the Regents tuition setting authority in exchange for performance goals and a new financial aid commitment.

**Governor’s Higher Education Task Force: Autumn 2010, Report Released January 2011**

Governor Gregoire created a Higher Education Task force in 2010. Comprising both public and private leaders, the task force was charged with proposing a new funding strategy for public higher education, as well as generating new ideas for increasing institutional accountability. In its final report, released January 3, 2011, the Task Force recommended three major reforms to higher education policy in Washington State:

1. First, the group suggested that tuition-setting authority be given to the universities to help make up for budget cuts from the legislature. Based on their proposal, the institutions would use a formula to determine appropriate tuition rates, taking into account state appropriations, tuition at peer institutions, and enrollment levels.

2. Second, the Task Force proposed the creation of a scholarship program, which would be funded by private donors. They hope the fund would reach $1 billion by the end of the decade. Corporations would receive a tax credit for donating, although that benefit would not kick in until overall state tax revenue returned to 2008 levels. In response to this recommendation, the legislature created the Opportunity Scholarship Fund, and Boeing and Microsoft pledged $50 million to the fund.

3. Third, they recommended that the state give cash incentives to universities that meet certain degree production targets. In addition, they encouraged universities to make plans to reach retention goals set forth by the state. To that end, HB 1795 (covered on the next page) set performance targets, largely in concert with the Task Force’s recommendations. Each fall, colleges and universities submit performance targets for degrees, enrollment, high demand degree production and participation. In addition, each school is required to submit specific performance measures. The UW submitted metrics for female and underrepresented minority student participation in STEM programs and the spinoff and license activity of our Center for Commercialization.

Finally, the Task Force recommended other potential money-saving strategies, such as including more online introductory-level classes, developing three-year degrees, giving more credit for college-level work done in high school and at other institutions, and eliminating underused degree programs.

**Elimination and Replacement of the Higher Education Coordinating Board (HECB)**

While the Governor’s Higher Education Task Force’s work shed light on various funding, scholarship, and degree needs throughout the state, Senate Bill 5182 (introduced and signed in 2011) significantly changed the landscape of higher education policy coordination when it abolished the HECB and created the Office of
Student Financial Aid. This bill created a steering committee, led by the Governor, to reconsider higher education governance. After meeting through the summer and autumn of 2011, they released a final report that made a number of policy suggestions.

As of January 31, 2012, the Legislature has considered a number of higher education governance bills to replace the HECB and many of its policy functions. These bills would charge a new Council on Student Achievement with many of the same coordinating functions as well as the HECB’s financial aid management function. The extent to which these bills will produce an office that executes new planning efforts, policy direction, and development/implementation of shared goals is unknown.

“Higher Education Opportunity Act” (Tuition Setting Authority House Bill 1795): Winter, Spring 2011

The Higher Education Opportunity Act (E2SHB 1795) passed last session and affected higher education policy in significant ways, allowing Regents to establish all tuition rates while prescribing a certain level of institutional financial aid. In addition, the bill required higher education sector collaboration on transfer and articulation agreements and regulatory reform. Other provisions of the bill are summarized below.

**Tuition Setting Authority**

- Authorized public four-year colleges to set tuition rates for all undergraduate and graduate students for a four-year period.
- Provided resident undergraduate student tuition-setting authority for public four-year colleges beginning in the 2015-16 academic year based on state funding and Global Challenge State peer funding levels.
- Required the UW to enroll at least the same number of resident freshman undergraduate students each academic year as it enrolled in 2009-10.

**Financial Aid Commitment**

- Required colleges that increase tuition above levels assumed in the operating budget to remit at least five percent of operating fees back to students in the form of financial aid (rather than the former 3.5 percent).
- Required colleges that increase tuition above budgeted levels to provide financial assistance for State Need Grant eligible students, resident low- and middle-income students via specific formulas depending on tuition price as a percentage of median family income in various income brackets up to 125 percent of the median family income to offset increased tuition.
- Required colleges to make every effort to inform students and their families of the American Opportunity Tax Credit and other tax benefits, and report on the effectiveness of these methods.

**Accountability and Regulatory Relief**

- Required OFM to work with state agencies and the Council of Presidents to convene and interagency work group to develop and implement improved administration and management practices that enhance the efficiency and effectiveness of operations throughout higher education campuses and report progress to the Legislature by November 15, 2012 and November 15, 2013. As of January 31, 2012, many of these efficiency and regulatory relief bills have been introduced to the 2012 Legislature and are progressing.