



REGULAR MEETING AGENDA ITEM

TAB 5

February 4, 2010

Discussion **Action**

Topic

Legislative Update

Description

The 2010 legislative session began on January 11, 2010. Once again the Legislature is faced with a budget deficit, currently assumed at \$2.6 billion for the remainder of the 2009-11 biennium.

The budget deficit faced by the State is the dominant theme this session. However, there is still an active session underway with multiple conversations about the role of community and technical colleges in economic recovery and beyond. Furthermore, there are many policy bills being considered by the various standing committees of the legislature that would have direct impact on the community and technical college system. The Board's adoption of policy principles at the December meeting has positioned the staff to respond quickly to these bills with appropriate messaging. Additionally, the Joint Legislative Committee and ad hoc conference calls with trustees and presidents has provided staff with additional feedback as we respond to proposed legislation.

Staff will update the board on budget developments and high impact pieces of legislation being considered.

Key Questions

- Do the following budget statements continue to represent the Board's top priorities?
 - Keep cuts as low as possible
 - Add Worker Retraining Funding
 - Maintain financial aid for low-income students
- What policy changes being contemplated by the legislature would advance or set-back attainment of the Board's System Direction Goals?

Analysis

State Fiscal Condition and the Impact to the College System

The Washington State two-year operating budget remains a challenge. The current budget deficit for the remainder of the 2009-11 biennium is currently being discussed at \$2.6 billion. This is a combination of lower than expected tax collections and increases in spending in some areas mandated by constitution or state law.

The Governor's 2010 supplemental budget submitted in December would cut another \$43.5 million out of the college system in FY 2011. This is in addition to the \$82 million annual reduction already taken, for a total reduction of 15% on an annualized basis. In the Governor's January "book 2" budget, she proposed retaining current funding levels for the State Need Grant program.

Policy Bills

Attachment A is a list of legislative bills of significant interest to the State Board and the college system. Potential legislation being observed affects efficiencies, student financial aid, education programs (Running Start, Worker Retraining, etc.), faculty salaries, faculty bargaining, part-time faculty job security, and more. Staff will bring updated bill status information to the Board during their work session.

Background Information

Attachment A – Legislative bills of significant interest

December 2009 Legislative Update:

http://www.sbctc.ctc.edu/general/admin/Tab_3_Legislative_Update_and_Approval_of_2010_Legislative_Policy_Principles.pdf

October 2009 Legislative Session Outlook:

<http://www.sbctc.ctc.edu/general/admin/October2009CompleteAgendaPacket.pdf>

Outcomes

The State Board will be briefed on budget developments and significant policy legislation that affects the college system. Staff is seeking Board input on changes needed to policy legislation or elements of the budget where the system could reasonably exert influence.

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**State Board for Community and Technical Colleges
Bills of Significance
As of January 23, 2010**

HB 2561 Dunshee Funding construction of energy cost saving improvements to public facilities

By referendum of the people in the next general election, \$861 million dollars of general obligation bonds will be sold. The bonds will not count against the state's debt limit and will be repaid from the general fund. The general obligation bonds will be used to provide a portion of the construction cost for projects through a competitive process. Projects will be selected based on their ratio of non-state funds to job act grant funds and their energy savings. Projects will be completed using Energy Service Companies (ESCOs). A typical project would be funded partially with the Jobs Act Grant, utility rebates, and the energy savings themselves.

HB 1418/SB 5618 Kagi/Kauffman Establishing a statewide dropout reengagement system

This bill creates a statewide program for serving dropout students based on the nine educational service districts (ESDs). The ESDs act as a broker, enrolling students and contracting for instructional services with colleges or community based organizations (CBOs). The ESDs establish regional partnerships of interested agencies. School district may opt to operate their own program or contract with a college or CBO to offer a program. This program is funded through Basic Education Act funds.

SB 6655 McDermott Regarding the running start program

Requires Running Start students to pay a maximum of 33% of tuition and fees. The charges are to be waived for low income students. The SBCTC shall set the tuition amount on a statewide basis.

SB 6600 Hargrove Funding and providing workforce training grants

A portion of the UI trust fund is diverted to a special account in ESD's admin contingency fund, for further dissemination by the SBCTC to colleges. SBCTC is to identify high demand programs including but not limited to healthcare, aerospace, forestry, and energy efficiency through a competitive RFP process. The funds can be used for expenses related to education and career counseling, training plan development, referral to appropriate training programs in high demand areas, increased capacity in colleges, financial aid, and job development and referral services. The grants can't supplant existing enrollments, programs support services, or funding sources.

HB 2630 Probst Creating the opportunity express program

Prioritizes programs related to aerospace, healthcare, high technology manufacturing, and renewable energy industries. Requires joint planning between colleges and local workforce development councils. Establishes automatic WRT eligibility for recipients of unemployment insurance, food stamps, temporary assistance to needy families (TANF), or free and reduced price lunches, and the requirement for colleges to track participation for all. Requires SBCTC to create a web site to advertise the program, screen program applicants, provide program information, and referral to the colleges. Creates an annual outcomes reporting requirement for SBCTC. Creates an opportunity express account to fund the before-mentioned training programs. The account shall not exceed \$100 million.

HB 2634/SB 6359 Carlyle/Kilmer Promoting efficiencies including institutional coordination and partnerships in the community and technical college system

The State Board, in collaboration with local boards of trustees is directed to identify potential administrative efficiencies, complementary administrative functions, and complementary academic programs between colleges within a regional area. The State Board must draft a plan to achieve the above described efficiencies. The State Board owes the legislature a preliminary report in Dec. 2010 and final report in Dec. 2011. By December of 2012, the SBCTC must submit any required legislation that is needed to affect any consolidations or boundary changes. This is only required if after working with local boards of trustees, the State Board deems these changes “advisable”.

SB 6503 Prentice Closing state agencies on specified dates

State agencies are directed to achieve a \$69 million reduction in employee compensation costs from the near General Fund through mandatory and voluntary furloughs, leave without pay, reduced work hours, voluntary retirements and separations, layoffs, and other methods. Agency compensation reduction plans must be submitted by May 15 and approved by the Office of Financial Management by June 1.

HB 1949/SB 6687 Lias/Benton Regarding student members on boards of trustees of community colleges and the state board for community and technical colleges

HB 1949 – Establishes a pilot program for the purposes of appointing a student member to the board of trustees at Bellevue Community College, Clark College, South Seattle Community College, Spokane Community College, and Yakima Valley Community College for a period of two years beginning July 1, 2009 until July 1, 2011. The governor shall select each student member. The student member shall hold his or her office for a term of one year. The student member shall be a full-time student. The student shall excuse himself or herself from participation or voting on matters relating to the hiring, discipline, or tenure of faculty members and personnel. The colleges shall create criteria by which the pilot program shall be evaluated and shall report to the appropriate committees of the legislature by December 1, 2011, on the success of the pilot program based on the criteria established. The report shall include recommendations on whether the student member trustee shall be made permanent.

SB 6687 - The board of trustees of each college district to, by majority vote, may establish a sixth trustee that will be filled by a student. The governor shall select each student member. The student member shall hold his or her office for a term of one year. The student member shall be a full-time student. The student shall excuse himself or herself from participation or voting on matters relating to the hiring, discipline, or tenure of faculty members and personnel.

The state board for community and technical colleges shall establish a tenth trustee which will be filled by a student. The student member will be appointed by the governor and shall hold his or her office for a term of one year.

HB 2751 **Sells** **Requiring that at least one member on each community college board of trustees be from labor**

Bill amends the current law to ensure every community college board will have one position designated as a labor representative. Each opening from now until each board has a representative will be filled by a labor representative.

HB 1340 **Conway** **Modifying Collective Bargaining ("Full Scope Bill")**

This bill authorizes local boards of trustees to bargain compensation increases above the amounts provided by the legislature.

HB 2584 **White** **Regarding the scope of collective bargaining for nontenured faculty at community and technical colleges ("Job Security Bill")**

Requires college districts to negotiate, with their faculty union, a probationary period, evaluation process and appeal process for part-time, non-tenured faculty. Also requires colleges to specify the reason for non-renewal of part-time faculty employment contracts. An appeal process does not apply if the non-renewal is based on enrollment, funding or program changes.

HB 2946/SB 6562 **Haigh/Kilmer** **Regarding tuition-setting authority at institutions of higher education**

Allows four-year institutions to set their own tuition increases, but can't be more than 14% in one year or average more than 10% over 15 years. Tuition increase authority is to be considered in the context of performance agreements negotiated with OFM.

HB 2655/SB 6355 **Wallace/Kilmer** **Expanding the higher education system upon proven demand**

Removes pilot status for CTCs to offer applied bachelor degrees. It establishes a limit that no more than 10% of all degrees awarded by a college can be bachelor degrees without a mission change study. Establishes a process and time frame for determining degrees needed to meet employer demand (every two years). Requires clear guidelines and criteria for selection of new programs and degrees. Establishes an innovation fund through competitive grants.