

Multiple Agency Fiscal Note Summary

Bill Number: 6156 SB	Title: Higher ed funding & access
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Higher Education Coordinating Board	Non-zero but indeterminate cost. Please see discussion."					
Community and Technical College System	0	56,305,000	0	112,610,000	0	112,610,000
Total \$	0	56,305,000	0	112,610,000	0	112,610,000

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Higher Education Coordinating Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

Estimated Capital Budget Impact

Agency Name	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Higher Education Coordinating Board						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 26558

FNS029 Multi Agency rollup

Prepared by: Marc Webster, OFM	Phone: 360-902-0650	Date Published: Final
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 26558

Individual State Agency Fiscal Note

Revised

Bill Number: 6156 SB	Title: Higher ed funding & access	Agency: 343-Higher Education Coordinating Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/16/2010
Agency Preparation: Rick Heggie	Phone: 360-753-7891	Date: 02/19/2010
Agency Approval: Jan Ignash	Phone: 360-704-4168	Date: 02/19/2010
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/19/2010

Request # 23-4

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 6156 makes numerous changes to higher education.

The overall fiscal impact of this bill is indeterminate. Detail is provided for each section in the attached file.

Where applicable, fiscal impact is modeled. Fiscal Impact analysis for non-indeterminate sections is aggregated in the first sheet of the attachment.

Section 1

Section 1 would require institutions to impose a surcharge resulting in tuition fees assessment equivalent to the full cost of instruction for the subsequent quarter or semester for any student meeting one or more of the following criteria:

1. A student accumulates more than one hundred twenty-five percent of the number of credits required to complete their respective baccalaureate or associate degree or certificate programs.
2. A student drops more than twenty-five percent of their course load before the grading period for the quarter or semester.
3. A student remains on academic probation for more than one quarter or semester.

Section 2

Section 2 reduces Waiver Authority for the 2009-11 Biennium. Expires July 1, 2011.

Section 3

HECB: Section 3 of the bill requires the HECB to negotiate with private colleges and universities to provide courses or degrees in certain STEM fields. The HECB would determine which private colleges and universities with which to contract with. The analysis assumes that contracts would be awarded competitively via a biennial request for proposals (RFP) process, and that HECB would receive 20 proposals and select 5 finalists each biennium. It is assumed that an outside contractor would be used for additional STEM expertise. The HECB would manage the contracts after they were awarded.

Institution: Institutions of higher education must track local student demand for high employer demand programs. This provision may have an indeterminate fiscal impact, likely under \$50,000 per institution. This provision is not included in fiscal note detail for this section.

Section 4

For fiscal years 2010 and 2011, the percentage of nonresident undergraduate students admitted to institutions of higher education, as defined in RCW 28B.10.016, shall be limited to: (1) Fifteen percent at the University of Washington, Washington State University, The Evergreen State College, and the regional universities; and (2) Four percent at the

community and technical colleges.

Section 5

N/A

Section 6

To the extent feasible within existing funds, Baccalaureate Institutions are required to transition to shared Community and Technical College technology platforms. Twenty percent of community and technical college enrollments and ten percent of four- year public institution enrollments are to be attending using online learning or web conferencing technologies by 2015.

Section 7

Public Baccalaureate Institutions shall identify high cost upper division courses for undergraduates and may impose an upper division surcharge of no more than 10% of tuition fees for that class. This surcharge may be waived for recipients of state need grant awards.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Analysis of Fiscal Impact: SB 6156

Aggregated Fiscal Impact: Secs. 1,2,3,4

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Aggregate Fiscal Analysis

Section 1,2,3,4 Institution and HECB Fiscal Note Detail (Section 5 N/A, Secs 6 & 7 Indeterminate)

Estimated Cash Receipts

<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
149	Inst of HI ED-Operating Fees Acct	Local	\$0	(\$5,759,177)	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103
Totals:			\$0	(\$5,759,177)	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103

Estimated Expenditures

<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
001	General Fund	State	\$0	\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
149	Inst of HI ED-Operating Fees Acct	Local	\$0	(\$5,759,177)	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103
Totals:			\$0	(\$5,672,177)	\$5,250,103	\$5,292,103	\$5,250,103	\$5,292,103

Expenditures by Object

<u>Object</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
A Salaries and Wages	\$0	\$35,000	\$9,000	\$24,000	\$9,000	\$24,000
B Employee Benefits	\$0	\$6,000	\$2,000	\$4,000	\$2,000	\$4,000
C Personal Service Contracts	\$0	\$32,000	\$0	\$20,000	\$0	\$20,000
E Goods and Services	\$0	\$13,000	\$4,000	\$9,000	\$4,000	\$9,000
G Travel	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
J Capital Outlays	\$0	\$0	\$0	\$0	\$0	\$0
M Inter Agency/Fund Transfers	\$0	\$0	\$0	\$0	\$0	\$0
N Grants, Benefits & Client Services	\$0	(\$18,256,882)	\$0	\$0	\$0	\$0
P Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
S Interagency Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0
T Intra-agency Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0
9 Higher Education Operations	\$0	\$18,343,882	\$16,000	\$58,000	\$16,000	\$58,000
Totals:	\$0	\$174,000	\$16,000	\$58,000	\$16,000	\$58,000

FTE Detail

<u>FTE Title</u>	<u>Salary</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Administrative Assistant	\$45,500	0.00	0.02	0.00	0.02	0.00	0.02
Associate Director	\$90,000	0.00	0.37	0.09	0.25	0.09	0.25
Totals		0.00	0.39	0.09	0.27	0.09	0.27

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Aggregate Fiscal Analysis

Section 1 Institution Fiscal Note Detail								
Estimated Cash Receipts								
<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
149	Inst of HI ED-Operating Fees Acct	Local		\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103
Totals:			\$0	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103	\$5,234,103

Section 2 Institution Fiscal Note Detail								
Estimated Expenditures								
<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
149	Inst of HI ED-Operating Fees Acct	Local	\$0	\$0	\$0	\$0	\$0	\$0
Totals:			\$0	\$0	\$0	\$0	\$0	\$0

Expenditures by Object								
<u>Object</u>		<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	
A Salaries and Wages								
B Employee Benefits								
C Personal Service Contracts								
E Goods and Services								
G Travel								
J Capital Outlays								
M Inter Agency/Fund Transfers								
N Grants, Benefits & Client Services								
P Debt Service								
S Interagency Reimbursements								
T Intra-agency Reimbursements								
9 Higher Education Operations								
Totals:			\$0	\$18,256,882	\$0	\$0	\$0	\$0

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Aggregate Fiscal Analysis

Section 3 HECB Fiscal Note Detail								
Estimated Expenditures								
<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
001	General Fund	State		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
		Totals:		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
Expenditures by Object								
<u>Object</u>			<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
	A Salaries and Wages			\$35,000	\$9,000	\$24,000	\$9,000	\$24,000
	B Employee Benefits			\$6,000	\$2,000	\$4,000	\$2,000	\$4,000
	C Personal Service Contracts			\$32,000		\$20,000		\$20,000
	E Goods and Services			\$13,000	\$4,000	\$9,000	\$4,000	\$9,000
	G Travel			\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	J Capital Outlays							
	M Inter Agency/Fund Transfers							
	N Grants, Benefits & Client Services							
	P Debt Service							
	S Interagency Reimbursements							
	T Intra-agency Reimbursements							
		Totals:		\$0	\$87,000	\$16,000	\$58,000	\$16,000
								\$58,000
Expenditures by Program								
<u>Program #</u>	<u>Program Title</u>		<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
	10 Policy Coordination and Administration			\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
		Totals:		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
FTE Detail								
<u>FTE Title</u>	<u>Salary</u>		<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Administrative Assistant	\$45,500			0.02		0.02		0.02
Associate Director	\$90,000			0.37	0.09	0.25	0.09	0.25
		Totals		0.00	0.39	0.09	0.27	0.09
								0.27
Section 4 Institution Fiscal Note Detail								
Estimated Cash Receipts								
<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
149	Inst of HI ED-Operating Fees Acct	Local		(\$10,993,280)				
		Totals:		\$0	(\$10,993,280)	\$0	\$0	\$0

Analysis of Fiscal Impact: SB 6156

Section 1 Model

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 1

Narrative Analysis Section 1 would require institutions to impose a surcharge resulting in tuition fees assessment equivalent to the full cost of instruction for the subsequent quarter or semester for any student meeting one or more of the following criteria:

1. A student accumulates more than one hundred twenty-five percent of the number of credits required to complete their respective baccalaureate or associate degree or certificate programs.
2. A student drops more than twenty-five percent of their course load before the grading period for the quarter or semester.
3. A student remains on academic probation for more than one quarter or semester.

Funds Affected 149-6 Operating Funds

Model Assumptions Students affected by this surcharge remain constant throughout analysis.
Tuition and Cost of Instruction remain constant throughout analysis.
Average credit load of affected students is equivalent to about half (per ERDC study) of a normal credit load.
Assumes that 25% of affected students are deterred by surcharges.

Data Students fitting criteria (Institution Analysis)
Average annual student credit load (Institution Analysis)
Undergraduate Cost of Instruction (2009-10 HECB Disclosure)
Resident Undergraduate Tuition (HECB Tuition Survey)

Model By Institution: $((\text{Affected Students}) * (\text{Average Annual Credit Load})) / (45 \text{ Credits per Year}) * (\text{Cost of Instruction} - \text{Current Tuition}) = \text{Additional Revenue Generated}$

Bill SB 6156**Title** Economically responsible solutions for higher education funding and access**Analysis Section** Section 1**Annual Additional Revenue Generated by Section 1 of SB 6156 (Current Affected Students)**

	Affected Students	Average Annual Credit Load	Total Credits Affected	Annual Credits per FTE	Affected Student FTE	Cost of UG Instruction	Resident UG Tuition	Instruction to Tuition Difference	Total Additional Revenue from Affected Students
UW*					796			\$3,875	\$3,084,500
WSU	899	23	20677	45	459	\$8,715	\$6,737	\$1,978	\$908,869
CWU	230	23	5290	45	118	\$10,153	\$4,681	\$5,472	\$643,264
EWU**	240	23	5520	45	123	\$9,834	\$4,621	\$5,213	\$639,461
TESC	55	23	1265	45	28	\$11,965	\$4,703	\$7,262	\$204,143
WWU	613	23	14099	45	313	\$9,481	\$4,698	\$4,783	\$1,498,567
TOTAL									\$6,978,804

Annual Additional Revenue Generated by Section 1 of SB 6156 (25% of Current Students Deterred)

	Affected Students	Average Annual Credit Load	Total Credits Affected	Annual Credits per FTE	Affected Student FTE	Cost of UG Instruction	Resident UG Tuition	Instruction to Tuition Difference	Total Additional Revenue from Affected Students
UW*					597			\$3,875	\$2,313,375
WSU	674	23	15,508	45	345	\$8,715	\$6,737	\$1,978	\$681,652
CWU	173	23	3,968	45	88	\$10,153	\$4,681	\$5,472	\$482,448
EWU**	180	23	4,140	45	92	\$9,834	\$4,621	\$5,213	\$479,596
TESC	41	23	949	45	21	\$11,965	\$4,703	\$7,262	\$153,107
WWU	460	23	10,574	45	235	\$9,481	\$4,698	\$4,783	\$1,123,925
TOTAL									\$5,234,103

* UW Provided their own estimates for this data

** EWU Estimated based on submitted information and HECB analysis.

Analysis of Fiscal Impact: SB 6156

Section 2 Model

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 2

Narrative Analysis Section 2 reduces Waiver Authority for the 2009-11 Biennium. Expires July 1, 2011.

Funds Affected 149-6 Operating Funds

Model Assumptions Tuition revenue remains constant.

Tuition that would have been waived is used by institutions at their discretion

Fiscal impact shifts spending from tuition waivers to higher education operations for FY 2011.

Data Current amount of tuition waived (institution analysis.)

Model By Institution: $((\text{Current Waiver Authority \$'s} / \text{Current Waiver Authority \%}) * \text{New Waiver Authority \%}) - \text{Current Waiver Authority \$} = \text{Waiver authority redirected to higher education operations.}$

Revenue Reallocated by Section 2 of SB 6156

	Current Waiver Authority (\$'s Waived)	Current Waiver Authority (% Waivable)	Total Tuition Waivable	New Waiver Authority	New Waived Tuition	Difference
UW	UW Provided Their Own Estimates					(\$3,000,000)
WSU	\$37,000,000	20.0%	\$185,000,000	14.0%	\$25,900,000	(\$11,100,000)
CWU	CWU Provided Their Own Estimates Based on Current Funding Level					(\$342,000)
EWU	EWU Provided Their Own Estimates					(\$2,175,000)
TESC	\$2,594,954	10.0%	\$25,949,540	6.0%	\$1,556,972	(\$1,037,982)
WWU	\$6,019,000	10.0%	\$60,190,000	9.0%	\$5,417,100	(\$601,900)
TOTAL	\$45,613,954		\$271,139,540		\$32,874,072	(\$18,256,882)

Analysis of Fiscal Impact: SB 6156

Section 3 Model

Bill SB 6156**Title** Economically responsible solutions for higher education funding and access**Analysis Section** Section 3

Narrative Analysis HECB: Section 3 of the bill requires the HECB to negotiate with private colleges and universities to provide courses or degrees in certain STEM fields. The HECB would determine which private colleges and universities with which to contract with. The analysis assumes that contracts would be awarded competitively via a biennial request for proposals (RFP) process, and that HECB would receive 20 proposals and select 5 finalists each biennium. It is assumed that an outside contractor would be used for additional STEM expertise. The HECB would manage the contracts after they were awarded.

Institution: Institutions of higher education must track local student demand for high employer demand programs. This provision may have an indeterminate fiscal impact, likely under \$50,000 per institution. This provision is not included in fiscal note detail for this section.

Section 3 HECB Fiscal Note Detail**Estimated Expenditures**

<u>Fund#</u>	<u>Fund Title</u>	<u>Type</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
001	General Fund	State		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
		Totals:		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000

Expenditures by Object

<u>Object</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
A Salaries and Wages		\$35,000	\$9,000	\$24,000	\$9,000	\$24,000
B Employee Benefits		\$6,000	\$2,000	\$4,000	\$2,000	\$4,000
C Personal Service Contracts		\$32,000		\$20,000		\$20,000
E Goods and Services		\$13,000	\$4,000	\$9,000	\$4,000	\$9,000
G Travel		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
J Capital Outlays						
M Inter Agency/Fund Transfers						
N Grants, Benefits & Client Services						
P Debt Service						
S Interagency Reimbursements						
T Intra-agency Reimbursements						
Totals:	\$0	\$87,000	\$16,000	\$58,000	\$16,000	\$58,000

Expenditures by Program

<u>Program #</u>	<u>Program Title</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
10	Policy Coordination and Administration		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000
	Totals:		\$87,000	\$16,000	\$58,000	\$16,000	\$58,000

FTE Detail

<u>FTE Title</u>	<u>Salary</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Administrative Assistant	\$45,500		0.02		0.02		0.02
Associate Director	\$90,000		0.37	0.09	0.25	0.09	0.25
Totals			0.39	0.09	0.27	0.09	0.27

2010 SB 6156 calculation model.xlsx - Sec. (3)

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 3

Expenditure Impact Narrative

Based on prior HECB experience managing competitive grants, including High Demand grants, we believe that the following work would be required:

The RFP process, contract negotiation and contract management would require HECB to perform ongoing administrative work on a two year cycle starting FY 2011. This cycle would include the following tasks by the following people:

Year 1 of Cycle -

Associate Directors –

- 1) Modifying the previous biennium's request for proposals, circulating drafts for comment, and finalizing - 40 hours
- 2) Preparing and hosting four technical assistance teleconferences for prospective applicants - 20 hours
- 3) Corresponding with applicant institutions to notify them about the availability of funding, answer questions about the proposal process, ask questions about the proposals, notify applicants about the results, and field any appeals – 160 hours (20 institutions x 8 hours)
- 4) Locating and hiring qualified external reviewers - 80 hours
- 5) Negotiating contracts and budgets with private institutions that are finalists in the competition - 80 hours
- 6) Contract management work (invoicing, etc.)– 60 hours

Administrative Assistants -

- 1) Proofreading documents - 16 hours
- 2) Coordinating meetings - 16 hours
- 3) Creating file folders, filing, phones, miscellaneous e-mails - 8 hours

Independent Contractors-

- 1) Proposal evaluation and participation on review panel – (2 reviewers per proposal x 20 proposals x 5 hours x \$100 = \$20,000)

Year 2 of Cycle

Associate Directors –

- 1) Contract management work (invoicing, etc) – 60 hours
- 2) Contract monitoring (site visits) – 60 hours
- 3) Renegotiating contracts as needed (e.g. if performance is poor) – 30 hours

In addition, the HECB would need to do the following one time tasks to get the program started:

Associate Directors -

- 1) Drafting an initial request for proposals (which could be modified as needed in future years), circulating drafts for comment, and finalizing - 80 hours
- 2) Establishing eligibility criteria, policies and procedures– 80 hours
- 3) Marketing and explaining the program to eligible institutions – 40 hours

Independent Contractors -

- 1) Develop proposal scoring rubrics for various disciplines – (120 hours x \$100/hour = \$12,000)

Analysis of Fiscal Impact: SB 6156

Section 4 Model

Bill SB 6156**Title** Economically responsible solutions for higher education funding and access**Analysis Section** Section 4

Narrative Analysis For fiscal years 2010 and 2011, the percentage of nonresident undergraduate students admitted to institutions of higher education, as defined in RCW 28B.10.016, shall be limited to: (1) Fifteen percent at the University of Washington, Washington State University, The Evergreen State College, and the regional universities; and (2) Four percent at the community and technical colleges.

Funds Affected 149-6 Operating Funds

Model Assumptions Tuition and enrollment remain constant at 2008-09 levels.

Institutions under 15% non-resident are unimpacted.

Resident demand available to switch non-resident FTEs over 15% to resident FTEs, keeping overall enrollment level constant

Data Resident and Non-Resident Undergraduate Actual FTES for Fall 2008-09 (Higher Education Enrollment Report, Table 13A)

2008-09 Tuition for Resident and Non-Resident Undergrads (HECB 2008-09 Tuition Survey)

Model By Institution: If Non-Resident FTEs are above 15% of total undergraduate, Shift FTEs to meet 15% Non-Resident.
Number of Shifted FTES*(Non-Resident Tuition-Resident Tuition) = Annual Fiscal Impact

Revenue Generated by Section 4 of SB 6156

	NonRes UG FTE	Res UG FTE	Total UG FTE	% Non Res	FTES Shifted to hit 15% NonRes	NonRes UG Tuition	Res UG Tuition	NonRes v. Res UG Tuition Difference	Total Change in Revenue
UW	UW Provided Their Own Estimates								(\$8,300,000)
WSU	Does Not Meet 15% Criteria								\$0
CWU	Does Not Meet 15% Criteria								\$0
EWU	Does Not Meet 15% Criteria								\$0
TESC	3075	835	3910	0.78644501	248	\$15,157	\$4,297	\$10,860	(\$2,693,280)
WWU	Does Not Meet 15% Criteria								\$0
TOTAL	3075	835	3910						(\$10,993,280)

Analysis of Fiscal Impact: SB 6156

Section 5 Discussion

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 5

Narrative Analysis N/A

Analysis of Fiscal Impact: SB 6156

Section 6 Discussion

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 6

Narrative Analysis To the extent feasible within existing funds, Baccalaureate Institutions are required to transition to shared Community and Technical College technology platforms. Twenty percent of community and technical college enrollments and ten percent of four- year public institution enrollments are to be attending using online learning or web conferencing technologies by 2015.

Indeterminate Fiscal Impact at this Time

Common Technology Platform

The following fiscal impact estimates are preliminary HECB analysis of cost impact. SB 6156 dictates that any of these changes would have to be made within existing resources.

HECB Analysis of Licensing Costs

SB 6156 specifically mentions a shared platform for learning management and web conferencing, although the scope of these shared platforms is not limited to these areas. For the purposes of this fiscal note, only the fiscal impact of the transfer to common platforms for learning management and web conferencing software will be estimated.

The SBCTC uses Elluminate as the vendor for their web conferencing technology. The SBCTC estimates that vendor contract adjustment to cover all baccalaureate institutions would require \$200,000 distributed among institutions based on proportionate student, faculty, and staff numbers.

The SBCTC uses Angel as the vendor for their learning management software. The SBCTC estimates that under their current contract each user would cost approximately \$2.67 per quarter, regardless of credits taken per student. This contract is subject to significant change during renegotiation to include public baccalaureate institutions. In Fall 2008, approximately 17,000 unique students (Source: PCHEES data system) registered for classes that were online learning only. If this pattern of usage were to continue throughout the 2008-09 academic year, then the HECB would anticipate (assuming that students at WSU on the semester system would be charged 50% more per semester, to bring annual average charges in line with institutions on an academic quarter based system) that, annually, 51,000 online-only users would add approximately \$137,000 dollars in licensing costs for the use of Angel. In addition to online-only users, public baccalaureate institutions have many on-campus classes that use learning management systems extensively. The additional cost for these users is indeterminate, as specific contract terms would have to be negotiated for these users.

The HECB anticipates a substantial indeterminate cost for adding public baccalaureate institutions to existing web conferencing and learning management software. The HECB anticipates \$200,000 in costs for web conferencing software, and \$137,000 for online-only users of learning management software as well as an indeterminate increase in expenditures for students enrolled in on-campus classes using learning management software.

HECB Analysis of Implementation and Training Costs

All institutions anticipate significant costs related to a change in learning management and web conferencing platforms.

As cited by the University of Washington in their estimate of fiscal impact provided to the HECB, research conducted as part of an implementation plan from McMaster University in Canada (19,000 students) that included institutions with enrollments that ranged from small (6,000 students) to very large (60,000+ students) determined the average ratio of staff to student FTE for a 2-year online learning technology (or learning management system – LMS) implementation including migrations was 1:2,650. Assuming that each of these specialized FTE staff would require \$75,000 in salaries and benefits, the migration cost for 95,670 2008 Supplemental Budgeted FTEs would be approximately \$2.7 million dollars to support 36 specialized FTE.

Overall the expenditures required to migrate web conferencing and learning management are largely indeterminate due to the high number of variables, but it is not unrealistic to assume that migration, training, and licensing costs could be as much as \$5.0 million from July 1, 2010 to July 1, 2012 given the complexity involved in migrating platforms for large public institutions with previously established systems. If additional systems, like enrollment management or personal systems, were further migrated to a common platform this cost would increase precipitously.

After full migration, switching to a common platform would presumably net some indeterminate annual savings. During transition, significant portions of previous infrastructure will also have to remain active. At this time, without the task force analysis assigned in section 3, any estimates of net expenditures are indeterminate as related to section 2.

Increased Online Learning

SB 6156 also calls for a significant increase in online learning at public baccalaureate institutions. Currently, institutions do not have the infrastructure to accommodate this growth, and any estimate of growth would require significant study into higher education online capacity in Washington. Increasing online learning would require significant expenditure in information technology infrastructure and training. Operating expenses would not be assumed to decrease significantly per student. Capital expenditures for maintenance and renovation of existing capital assets would be anticipated to continue, maintaining the previous capital investments made by the state and institutions.

Analysis of Fiscal Impact: SB 6156

Section 7 Discussion

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 7

Narrative Analysis Public Baccalaureate Institutions shall identify high cost upper division courses for undergraduates and may impose an upper division surcharge of no more than 10% of tuition fees for that class. This surcharge may be waived for recipients of state need grant awards.

Indeterminate Fiscal Impact at this Time

Section 7 requires identification of high cost courses and approval of any potential fees by the governing board of each institution. As these determinations and subsequent fee decisions have not yet been made, the fiscal impact of this provision is indeterminate at this time. A potential HECB model of cost is provided, but not included in any further calculations of cost for SB 6156.

Potential HECB Model of Revenue Generated

Funds Affected 149-6 Operating Funds

Model Assumptions Tuition and enrollment remain constant at 2009-10 levels.
Student demand for high cost courses is unaffected by additional tuition surcharges.
No financial aid waivers are assumed for these surcharges.
Surcharge is assumed to be maximum 10% of tuition rate
10% Surcharge is assumed to be based of Resident Tuition Rates
Health Sciences students are not Included.
As a result of this methodology, TESC is not included in these calculations as differences between programs are not reflected.

Courses in upper division disciplines over 125% of average campus cost are assessed the full 10% surcharge.

Data Upper Division Enrollment by Discipline (Higher Education Enrollment Report, Table 14)
Cost for Upper Division Programs by Discipline Area (HECB 2005-06 Cost Study)
Total Increase of Cost of Instruction from 2005-06 to 2009-10 (HECB Disclosure 2009-10)
2009-10 Tuition for Resident Undergrads (HECB 2009-10 Tuition Survey)

Bill SB 6156**Title** Economically responsible solutions for higher education funding and access**Analysis Section** Section 7

Upper Division Direct Cost By Discipline Area										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Ag. And Nat. Res	\$14,813			\$8,625	\$5,573	\$5,278	\$6,863	\$5,178		
Architecture	\$9,654			\$7,874				\$13,341		
Arts and Letters	\$7,278	\$5,743	\$5,364	\$6,206	\$6,289	\$6,999	\$6,149	\$4,862	\$4,725	\$5,879
Business	\$8,265	\$7,105	\$6,044	\$7,735	\$5,257	\$7,408	\$3,689	\$5,165		\$6,863
Computer Science	\$12,496						\$6,257	\$10,742		\$7,612
Education	\$7,039	\$8,154	\$6,315	\$4,497	\$3,448	\$4,028	\$4,838	\$4,496		\$6,567
Engineering	\$13,336	\$11,098	\$15,976	\$12,118	\$10,036	\$17,778	\$6,599	\$6,090		\$8,621
Health	\$7,095			\$6,389				\$5,058		\$7,146
Sciences	\$10,906			\$8,376	\$3,552	\$9,615	\$7,447	\$6,226		\$7,146
Social Sciences	\$5,697		\$7,682	\$3,293	\$4,376	\$3,639	\$4,436	\$3,561		\$4,839
Average	\$9,658	\$8,025	\$8,276	\$7,235	\$5,504	\$7,821	\$5,785	\$6,472	\$4,725	\$6,834

Bill SB 6156**Title** Economically responsible solutions for higher education funding and access**Analysis Section** Section 7

Upper Division Cost Escalated by 2005-06 Undergraduate Public Baccalaureate Direct Cost to 2009-10 Undergraduate Public Baccalaureate Direct Cost Growth Factor $((\\$9,911\\$9,422)/\\$9,422)=5.19\%$										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Ag. And Nat. Res	\$15,582			\$9,073	\$5,862	\$5,552	\$7,219	\$5,447		
Architecture	\$10,155			\$8,283				\$14,033		
Arts and Letters	\$7,656	\$6,041	\$5,642	\$6,528	\$6,615	\$7,362	\$6,468	\$5,114	\$4,970	\$6,184
Business	\$8,694	\$7,474	\$6,358	\$8,136	\$5,530	\$7,792	\$3,880	\$5,433		\$7,219
Computer Science	\$13,145						\$6,582	\$11,300		\$8,007
Education	\$7,404	\$8,577	\$6,643	\$4,730	\$3,627	\$4,237	\$5,089	\$4,729		\$6,908
Engineering	\$14,028	\$11,674	\$16,805	\$12,747	\$10,557	\$18,701	\$6,941	\$6,406		\$9,068
Health	\$7,463			\$6,721				\$5,321		\$7,517
Sciences	\$11,472			\$8,811	\$3,736	\$10,114	\$7,833	\$6,549		\$7,517
Social Sciences	\$5,993		\$8,081	\$3,464	\$4,603	\$3,828	\$4,666	\$3,746		\$5,090
Average	\$10,159	\$8,441	\$8,706	\$7,610	\$5,790	\$8,227	\$6,085	\$6,808	\$4,970	\$7,189

Upper Division Discipline Area Cost as a percentage of Average Campus Cost										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Ag. And Nat. Res	153%			119%	101%	67%	119%	80%		
Architecture	100%			109%				206%		
Arts and Letters	75%	72%	65%	86%	114%	89%	106%	75%	100%	86%
Business	86%	89%	73%	107%	96%	95%	64%	80%		100%
Computer Science	129%						108%	166%		111%
Education	73%	102%	76%	62%	63%	52%	84%	69%		96%
Engineering	138%	138%	193%	167%	182%	227%	114%	94%		126%
Health	73%			88%				78%		105%
Sciences	113%			116%	65%	123%	129%	96%		105%
Social Sciences	59%		93%	46%	79%	47%	77%	55%		71%

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 7

Upper Division Discipline Cost, where over 125% of Average Campus Cost										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Ag. And Nat. Res	\$15,582									
Architecture								\$14,033		
Arts and Letters										
Business										
Computer Science	\$13,145							\$11,300		
Education										
Engineering	\$14,028	\$11,674	\$16,805	\$12,747	\$10,557	\$18,701				\$9,068
Health										
Sciences							\$7,833			
Social Sciences										

Upper Division FTE, for disciplines over 125% of Average Campus Cost										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Ag. And Nat. Res	201.7									
Architecture								14.9		
Arts and Letters										
Business										
Computer Science	334.5							62.8		
Education										
Engineering	857.2	0.0	0.0	539.3	27.9	57.3				116.7
Health										
Sciences							235.7			
Social Sciences										

Bill SB 6156

Title Economically responsible solutions for higher education funding and access

Analysis Section Section 7

Resident Undergraduate Tuition										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Full Tuition	\$7,125	\$7,125	\$7,125	\$7,088	\$7,088	\$7,088	\$4,886	\$4,803	\$4,899	\$4,890
10%	\$713	\$713	\$713	\$709	\$709	\$709	\$489	\$480	\$490	\$489

Total Annual Additional Revenue Collected										
	UW Seattle	UW Bothell	UW Tacoma	WSU Pullman/ Spokane	WSU Tri- Cities	WSU Vancouver	CWU	EWU	TESC	WWU
Full Tuition	\$992,750	\$0	\$0	\$382,232	\$19,799	\$40,638	\$115,147	\$37,335	\$0	\$57,083

Individual State Agency Fiscal Note

Bill Number: 6156 SB	Title: Higher ed funding & access	Agency: 699-Community/Technical College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
Institutions of Higher Education - Dedicated Local Account-State 148-1		27,500,000	27,500,000	55,000,000	55,000,000
Inst of HI ED-Operating Fees Acct-State 149-1		28,805,000	28,805,000	57,610,000	57,610,000
Total \$		56,305,000	56,305,000	112,610,000	112,610,000

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Account					
Total \$					

Estimated Capital Budget Impact:

Total \$					

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/16/2010
Agency Preparation: Paula Moore	Phone: 360-704-4384	Date: 02/09/2010
Agency Approval: Denise Graham	Phone: 360-704-4350	Date: 02/09/2010
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/09/2010

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

NEW SURCHARGE

SB 6156 requires the community and technical colleges to impose a surcharge that makes the tuition fees equivalent to the full cost of instruction, if the student has:

- Accumulated more than 125 percent of the number of credits required to complete their respective associate degree or certificate program;
- Dropped more than 25 percent of his/her course load before the grading period for the quarter; or
- Remained on academic probation for more than one quarter.

The following exemptions apply:

Student is a dislocated worker;

Student participates in a border county higher education opportunity project;

Student is a certified K-12 teacher pursuing continuing education credits;

Student has not been enrolled in higher education during the preceding 5 years.

Students who believe they are under extraordinary or unforeseen academic or personal circumstances may petition the college. The college shall create a process for fairly processing, hearing, and determining student petitions, and shall waive the entire amount of the surcharge for approved petitions.

TUITION WAIVER

SB 6156 reduces the tuition waiver limitation for the community colleges from 35 percent to 20 percent.

NONRESIDENT TUITION

SB 6156 caps nonresident students admitted to the community and technical colleges to 4 percent.

ADULT BASIC EDUCATION TUITION

SB 6156 requires the community and technical colleges to charge not less than \$100 in tuition per quarter for adult basic education for fiscal year 2010 and 2011. The requirement may be waived for students who demonstrate a financial inability to meet the total cost of books, tuition, and incidental fees for any quarter.

ONLINE LEARNING

SB 6156 directs all institutions of higher education to use common online learning technologies currently managed and governed by the State Board. The State Board may adjust existing vendor licenses to accommodate and provide enterprise services for any interested institutions of higher education.

SB 6156 declares Legislative intent that the number and percent of enrollments served by online learning or web conferencing technologies continue to expand, with the goal of twenty percent for community and technical college enrollments by 2015.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

NEW SURCHARGE

The State Board estimates, if imposed today, the surcharge would apply to approximately 12 percent of students. However, once students became aware of the surcharge, the State Board assumes it would change their behavior, and as a result, only 7 percent would be charged the surcharge, with 2 percent being granted an exception. In total 5 percent would be charged. The 2009-11 appropriation bill set the system's budgeted enrollment levels at 139,237 Full-Time Equivalent Students (FTES). 5 percent would amount to 6,962 FTES.

The full cost of instruction (tuition and state support) at the community and technical colleges for FY 2011, based on the state appropriations in the Governor's 2010 proposed supplemental, is estimated to be: \$6,791 per student. (This assumes tuition rates increase 7 percent in FY 2011, as authorized in the 2009-11 enacted budget).

The surcharge would be the full cost of instruction, less the sticker price for tuition. Tuition is defined as the operating and building fee and is estimated to be \$2,809 for the 2010-11 academic year. For purposes of this fiscal note, the State Board also assumes full-time operating and building fees will be increased by 7 percent for the 2010-11 academic year, as authorized in the 2009-11 biennial budget.

The surcharge is estimated to be \$3,982.

The total annual revenue from the surcharge would be \$27.5 million (6,962 FTES x \$3,982), to be deposited into Fund 148 (Dedicated Local Account).

For this fiscal note, the State Board assumes for FY 2012 through FY 2015, the FY 2011 enrollments, state support and tuition and rates will apply, and as a result, revenues will be the same as FY 2011.

TUITION WAIVER

SB 6156 reduces the tuition waiver limitation for the community colleges from 35 percent to 20 percent.

In FY 2008, the Community and Technical Colleges tuition waiver was 31 percent, worth approximately \$79.7 million. If a cap of 20 percent had been in place, the amount waived would have been approximately \$52.1 million. Under SB 6156, an estimated additional \$27.6 million in tuition revenues would have been collected. This assumes students' attendance patterns would be unchanged, and that they would still enroll even if a tuition waiver was not available.

NONRESIDENT TUITION

SB 6156 caps nonresident students admitted to the community and technical colleges to 4 percent. Currently, the nonresident students comprise approximately 4 percent of community and technical college enrollments. The State Board assumes SB 6156's cap of 4 percent would have no fiscal impact.

ADULT BASIC EDUCATION TUITION

SB 6156 requires the community and technical colleges to charge not less than \$100 in tuition per quarter for adult basic education during fiscal years 2010 and 2011. The requirement may be waived for students who demonstrate a financial inability to meet the total cost of books, tuition, and incidental fees for any quarter.

Currently, at a tuition charge of \$25 per quarter, colleges waive the \$25 charge for 42 percent of the ABE students. The

State Board estimates that at a charge of \$100 per quarter, colleges would waive the tuition for 67 percent of the students.

Currently, the tuition revenue from the \$25 fee is \$916,000 per year (based on 12,215 FTES paying \$25 a quarter for three quarters). Under SB 6156, the fee would increase to \$100 and would yield \$2,121,000 in revenues (based on 7,070 FTES paying \$100 a quarter for three quarters). The difference in revenue is \$1,205,000. The State Board assumes this provision would not be implemented during fiscal year 2010.

ONLINE LEARNING TECHNOLOGIES

SB 6156 directs all institutions of higher education to use common online learning technologies currently managed and governed by the State Board. The State Board may adjust existing vendor licenses to accommodate and provide enterprise services for any interested institutions of higher education.

The State Board uses Elluminate as vendor for their web conferencing technology. The State Board estimates that vendor contract adjustment to cover all baccalaureate institutions would require \$200,000 distributed among institutions based on proportionate student, faculty, and staff numbers.

The State Board uses Angel as vendor for learning management software. The State Board estimates that under the current contract each user would cost approximately \$2.67 per quarter of student use, regardless of credits taken per student. This contract is subject to significant change during renegotiation to include public baccalaureate institutions. In Fall 2008, approximately 17,000 unique students (Source: PCHEES data system) registered for classes that were strictly online learning only. If this pattern of usage were to continue throughout the 2008-09 academic year, then annually the State Board would anticipate, based on data from the Higher Education Coordinating Board, that there would be an additional 51,000 annual online-only users. This would add approximately \$137,000 dollars in additional licensing costs for the use of Angel, to be paid for by the 4-year institutions. In addition to online only users, public baccalaureate institutions have many on-campus classes that use learning management systems extensively. The additional cost for these users is indeterminate, as any contract terms would have to be negotiated specifically for these users.

ONLINE LEARNING ENROLLMENTS

SB 6156 declares Legislative intent that the number and percent of enrollments served by online learning or web conferencing technologies continue to expand, with the goal of twenty percent for community and technical college enrollments by 2015.

Currently 14 percent of enrollments at the community and technical colleges are via online programs. The State Board assumes it would be able to meet the goal of 20 percent by 2015 within existing resources and revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
6156 SB	Higher ed funding & access

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts (Dollars in Thousands)

Agency Name	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
Higher Education Coordinating Board	Non-zero but indeterminate impact										
Community/Technical College System	0	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	258,345,000
Total	0	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	258,345,000



Ten-Year Analysis

Bill Number 6156 SB	Title Higher ed funding & access	Agency 343 Higher Education Coordinating Board
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ No Cash Receipts ☒ Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											
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Agency Preparation: Rick Heggie	Phone: 360-753-7891	Date: 2/19/2010 3:16:49 pm
Agency Approval: Jan Ignash	Phone: 360-704-4168	Date: 2/19/2010 3:16:49 pm
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 2/19/2010 4:34:10 pm



Ten-Year Analysis

Bill Number	Title	Agency
6156 SB	Higher ed funding & access	699 Community/Technical College System

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
ADULT BASIC EDUCATION TUITION	149		1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	10,845,000
TUITION SURCHARGE	148		27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	27,500,000	247,500,000
Total			28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	28,705,000	258,345,000
Biennial Totals			28,705,000	57,410,000	57,410,000	57,410,000	57,410,000	57,410,000	57,410,000	57,410,000		258,345,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

NEW SURCHARGE

The State Board estimates, if imposed today, the surcharge would apply to approximately 12 percent of students. However, once students became aware of the surcharge, the State Board assumes it would change their behavior, and as a result, only 7 percent would be charged the surcharge, with 2 percent being granted an exception. In total 5 percent would be charged. The 2009-11 appropriation bill set the system's budgeted enrollment levels at 139,237 Full-Time Equivalent Students (FTES). 5 percent would amount to 6,962 FTES.

The full cost of instruction (tuition and state support) at the community and technical colleges for FY 2011, based on the state appropriations in the Governor's 2010 proposed supplemental, is estimated to be: \$6,791 per student. (This assumes tuition rates increase 7 percent in FY 2011, as authorized in the 2009-11 enacted budget). The surcharge would be the full cost of instruction, less the sticker price for tuition. Tuition is defined as the operating and building fee and is estimated to be \$2,809 for the 2010-11 academic year. For purposes of this fiscal note, the State Board also assumes full-time operating and building fees will be increased by 7 percent for the 2010-11 academic year, as authorized in the 2009-11 biennial budget.

The surcharge is estimated to be \$3,982.

The total annual revenue from the surcharge would be \$27.5 million (6,962 FTES x \$3,982), to be deposited into Fund 148 (Dedicated Local Account).

For this fiscal note, the State Board assumes for FY 2012 through FY 2015, the FY 2011 enrollments, state support and tuition and rates will apply, and as a result, revenues will be the same as FY 2011.



Ten-Year Analysis

Revised

Bill Number	Title	Agency
6156 SB	Higher ed funding & access	699 Community/Technical College System

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

ADULT BASIC EDUCATION TUITION

SB 6156 requires the community and technical colleges to charge not less than \$100 in tuition per quarter for adult basic education during fiscal years 2010 and 2011. The requirement may be waived for students who demonstrate a financial inability to meet the total cost of books, tuition, and incidental fees for any quarter.

Currently, at a tuition charge of \$25 per quarter, colleges waive the \$25 charge for 42 percent of the ABE students. The State Board estimates that at a charge of \$100 per quarter, colleges would waive the tuition for 67 percent of the students.

Currently, the tuition revenue from the \$25 fee is \$916,000 per year (based on 12,215 FTES paying \$25 a quarter for three quarters). Under SB 6156, the fee would increase to \$100 and would yield \$2,121,000 in revenues (based on 7,070 FTES paying \$100 a quarter for three quarters). The difference in revenue is \$1,205,000. The State Board assumes this provision would not be implemented during fiscal year 2010.

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