

Multiple Agency Fiscal Note Summary

Bill Number: 2164 E HB	Title: Postsecondary ed protections
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.											
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
The Evergreen State College	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
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

Estimated Capital Budget Breakout

NONE

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final 2/19/2024
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Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 340-Student Achievement Council
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Sam Loftin	Phone: 360-753-7866	Date: 02/13/2024
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 02/13/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

The engrossed version of this bill clarifies that WSAC may waive state authorization requirements for institutions participating in interstate reciprocity agreements if such waivers are consistent with certain federal and state requirements.

HB 2164 establishes multiple amendments to the Degree-Granting Institutions Act (Act), Chapter 28B.85 RCW.

Section 1(a)(iv) requires that any exemption to the accreditation requirement for degree-granting institutions shall not reduce student consumer protections or the regulatory authority of the Washington Student Achievement Council (WSAC) to enforce provisions of the Act.

Section 1(c) enacts additional requirements related to Washington's participation in interstate reciprocity agreements that allow out-of-state institutions to operate in Washington. This section would require such reciprocity agreements to permit WSAC to maintain authority to investigate the complaints of students who reside in Washington; to maintain surety or bond requirements that are commensurate with those required for institutions authorized to operate in Washington; and to require disclosures related to an institution's provisional status, eligibility for federal or state financial aid programs, or maintenance of accreditation requirements to students or prospective students residing in Washington.

Section 1(2) limits the financial disclosures provided to WSAC that are subject to public disclosure.

Section 2(7) prevents the reduction of surety bonds based on whether an institution is located outside of Washington State.

Section 3(1) expands the circumstances for which students may file complaints related to their enrollment at authorized institutions.

Section 3(4) requires institutions to disclose information about students' rights and how to contact WSAC to file a complaint. It also precludes WSAC from delegating its authority to resolve complaints submitted by Washington State residents to another state.

Section 4(1)(b) eliminates the recognition that Washington's participation in interstate reciprocity agreements does not constitute a delegation of WSAC's authority to ensure compliance with the Act or its authority to respond to student complaints.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Cash receipts are indeterminate. Washington currently participates in the State Authorization Reciprocity Agreement (SARA), which is intended to provide states a mechanism to achieve their state authorization objectives as it relates to out-of-state institutions that enroll students located in their states in distance education courses or programs. There are approximately 2,400 institutions that participate in SARA across 49 member states.

If the bill were to impact Washington's participation in SARA, WSAC would need to authorize significantly more out-of-state institutions that enroll Washington students or develop a revised process to provide oversight of out-of-state institutions that offer distance education programs to Washingtonians. Institutions that submit applications for authorization are required to submit application fees for initial authorization and renewal of authorization on a biennial basis.

However, because the specific impacts of the bill are unknown, it is unclear whether it would result in the generation of

additional fee revenue.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Expenditures are indeterminate. If the bill impacts Washington’s participation in SARA, WSAC may require additional resources to provide oversight of significantly more out-of-state institutions. However, the bill’s impact on Washington’s SARA participation, and the potential scope of that impact, are unclear.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 360-University of Washington
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 02/15/2024
Agency Approval: Michael Lantz	Phone: 2065437466	Date: 02/15/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

Compared to the original bill, the engrossed bill adds a new section, Section 5, that allows the Washington Student Achievement Council to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education provided the waiver is consistent with federal regulations and that the authorization to operate in Washington is consistent with the Council’s policies for protection of Washington resident student consumers. This section does not alleviate uncertainties documented in our previous fiscal note, and so our fiscal analysis remains unchanged.

EHB 2164 intends to strengthen postsecondary education consumer protections.

Section 1 amends RCW 28B.85.020 so that Washington state would discontinue its participation in the State Authorization Reciprocity Agreement (SARA).

Section 3 expands the threshold for which complaints may be filed to the Washington Student Achievement Council (WSAC) against institutions of higher education. This section also adds new language that would require all institutions of higher education to disclose students’ rights under state law and how students may contact WSAC to file a complaint.

The sections summarized above may result in major changes at the University of Washington (UW). It is our understanding that the intent of the bill is not to change current operations at public institutions of higher education; however, as written, the current bill language presents a significant fiscal impact for the UW that is indeterminate but will exceed \$50,000 per fiscal year beginning in FY25. Please review the expenditures narrative for an explanation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The overall fiscal impact cannot be determined for this note, but we anticipate costs to the UW will exceed well over \$50,000 beginning in FY25 and each year thereafter. Sections 1 and 3 are identified below as our primary cost drivers, but due to significant unknowns, we are unable to determine the cost without additional clarity in legislative language and inten

SECTION 1

As mentioned in the summary, Section 1 amends interstate reciprocity agreements and obligations, specifically, the State Authorization Reciprocity Agreements (SARA). Based on assumptions from WSAC, this section would result in the discontinuation of Washington state’s participation in SARA. Non-participation in SARA would require each institution to obtain a separate authorization in each state in which students are located.

To determine cost estimates, the UW would need to survey states’ authorization processes as this is not standardized. It is unknown how much each state’s reciprocity agreement will cost. In addition, each state has a different application, with varying requirements. Completing and submitting each application (on an annual basis) would require additional FTE beginning in FY25 and each year thereafter.

SECTION 3

The new language added to this section (subsection 4) implies that all institutions of higher education would be required to

disclose students’ rights under state law on each of the following:

- All websites
- Electronic enrollment
- Registration applications
- Physical promotional materials
- Digital and social media promotional materials

In order to provide estimates for this section, the University would need clarification of the definitions for “all websites,” “electronic enrollment,” and “registration applications” to understand the impact and internal policy changes to ensure compliance. In addition, new communications policies would need to be drafted to ensure all new physical, digital, and social media promotional materials would meet the requirements outlined in this subsection.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 365-Washington State University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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:

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- ☐ 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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Emily Green	Phone: 5093359681	Date: 02/16/2024
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 02/16/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

E HB 2164 relates to the protection of students from predatory practices.

Section 1(c)(ii) of this bill requires Washington State Achievement Council (WSAC/"The Council") to investigate all complaints of students who reside in Washington.

Section 3 (4) requires that that WSAC make publicly how students may contact the council should they wish to file a complaint. Additionally, the council may not delegate this responsibility or defer resolution of complaints filed by students who are residents of Washington state and enrolled in institutions of higher education authorized by the Washington state to another state where the institution of higher education is headquartered or incorporated.

Section 4 (1) (b) states that the council may not delegate to another state its authority to respond to students of Washington, regardless of location of school.

Section 5 states the council may utilize its authority to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education if:

- (1) Such waivers are consistent with federal regulations and requirements for state authorization pursuant to 34 C.F.R. Sec. 600.2 and 600.9, including preserving Washington's authorization to administer federal financial aid programs; and
- (2) The council finds that the institutions' authorizations are consistent with the council's policies for protection of Washington resident student consumers.

Sections 1,3, and 4 would violate State Authorization Reciprocity Agreements (SARA) and would remove Washington from SARA which would make Washington State University (WSU) ineligible to participate in those agreements. If WSU became ineligible, it would subsequently need to apply for legal authorization to operate in each state where its students are located. It is unclear if Section 5 of this bill would mitigate the impacts from the previous sections as it does not require the council to act on the behalf of institutions of higher education.

This bill would have an indeterminate, greater than \$50,000 fiscal impact on WSU. Costs would exceed \$50,000 based on FTE and systems required to complete the work necessary to apply for legal authorization in other states. Additionally, costs to apply and maintain legal authorizations in other states is unknown at this time.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*
NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 370-Eastern Washington University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 02/15/2024
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 02/15/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

ESB 2164 Section 3(4) requires institutions of higher education offering distance learning or with physical campuses in Washington to prominently disclose how students may contact the council to file a complaint on all websites, electronic enrollment and registration applications, and promotional materials. Compliance with this subsection will require minimal resources that may be absorbed within current resources. Additionally, the engrossed bill adds new section 5, allowing WSC to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education. As this section allows, but does not require WSAC to waive these requirements, EWU interprets that with the assumed withdrawal of Washington from NC SARA, state authorization will be required at the institution level. As such, EWU is submitting the same response as previously with a significant, indeterminate fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Subsection 3(4) will require a small increase in annual workload for our marketing and communications team (approximately .05FTE, \$5,000 total) associated with updates to applications, websites, and to print/digital marketing pieces in order to come into compliance with this bill. This workload may be absorbed within our current resources.

Additionally, our interpretation of the bill as written along with the assumption that Washington will discontinue participation in the State Authorization Reciprocity Agreement, EWU would be heavily adversely affected by obtaining separate authorization in each state our online and distance learning students are located. As the addition of section 5 to the current bill allows but does not require WSAC to waive the state requirements for interstate reciprocity agreements with institutions providing online or distance education, EWU is assuming that state authorization will need to be obtained at the institutional level. Citing the 2021 Cost Savings Study from NCSARA and NCHEMS, average costs to separately obtain state authorization can be up to \$2.1 million initially, with annual renewal costs of \$402,000. Along with the additional costs to non-participation, EWU would need to determine if was willing to admit out-of-state students at all. EWU currently does not and cannot restrict enrollments in online courses because of institutional procedures and systems, which may require reevaluation. if EWU doesn't restrict admission, state authorization costs increase dramatically, however if it restricts admission to reduce compliance costs the institution would lose revenue. Where EWU might fall in this range is indeterminate at this time, however we would anticipate significant adverse fiscal impact due to non-participation in SARA

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 375-Central Washington University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Alexa Orcutt	Phone: 5099632955	Date: 02/14/2024
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 02/14/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

Engrossed HB 2164 inserts a new section. Section 5 states the council can utilize its authority to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education if: (1) waivers are consistent with federal regulations and requirements for state authorization, including preserving Washington's authorization to administer federal financial aid programs; and (2) the council finds that the institutions' authorizations are consistent with the council's policies for protection of WA resident student consumers.

Original summary from 2164 HB:

HB 2164 amends RCW 28B.85.020 which governs the minimum standards for degree-granting institutions which concern the measures to protect citizens of this state against substandard, fraudulent, or deceptive practices. Based on lead agency assumptions, it is assumed that HB 2164 would result in the discontinuation of Washington's participation in the State Authorization Reciprocity Agreement (SARA). Non-participation in SARA would require each institution to obtain separate authorization in each state in which their students are located.

Section 1: Amending RCW 28B.85.020 and 2013 c 218 s 3: (1) In addition to the requirements of an institution to be accredited, have applied for accreditation, or have been granted a waiver by the Washington Student Achievement Council ("the council"), Section 1(1)(iv) adds language that an exemption from subsection (1)(a) must not suspend, supersede, or reduce student consumer protections or the authority of the council to investigate and enforce the provisions of this chapter. (c) Continues to allow institutions to negotiate and enter into interstate reciprocity agreements with other state or multistate entities if the agreements remain consistent with the purposes of this chapter as determined by the council and provide that the agreements: (i) do not suspend, supersede, or reduce student consumer protections or the authority of the council to investigate and enforce the provisions of this chapter. (ii) maintain the authority of the council to investigate complaints of students who are residents or Washington in compliance with provisions of this chapter for distance, online, or other degree programs. (iii) do not reduce the surety or bond requirements for institutions adopted by the council pursuant to this chapter, and (iv) ensure disclosure of any investigation, suspension, or provisional status related to financial instability, federal or state financial aid eligibility status, or accreditation requirements. (3) Defines "prospective student" for the purposes of this section.

Section 2: Amending RCW 28B.85.070 and 2012 c 229 s 548: (7) Includes that the requirements for surety bonds established by the council may not be reduced based on the location of an institution outside Washington state. The council must ensure that any authorization agreement with other states provides at a minimum the amount and security for surety applicable to an institution within Washington state.

Section 3: Amending RCW 28B.85.090 and 2018 c 203 s 3: (1) adds to the allowable losses for which a complaint can be filed with the council for tuition or fee, other loss or injury due to misrepresentation of educational programs, accreditation, support for or statistics relating to job placement, or measurements of student debts and earnings. (4) Requires all institutions of higher education that offer online distance learning to prominently disclose on all websites, digital, and social media platforms, electronic enrollment and registration applications, promotional materials, and students' rights under state law including how to contact the council if they wish to file a complaint. The manner of disclosure will be determined by the council. The council may not delegate or defer an investigation or resolution to complaints filed by students who are Washington state residents who are enrolled in an institution that is headquartered or incorporated outside of Washington state.

Section 4: (1)(b) Strikes verbiage that states under RCW 28B.85.020(1)(c), participation in interstate reciprocity agreements consistent with the purposes of this chapter does not delegate authority for compliance with this chapter or authority to respond to student complaints.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The overall fiscal impact is indeterminate for this note as we don't know what the council would waive as noted in the new section 5. CWU anticipates costs will far exceed \$50,000 annually beginning in FY25 and each year thereafter if the council doesn't waive any of the requirements.

Based on assumptions from the Washington Student Achievement Council (WSAC) on the original 2164 HB, the bill would result in the discontinuation of Washington's participation in the State Authorization Reciprocity Agreement (SARA). Non-participation in SARA would require each institution to obtain separate authorization in each state in which their students are located. CWU is a participating member of SARA and utilizes SARA's authority as our primary means for interstate degree, license, and certificate reciprocity. If this legislation were enacted, CWU would need to dedicate significant time to the research, agreement, financing, and maintenance of all policies and procedures related to out-of-state student degree programs.

At present, CWU completes a once annual reporting of out-of-state student enrollment and internship placement numbers to SARA and participates in a renewal process that requires review from the Washington Student Achievement Council (WSAC). If SARA membership were disallowed, it is assumed we would be required to complete individual reporting and renewal with every state which would create a much more complex and time-consuming process.

In its most recent reporting period (May 2023) CWU had 113 full-time out-of-state students and 75 internship placements that would be affected by the discontinuation of our participation in NC-SARA. Currently, we pay \$1,250 to WSAC and \$6,000 (which is now going to be increased to \$6,600) to NC-SARA annually to maintain our membership. CWU is currently researching how much the costs associated with obtaining individual state authorizations, but if we were to proactively authorize in every state it could be more than \$500k, depending on numerous factors. As an example, in Massachusetts, it would cost as much as \$10,000 indicating a significantly more costly process than what we currently experience.

CWU estimates that just to oversee the process of reporting, renewal, and website and policy upkeep and prioritize research and renewal of agreements with the individual states where we can confirm students are currently residing CWU expects to need the effort of at least .5 FTE of a Multimodal Learning Program Support Supervisor 1 (Range 41). Significantly more staffing resources would be needed to comply with all state agreements.

Program Support Supervisor 1 (Range 41) at .5 FTE = (\$53,964 salary*.5 FTE=\$26,982) = \$26,982 Benefits at 33% = (\$26,982*.33=\$8,904.06) = \$8,904 Total salary and benefits for .5 FTE of a Program Support Supervisor 1 estimated = \$35,886.

The implications and impact of this legislation are complex. At a cursory level, this would require a complete review of all degree, certificate and license programs offered to out-of-state students, there may also be an impact to internship and work learning placements taking place out-of-state. We would also need to review and redraft our current complaint process so that it is compliant with the new guidelines. There are further commitments for the time and cost spent on institutional renewal with individual states that would be required, and the increased administrative costs associated with multi-state agreements could become cost-prohibitive and require more staff than what is expected at this time. Additionally, there could be further determinations or clarifications which could limit CWU's ability to advertise and administer its programs in other states, which could lead to tuition losses.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 376-The Evergreen State College
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 02/15/2024
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 02/15/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

2164 relates to consumer protections for students participating in post-secondary programs.

Section 5 states that WSAC may waive the state requirements for institutions participating in interstate reciprocity agreements if those waivers are consistent with federal and state regulations, including Washington’s authorization to administer federal financial aid programs and are consistent with the council’s policies on postsecondary consumer protection.

The addition of the new language in section 5 does not appear to guarantee that the college would be able to continue participating in interstate reciprocity agreements, so our assessment of the fiscal impact is still indeterminate in accordance with our remarks in the operating expenditures section.

HB 2164 relates to postsecondary education consumer protection.

Section 1(c)(ii) stipulates that the council may negotiate and enter into interstate reciprocity agreements provided that it maintains the authority and capabilities to investigate complaints of students who are residents of Washington in regard to the compliance provisions of this chapter for distance, online, or other degree programs.

Section 1(c)(iii) stipulates that the council may only negotiate and enter into reciprocity agreements so long as they do not reduce surety or bond requirements for institutions adopted by the by the council pursuant to this section.

Section 2(7) states that the council shall ensure that any authorization agreement with other states provides for at least the amount and security for surety applicable to an institution that is headquartered, incorporated, domiciled, or has a physical presence in Washington State.

Section 3.4 states that all institutions of higher education that offer distance learning, and all nonprofit institutions with physical campuses that serve students in Washington State shall prominently disclose on all websites enrollment and registration applications, promotional materials distributed and made available to students in Washington State, and students’ rights under state law as well as how students may contact the council if they wish to file a complaint.

Section 4.1(b) deletes the following from the language of RCW 28B.85.095: “participation in interstate reciprocity agreements consistent with the purposes of this chapter does not delegate authority for compliance with this chapter or authority to respond to student complaints.”

It is our understanding that the intent of the bill is not directed towards the public institutions of higher education in Washington State. If this is the case, and the college is exempt from the requirements created by the bill, then there are no fiscal impacts on the college. Please see discussion in expenditures section for additional detail if the college is not exempt from the requirements.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

If the public institutions of higher education in Washington State are not exempt from the requirements of this bill, there could be a large indeterminate fiscal impact to the college, because it might require their removal from the State Authorization Reciprocity Agreement (SARA). The impact of the bill's provisions on SARA agreements is unclear and uncertain.

Being removed from this agreement would require the institutions to obtain authorization from each state in which their students are located. Applications for such authorizations cost thousands of dollars each and are not standardized across the states. This would require the submission of applications which are hundreds of pages long, and which would require enormous amounts of staff time to complete. Further, these applications would need to be resubmitted on an annual basis. Developing realistic cost estimates for this sort of expense would require knowing what each state will charge for the application, how much staff time would be required, how complex each application is, etc. These costs are largely indeterminate as a result.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 380-Western Washington University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Timothy Davenport	Phone: 3606503257	Date: 02/15/2024
Agency Approval: Anna Hurst	Phone: 360-650-3569	Date: 02/15/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

This bill is aimed at protecting students from misrepresentation of educational institutions, both public and private, that seek to enroll students based on misleading claims about outcomes affecting future employment.

Washington Student Achievement Council (WSAC) indicated that the original version of this bill would result in the discontinuation of Washington's participation in the State Authorization Reciprocity Agreement (SARA) and that non-participation in SARA would require each institution to obtain separate authorization in each state in which their students are located.

This engrossed version adds NEW SECTION 5:

The council may utilize its authority to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education if:

- (1) Such waivers are consistent with federal regulations and requirements for state authorization pursuant to 34 C.F.R. Sec. 600.2 and 600.9, including preserving Washington's authorization to administer federal financial aid programs; and
- (2) The council finds that the institutions' authorizations are consistent with the council's policies for protection of Washington resident student consumers.

Our assumptions:

We assume the new section (above) does not change WSAC's original interpretation and thus we (WWU) would be precluded from SARA participation.

Our fiscal impact analysis:

If WA State is precluded from SARA participation, the costs for WWU would be indeterminate but substantial due to the time and cost to apply in each state and the potential loss in tuition revenue for out-of-state-students in distance education programs. Please see the expenditures section for more details.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Our preliminary response is "indeterminate" primarily because we're not sure if the intent of this legislation is to invalidate the entire SARA (as interpreted by WSAC) or just clarify and strengthen portions of consumer protections pertaining to out-of-state postsecondary educational institutions operating in Washington.

If we are precluded from participating in SARA, the cost impact to WWU would be substantial due to the time and fees

charged to assess and apply for authorization in each state and the potential loss in tuition revenue for out-of-state-students in distance education programs. While additional clarity is needed regarding the bill's intent and most costs are indeterminate at this time, at a minimum one Program Coordinator (1.0 FTE) would be needed to manage the process of tracking and keeping current our authorization in each of the other 49 states on an annual basis. (Range 40, Step F: \$45,552 annual salary plus 33% benefits (\$15,032) x 1 FTE is \$60,584 per fiscal year.)

Examples of the additional work resulting from the loss of our participation in SARA include:

- *ensuring that we have filed the necessary documents to do business in every state in which a WWU student is living while they take an online course
- *managing filings and ensuring compliance with the requirements of each state
- *paying fees charged by each state
- *assessing and staying up-to-date of all state requirements (possibly requiring the creation of new external reports or new rules)

If this bill is passed, WWU may need to develop location based online programs to ensure state authorization for students taking online courses in a different state.

Examples of benefits we'd lose if we are not able to participate in SARA include:

- * Minimal bureaucracy
- * Easy program and enrollment expansion
- * Network of peer institutions in alignment on practices
- * Support for professional licensing reporting practices
- * Simplified reporting processes for accreditation

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
--

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2164 E HB	Title: Postsecondary ed protections	Agency: 699-Community and Technica College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 02/12/2024
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/16/2024
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 02/16/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

Part II: Narrative Explanation

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

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

The engrossed bill differs from the original bill in the following way:

Allows the Washington Student Achievement Council (WSAC) to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education if:

- The waiver is consistent with federal regulations and requirements.
- An institutions' authorization to operate in Washington is consistent with WSAC's policies for protecting Washington resident student consumers.

Potential fiscal impacts of the engrossed bill remain the same as for the original bill.

This bill would modify existing laws related to consumer protections in postsecondary education.

SECTION 1

Authorizes the Washington Student Achievement Council (WSAC) to negotiate and enter into interstate reciprocity agreements with other states if the agreements:

- Do not supersede student consumer protections or the authority of WSAC to investigate and enforce provisions related to student consumer protections.
- Maintain WSAC's authority to investigate student complaints regarding distance and online programs.
- Do not reduce surety or bond requirements adopted by WSAC.
- Ensure disclosure to WSAC and to students of investigations or suspensions related to accreditation requirements, financial instability, and eligibility to participate in financial aid programs.

SECTION 3

All institutions of higher education that offer online distance learning shall prominently disclose on all websites, electronic enrollment and registration applications, promotional materials distributed and made available to students in Washington state, including through digital or social media, and students' rights under state law as well as how students may contact the council if they wish to file a complaint. The manner of disclosure shall be determined by the Washington Student Achievement Council (WSAC).

SECTION 5

Allows WSAC to waive state requirements for institutions participating in interstate reciprocity agreements for online or distance education, provided that the waiver is consistent with federal regulations and requirements and that authorization to operate in the state is consistent with the WSAC's policies for protecting Washington resident student consumers.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

While indeterminate, the provisions of the bill could potentially result in a negative cash receipts impact.

State Authorization Reciprocity Agreements (SARAs) are agreements among states to streamline regulations around distance and online education programs. SARAs are overseen by the National Council for State Authorization Reciprocity Agreements and four regional education compacts.

Information from the regional education compact for this region indicates the requirements in Section 1 would likely result in the discontinuation of Washington state's participation in the State Authorization Reciprocity Agreement (SARA). Without participation in SARA, institutions are not legally authorized to operate in other states until they become authorized and would not have the legal authority to enroll out-of-state students. Any enrollment of out-of-state students in distance education programs would be in question until the institution completes the authorization process in each state the students are located. Until authorization, colleges would be unable to enroll and collect tuition from out-of-state students. Certain colleges in the community and technical college system have a significant number of out-of-state students and could experience a large revenue loss as a result.

Revenue losses are indeterminate as they will be affected by the number of out-of-state students, the number of states those students reside in, and the time it takes to gain authorization to enroll students in those states.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Expenditure impacts are indeterminate but there could be significant costs as explained below.

State Authorization Reciprocity Agreements (SARAs) are agreements among states to streamline regulations around distance and online education programs. SARAs are overseen by the National Council for State Authorization Reciprocity Agreements and four regional education compacts.

Information from the regional education compact for this region indicates the requirements in Section 1 would likely result in the discontinuation of Washington state's participation in the State Authorization Reciprocity Agreement (SARA). Non-participation in SARA would require each institution that offers online education courses or programs to obtain a separate authorization in each state in which students are located. This process differs in each of the 50 states. Institutions are not able to operate in other states until they become authorized.

At a minimum, each institution would need to connect with the regulatory agency for each state and determine the requirements for authorization. For context, in Washington State, applications for authorization generally range between 300-600 pages of materials and typically take between 4-12 months for review and approval. In addition, states generally require applications for renewal of authorization on an annual or biennial basis, so institutions would be required to complete this process in each state where authorization is needed.

The expenditure impacts due to not participating in SARA are indeterminate. To determine costs, affected colleges would need to conduct a review of a states' authorization process. Since the process is not the same for all states, it is unknown how much each state's reciprocity agreement will cost. Completing and submitting each application (on an annual basis) would require additional FTE beginning in FY25 and each year thereafter. Costs are anticipated to be significant.

SECTION 3

The bill also requires institutions of higher education to disclose students' rights in the following ways:

- All websites
- Electronic enrollment
- Registration applications
- Physical promotional materials
- Digital and social media promotional materials

The manner of disclosure is to be determined by WSAC. In order to provide estimates for this requirement, WSAC would need provide detail as to the manner of disclosure and clarification of the definitions for "all websites," "electronic enrollment," and "registration applications" to understand the impact and internal policy changes to ensure compliance.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.