

Multiple Agency Fiscal Note Summary

Bill Number: 1279 E HB	Title: Postsecondary ed protections
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Student Achievement Council	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

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	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.											
Workforce Training and Education Coordinating Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
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	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
Workforce Training and Education Coordinating Board	.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

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final 3/31/2025
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Individual State Agency Fiscal Note

Bill Number: 1279 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:

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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Sam Loftin	Phone: 360-485-1078	Date: 03/19/2025
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 03/19/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/22/2025

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 HB 1279 implements the following changes:

- * Section 1(c) is amended to introduce a deadline of July 1, 2028, for the requirement that interstate reciprocity agreements permitting out-of-state institutions to operate in Washington shall not reduce student consumer protections or the Washington Student Achievement Council's (WSAC) authority to require out-of-state institutions to meet Washington's standards;
- * Section 2(3) adds a new section requiring WSAC to undertake a review of continuing participation in state authorization reciprocity agreements if those agreements do not establish consumer protections equivalent to those established under Chapter 28B.85 RCW by July 1, 2028. WSAC may also initiate alternative arrangements with individual states or groups of states. WSAC shall also provide a report to the legislature regarding the policies of such agreements by December 31, 2026. If such agreements do not provide for equivalent consumer protections, WSAC shall establish a process for administering interstate reciprocity agreements for distance education outside of state authorization reciprocity agreements by July 1, 2028; and
- * Section 3(4) is amended to require for-profit institutions that serve students in Washington State via distance education to disclose complaint information in a manner determined by WSAC.

The following elements of the original bill remain unchanged:

- * Section 1(a)(iv) permits WSAC to grant a degree-granting institution operating in Washington an exemption from certain minimum standards, provided that the exemption does not reduce consumer protections available to students;
- * Section 1(2) limits the financial disclosures provided to WSAC that are subject to public disclosure;
- * Section 3(1) expands the scope of complaints that may be submitted to WSAC to include loss or injury due to misrepresentations;
- * Section 3(4) prohibits the delegation of complaint resolution to other states if the complainant is a resident of Washington and enrolled in an institution authorized by WSAC; and
- * Section 5 permits WSAC to waive state authorization requirements for institutions participating in interstate reciprocity agreements if such waivers are consistent with certain federal and state requirements and the waiver maintains consumer protections that are consistent with Washington's standards.

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. Institutions that operate in multiple states are required to obtain authorization to operate in each state. Washington currently participates in an interstate reciprocity agreement known as the State Authorization Reciprocity Agreement (SARA) that eliminates the requirement for institutions to seek separate authorization in each state. SARA also eliminates the requirement for WSAC to provide authorization for out-of-state institutions to operate in Washington. If the bill were to impact Washington's participation in SARA, WSAC would need to help develop an alternative reciprocity agreement or authorize significantly more out-of-state institutions that enroll Washington students.

Because the specific impacts of the bill are unknown, it is unclear whether the bill would result in the generation of additional fee revenue based on WSAC’s review of additional applications for authorization.

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.

WSAC would use existing resources to perform the legislative reporting required in Section 2(3). The fiscal impact to WSAC from other aspects of the bill is indeterminate, however.

Institutions that operate in multiple states are required to obtain authorization to operate in each state. Washington currently participates in an interstate reciprocity agreement known as the State Authorization Reciprocity Agreement (SARA) that eliminates the requirement for institutions to seek separate authorization in each state. SARA also eliminates the requirement for WSAC to provide authorization for out-of-state institutions to operate in Washington. If the bill were to impact Washington’s participation in SARA, WSAC would need to help develop an alternative reciprocity agreement or authorize significantly more out-of-state institutions that enroll Washington students, and the specific impacts and related workload cannot be reasonably estimated

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.

Section 1(a)(iv) - would require changes to ensure that exemptions from authorization do not reduce student consumer protections or WSAC's authority to investigate and enforce the requirements for degree-granting institutions.

Individual State Agency Fiscal Note

Bill Number: 1279 E HB	Title: Postsecondary ed protections	Agency: 354-Workforce Training and Education Coordinating Board
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Darlene Bartlett	Phone: 360 709-4605	Date: 03/20/2025
Agency Approval: Nova Gattman	Phone: 360-709-4600	Date: 03/20/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/22/2025

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.

HB 1279 is regarding state authorization for maintaining oversight over institutions that operate across state lines (distance education). The bill also addresses financial disclosure transparency.

The bill focuses on degree-granting programs regulated by the Washington Student Achievement Council. The Workforce Board licenses non-degree granting private career schools and programs. Where private career schools offer both degree and non-degree programs, the Board collaborates with WSAC and already regulates non-degree programs offering distance education to Washington students. Out of state institutions licensed by the Board cannot enroll Washington students and have an executable enrollment agreement without being a licensed private career school.

As this bill doesn’t directly address any changes to current licensing activity for the Board, there is no 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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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: 1279 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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 03/20/2025
Agency Approval: Michael Lantz	Phone: 2065437466	Date: 03/20/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/22/2025

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, the engrossed bill makes the following changes:

- Adds intent language.
- Extends the effective date of certain new student consumer protections to July 1, 2028.
- Requires the Washington Student Achievement Council (WSAC) to review Washington's continued participation in State Authorization Reciprocity Agreement (SARA) if the governing council of SARA does not amend its policies and standards to provide protections equivalent to those established in this act and allows WSAC to initiate alternative arrangements with individual states or groups of states.
- Requires WSAC to report to the Legislature on whether SARA has or is likely to amend its policies and standards to provide equivalent protections.
- Requires WSAC to establish a process to administer state reciprocity agreements outside of the current SARA process
- Provides that only non-public, for-profit online institutions are required to disclose certain specified information regarding students' rights.

We have changed our fiscal note to reflect the amendments above, but our overall analysis is largely unchanged. While the amendments provide clarifying language regarding WSAC's role in evaluating SARA and establishing a process to administer reciprocity agreements the bill still allows for the possibility of an increased regulatory burden for the University of Washington (UW) if Washington state exits SARA in 2028.

Engrossed House Bill 1279 intends to strengthen postsecondary education consumer protections.

Section 2 amends RCW 28B.85.020 so that Washington state may discontinue its participation in the SARA if its current bylaws and policies are not amended, by FY28, to provide student consumer protections equivalent to those outlined in the bill. In addition, WSAC will be responsible for reviewing SARA and determining Washington state's continued participation

Section 4 expands the threshold for which complaints may be filed to WSAC against institutions of higher education. This section also adds new language that requires non-public and for-profit online institutions of higher education to disclose students' rights under state law and how students may contact WSAC to file a complaint. With this change, there is no longer an impact on the UW, and therefore no anticipated fiscal impact for this section.

Section 2, summarized above, may result in major changes at 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 FY28. 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 FY28 and each year thereafter. Section 2 is identified below as our primary cost driver, but due to significant unknowns, we are unable to determine the cost without additional clarity in legislative language and intent.:

SECTION 2

As mentioned in the summary, section 2 amends interstate reciprocity agreements and obligations, specifically, SARA. This section may result in the discontinuation of Washington state's participation in SARA in FY28. WSAC is responsible for establishing a process that ensures a smooth transition outside of SARA, but there is no guarantee that WSAC will provide comparable coverage by FY28 or at all. It is also unclear to us whether the UW may incur costs in navigating any new authorization process created by WSAC. Therefore, the UW faces the possibility of an increased regulatory burden to establish reciprocity agreements with every state by FY28.

In order to determine cost estimates, the UW would need to survey each state's 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 FY28 and each year thereafter.

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: 1279 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:

NONE

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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Emily Green	Phone: 5093359681	Date: 03/28/2025
Agency Approval: Christina Gregory	Phone: 5093359682	Date: 03/28/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/31/2025

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 House Bill 1279 - Post-secondary ed protections intends to protect students from predatory practices.

Section 1 of this bill provides clarification regarding the legislative intent behind the proposed legislation.

Section 2 (a)-(c) of this bill establishes requirements for the Washington Student Achievement Council (WSAC) regarding reciprocity agreements.

Section 4 (4) of this bill grants WSAC the ability to determine how nonpublic, for-profit online institutions of higher ed must disclose students’ rights in the state of Washington. Additionally, this sections expands the scope of complaints that can be filed to WSAC against institutions of higher education.

With WSAC assuming responsibility for maintaining and developing interstate reciprocity agreements, this bill would not fiscally impact WSU.

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

NONE

III. B - Expenditures by Object Or Purpose

NONE

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: 1279 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:

- ☒ 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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Jill Angelo	Phone: 509-359-4867	Date: 03/24/2025
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 03/24/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/25/2025

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.

HB 1279 relates to postsecondary education consumer protections. It speaks to waiving state requirements if the waivers are consistent with federal regulations. Sec 3 states that all institutions of higher education that offer online distance learning, and all private and not-for-profit institutions of higher education with physical campuses that serve students in Washington state, shall prominently disclose on all websites, electronic enrollment and registration applications, promotional distributed and made available to students in Washington state, including through digital or social media.

EHB 1279 makes the following changes:

- 1. Adds intent language.
- 2, Extends the effective date of certain new student consumer protections to July 1, 2028.
- 3. Requires the Washington Student Achievement Council (WSAC) to review Washington’s continued participation in State Authorization Reciprocity Agreement (SARA) if the governing council of SARA does not amend its policies and standards to provide protections equivalent to those established in this act and allows WSAC to initiate alternative arrangements with individual states or groups of states.
- 4. Requires WSAC to report to the Legislature on whether SARA has or is likely to amend its policies and standards to provide equivalent protections.
- 5. Requires WSAC to establish a process to administer state reciprocity agreements outside of the current SARA process
- 6. Provides that only non-public, for-profit online institutions are required to disclose certain specified information regarding students’ rights

While the amendments provide clarifying language regarding WSAC’s role in evaluating SARA and establishing a process to administer reciprocity agreement the bill still allows for the possibility of an increased regulatory burden if Washington state exits SARA in 2028. EWU operates and serves students in multiple states under SARA. There is no guarantee that WSAC will establish state reciprocity agreements that are comparable to the coverage that SARA currently provides by FY28. Thus, the above changes do not change EWU's original response .

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.

HB 1279 will require additional staff to ensure compliance with new disclosure, reporting, and consumer protection standards. EWU will have to review marketing materials, financial aid practices, and complaint resolution policies to ensure compliance. There is low level, but present, risk around compliance and consumer protection standards. Thus EWU feels there would be a need to use a small / minimal amount of time from the AAG to ensure compliance.

The fiscal impact of this bill on EWU is currently indeterminate. At this time we believe it could be possible for EWU to incur a minimum cost of \$100,000 a year. Potential expense items follow:

- Salaries and wages (Program Support Specialist) \$71,400
- Employee benefits \$18,600
- Professional service contracts \$3,500
- Goods and other services \$6,500

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: 1279 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.

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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Alexa Orcutt	Phone: 5099632955	Date: 03/21/2025
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 03/21/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/22/2025

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.

1279 EHB adds a section discussing potential risks that online/distance education (DE) entities pose to student consumers. The intent of the legislature is to make sure that the state authorization reciprocity agreement (SARA) is reformed to adequately protect all residing Washington state students.

Section 2(1)(c) inserts a date of July 1, 2028. (3)(a) Is adjusted to say if the governing council of SARA hasn't changed its bylaws and policies regarding student consumer protections described in this act by July 1, 2028, WSAC will review its participation in SARA and could initiate alternative arrangements with individual/groups of states. (b) WSAC will report by December 31, 2026, to various committees on whether or not SARA's bylaws and policies will be amended by 2028. (c) If WSAC determines SARA's student protection policies aren't sufficient, WSAC will create a process for administering interstate reciprocity agreements for DE outside of SARA by July 1, 2028 and facilitate a smooth transition.

Section 4 (formerly section 3), (4) takes out all institutions of higher education (IHE) and replaces it with nonpublic, for-profit online IHEs.

1279 HB summary:

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) The council is responsible for maintaining and developing 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".

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 can't 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 (Amending RCW 28B.85.095 and 2018 c 203 s 4): (1)(b) Strikes verbiage relating to RCW 28B.85.020(1)(c).

Section 5 (New): 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.

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 new language listed in section 2(3)(a), which states WSAC can initiate alternative arrangements with individual/groups of states, maintains our fiscal note response of indeterminate over \$50,000 as this could still cost CWU if we had to enter into individual reciprocity agreements (potentially in excess of \$100k/year). Current language doesn't define how WSAC would facilitate a smooth transition, section 3(3)(c), if we were no longer apart of SARA.

Not participating in SARA, could cause CWU to experience increased regulatory and financial burdens. Also, CWU would potentially need to establish new policies and processes for complaints, disclosures, and reciprocity based on the council's findings. This work is immense and complex, likely requiring additional staffing to research and subsequently maintain.

We currently comply with all existing NC-SARA and WSAC policies and complete their annual renewal and reporting requirements. There is an annual NC-SARA fee of \$6,600 and \$1,250 cost for the annual renewal and review with WSAC.

The annual compliance procedures account for 0.5 FTE of a program support supervisor position costing approximately \$34,431 [(0.5 FTE * \$51,776 salary at 1 FTE) + 33% benefits = \$34,431]. If we were no longer participating in SARA, we would need an additional on-going FTE.

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: 1279 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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 03/24/2025
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 03/24/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/25/2025

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.

EHB 1279 relates to postsecondary education protections.

Section 1 outlines the rationale and intent of this version of the bill: 1) to create a two-tiered consumer protection system that addresses risks associated with distance learning being provided to Washington residents by schools headquartered in other states and 2) to create new avenues for reciprocity between states in response to the conclusion that the National Council for State Authorization Reciprocity Agreement (NC-SARA) does not adequately protect consumers.

Section 2.1(c) states that WSAC will be responsible for maintaining and developing interstate reciprocity agreements with other state or multistate entities if the agreements are consistent with the purposes in this chapter and meet the conditions laid out in 2.1(c)(i-iv) as contained in the original bill.

Section 2.3(a) states that if NC-SARA has not amended its bylaws and policies to provide student consumer protections equivalent to those established here by July 1, 2028, the student achievement council shall undertake a review of continuing participation in state authorization reciprocity agreements and may initiate alternative arrangements with individual states or groups of states. The student achievement council shall determine whether NC-SARA's bylaws and policies provide equivalent protections.

Section 2.3(b) states that by December 31, 2026, the student achievement council will report to the appropriate committees of the legislature on whether the governing council of state authorization reciprocity agreements has amended its bylaws and policies, or is likely to amend them, by July 1, 2028.

Section 2.3(c) states that if WSAC determines that the bylaws and policies of NC-SARA do not provide equivalent consumer protections, it will establish a process for administering interstate reciprocity agreements for distance education outside of NC-SARA and facilitate a smooth transition of the administration of those agreements by July 1, 2028.

Section 4.4 states that WSAC will determine the manner by which any nonpublic, for-profit online institution of higher education offering online distance learning and serving students in Washington is to disclose students' rights, including information about how students may contact the council to file a complaint, on appropriate websites and in promotional materials distributed and made available to students in Washington. The council may not delegate or otherwise agree to defer investigation or resolution of complaints filed by students who are residents of Washington state and enrolled in institutions of higher education authorized by Washington state to another state where the institution of higher education is headquartered or incorporated.

HB 1279 relates to postsecondary education consumer protections.

Section 1(c) stipulates that the council is responsible for maintaining and developing interstate reciprocity agreements with other state or multistate entities if the agreements are consistent with the purposes in this chapter as determined by the council, provided that the agreements:

Section 1(c)(i) do not suspend, supersede, or reduce student consumer protections or the authority of the council to investigate and enforce provisions of this chapter;

Section 1(c)(ii) 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) 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."

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.

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.

However, if the public institutions of higher education in Washington State are not exempt from the requirements of this bill, there would be a large indeterminate fiscal impact to the college, because it would require leaving the State Authorization Reciprocity Agreement (SARA). 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.)

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.

Section 2.3 states if the National Council for State Authorization Reciprocity Agreement (NC-SARA) does not successfully make the necessary changes to create consumer protections equivalent to those required by this bill, the state will consider leaving NC-SARA by July 1, 2028. Section 2.1 states that WSAC will be responsible for maintaining and developing interstate reciprocity agreements with other state or multi-state entities, which is a change from previous versions of the bill. Assigning the primary responsibility for these interstate reciprocity agreements to WSAC should relieve some of the burden on the college that would be created by pulling out of the current agreement, but it also leaves a fair amount of uncertainty

regarding how the new interstate reciprocity agreements would be generated and what work would be needed to maintain them. Although WSAC would bear the primary responsibility for these agreements, there would almost certainly need to be substantial work on the part of the institutions in support of the creation of those agreements, and that work would need to be done very quickly to prevent any interruption of services. The costs of that work are largely indeterminate at this point since there is very little information available about how much work would be required. Evergreen does not currently have a large number of out of state students enrolled in its online offerings, so we estimate that the costs for us would be more than \$0 but less than \$50,000. But, in the absence of more information about what would need to be done, this is a vague estimate at best.

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

Revised

Bill Number: 1279 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:

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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 03/25/2025
Agency Approval: Gena Mikkelsen	Phone: 3606507412	Date: 03/25/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/27/2025

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.

EHB 1279 aims to protect students from misrepresentation by educational institutions, potentially affecting Washington's participation in the State Authorization Reciprocity Agreement (SARA). The amended sections allow WSAC to waive state requirements under specific conditions, but it does not change the assumption that Washington may be precluded from SARA.

Given the uncertainty surrounding how WSAC may establish reciprocity agreements to facilitate remote learning, there could be no fiscal impact if such agreements are created and done in a smooth transition. However, without clarity on how the transition will unfold, we cannot definitively state that there will be no impact.

Fiscal Impact:

If Washington exits SARA, WWU could incur significant costs if not covered by WSAC, including:

1.0 FTE Staff: \$66,936 annually.

Administrative Expenses: Approximately \$7,000 annually.

Loss of Tuition Revenue: Reduced enrollment from out-of-state distance education students.

The need for individual state authorizations would increase administrative burden and operational costs while potentially impacting student program accessibility.

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.

The impact of this bill is indeterminate regarding the potential reduction in out-of-state student enrollment in distance education programs due to the additional administrative barriers.

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.

HB 1279 aims to protect students from misrepresentation by educational institutions, potentially affecting Washington's participation in the State Authorization Reciprocity Agreement (SARA). The new section allows WSAC to waive state requirements under specific conditions, but it does not change the assumption that Washington may be precluded from SARA.

Fiscal Impact

If Washington withdraws from NC-SARA, as WICHE suggested would be required last year, WWU could need to negotiate agreements individually with each state requiring authorization for distance education operations. While the bill's language does not explicitly mandate withdrawal from SARA, the fiscal impact is best framed as indeterminate due to uncertainty about the legislation's intent.

Should WWU be precluded from SARA participation, the financial impact could include:

Staffing Costs: At least one Program Coordinator (1.0 FTE) to manage multi-state authorizations, with an estimated cost of \$66,936 per fiscal year (\$50,328 salary + \$16,608 benefits).

Operating Expenses: Approximately \$7,000 annually for office essentials, including computer equipment, training, and travel.

Potential Tuition Revenue Loss: A reduction in out-of-state student enrollment in distance education programs due to the

additional administrative barriers and indeterminate.

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: 1279 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: Michele Alishahi	Phone: (360) 786-7433	Date: 03/18/2025
Agency Preparation: Stephanie Winner	Phone: 360-704-1023	Date: 03/24/2025
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 03/24/2025
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/25/2025

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, the engrossed bill makes the following changes:

- Adds intent language.
- Extends the effective date of certain new student consumer protections to July 1, 2028.
- Requires the Washington Student Achievement Council (WSAC) to review Washington's continued participation in State Authorization Reciprocity Agreement (SARA) if the governing council of SARA does not amend its policies and standards to provide protections equivalent to those established in this act and allows WSAC to initiate alternative arrangements with individual states or groups of states.
- Requires WSAC to report to the Legislature on whether SARA has or is likely to amend its policies and standards to provide equivalent protections.
- Requires WSAC to establish a process to administer state reciprocity agreements outside of the current SARA process
- Provides that only non-public, for-profit online institutions are required to disclose certain specified information regarding students' rights.

While the amendments provide clarifying language regarding WSAC's role in evaluating SARA and establishing a process to administer reciprocity agreement the bill still allows for the possibility of an increased regulatory burden for Washington's community and technical college system if Washington state exits SARA in 2028. We have changed our fiscal note to reflect the amendments above, but because there is no guarantee that WSAC will establish state reciprocity agreements that are comparable to the coverage that SARA currently provides by FY28, our overall analysis is largely unchanged.

Engrossed House Bill 1279 intends to strengthen postsecondary education consumer protections.

Section 2 amends RCW 28B.85.020 so that Washington state may discontinue its participation in the SARA if its current bylaws and policies are not amended, by FY28, to provide student consumer protections equivalent to those outlined in the bill. In addition, WSAC will be responsible for reviewing SARA and determining Washington state's continued participatio

Section 4 expands the threshold for which complaints may be filed to WSAC against institutions of higher education. This section also adds new language that requires non-public and for-profit online institutions of higher education to disclose students' rights under state law and how students may contact WSAC to file a complaint. With this change, there is no longer an impact, and therefore no anticipated fiscal impact for this section.

Section 2, summarized above, may result in major changes for the community and technical college system. It is our understanding that the intent of the bill is not aimed to change current operations at public institutions of higher education; however, as written, the current bill language presents a significant fiscal impact that is indeterminate but will exceed \$50,000 per fiscal year beginning in FY28. Please review the expenditures narrative for 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.

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 2 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.

The overall fiscal impact cannot be determined for this note, but we anticipate costs will exceed well over \$50,000 beginning in FY28 and each year thereafter. Section 2 is identified below as our primary cost driver, but due to significant unknowns we are unable to determine the cost without additional clarity in legislative language and intent.

SECTION 2

As mentioned in the summary, section 2 amends interstate reciprocity agreements and obligations, specifically, SARA. This section may result in the discontinuation of Washington state’s participation in SARA in FY28. WSAC is responsible for establishing a process that ensures a smooth transition outside of SARA, but there is no guarantee that WSAC will provide comparable coverage by FY28 or at all. It is also unclear to us whether any costs will be incurred in navigating any new authorization process created by WSAC. Therefore, the community and technical colleges are faced with the possibility of an increased regulatory burden to establish reciprocity agreements with every state by FY28.

In order to determine cost estimates, we would need to survey each state’s 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 FY28 and each year thereafter.

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.