

1/21/18 -

1. At the end of the first two weeks of the 2018 Washington State Legislative session, a negotiated compromise has occurred between the democrats and republicans in both legislative chambers, which will allow landowners to drill wells legally, thus, partly rectifying the problematic outcome of the WA State Supreme Court's "Hirst Decision." The overdue (> 6 mo) Capital Budget and the Bond Bill were finally approved by the legislature on 19 January 2018. Thus, universities now can begin building and planning for building, albeit significantly later than originally anticipated.

2. Note that the Omnibus Operating Budget for the State of Washington for the 2017-19 Biennium was passed at the end of June, 2017. The amount allocated for Higher Education was \$14,544,484,000. The 2017-19 Capital Budget had been languishing, however, so the 2017-19 Capital Budget —2018 Supplemental <http://fiscal.wa.gov/BudgetCSupp.aspx> was finally passed by the legislature on 19 January 2018. A total of \$860,591,000 was appropriated for Higher Education, which includes both the Operating Budget (student tuition provides the remainder of university operating budgets) and the Capital Budget for Higher Education. It seems that the funding for the operating budgets at the six 4-year baccalaureates—although insufficient given the tuition costs—was not far from that which was requested by each institution. There is \$489,416,000 in the State Buildings Construction Account and in State Bonds for Higher Education. Thus, in the Capital Projects accounts are: TESC \$8,330,000, CWU \$9,922,000, EWU \$12,562,000, WWU \$12,763,000. In the Building Accounts are: WSU \$33,910,000 and UW \$70,800,000. These funding levels are expected to draw little complaint from the administrations in higher education.

3. Both Democrats and Republicans in each chamber are generally supportive of higher education, so early indications from this year's short (60-day) session are promising. In the first two weeks, there have been numerous bills introduced in the House Higher Education Committee and the Senate Higher Education and Workforce Development Committee that affect higher education. Most are parallel and relatively similar bills generated by these higher education committees in both the House and Senate. Also, most of the bills have had public hearings in both chambers, but most have not yet moved out of committee. That is, the bills are multiple steps and possibly weeks away from making it to the floor of either chamber, and these bills are almost certainly not in the final form should any of them become law (usually much less than half). Most of the bills that have been introduced so far by these committees, and all but the last focus on *affordability* of college:

- Decoupling services and activates fees from tuition
- Dual credit (currently there are competing bills regarding this issue)
- Social work professional loan repayment program
- Student loan bill of rights
- DACA issues
- State Need Grant
- Veteran and National Guard tuition waivers

- Suicide prevention and behavioral health
- Various scholarship programs (particularly College Bound and Evergreen Investment)
- Creating a task force on the outdoor recreation industry
- Support for foster and homeless students
- Freedom of expression in colleges and universities

4. Overall Impressions: Almost all of the bills introduced by the higher education committees to date have merit and are worthy of funding given the obvious benefits that are intended for college students. The funding amounts and sources required for each of these bills have not been presented, however, so the final outcomes of these bills cannot be predicted at this time.

5. Comment on the State Need Grant. Many students in the state of Washington have been suffering because of underfunding of the State Need Grant (SNG). In 2017, for example, approximately 24,000 students were eligible for the SNG but the funds were not available. WSAC, COP, COF and many other entities are working energetically to impress upon the legislators of the ethical and humanitarian need to increase funding for the SNG. In addition to the current bills under consideration, it is worth considering the infrastructure related to affordability for college. The following websites provide examples of such infrastructure

- <http://wtb.wa.gov/>
- <https://www.wcan.org/about>
- <https://www.collegesuccessfoundation.org/wa/home>
- <https://www.scholarships.com/financial-aid/college-scholarships/scholarships-by-state/washington-scholarships/>

6. More relevant details on Governor Jay Inslee's Proposed 2018 Supplemental Operating Budget (released on December 14th). Components:

- About \$1 billion was request to fully fund basic education in time for the 2018 school year. The \$1 billion additional investment is funded from state reserves for the remainder of this budget with the Governor's long term, preferred funding source being a carbon tax. With a narrow democrat control in the House and the Senate, Governor Inslee's desire for a carbon tax may be realized in this legislative session.
- About \$162 million was requested to cover anticipated shortfalls in the state's Medicaid program, which provides health care to more than 1.8 million Washingtonians.
- About \$110 million was requested to cover higher operating costs at the state's psychiatric hospitals and to make changes to maintain federal funding for Western State Hospital.
- Also included were modest new investments to fund tools for emerging and urgent needs:
 1. Opioid crisis,
 2. Emergency preparedness,
 3. Mental health
 4. Protection for endangered orcas
- Most of the universities have been slated for modest resources for planning and construction and to expanding ability to accommodate student in STEM fields.

- Note that there are no major policy changes or investments to state financial aid programs, but sufficient funding was intended for:

Maintenance-level adjustment to the College Bound program based on forecasted caseloads.

Policy-level funding to match private contributions to the Washington State Opportunity Scholarship.

Policy-level funding to expand the Opportunity Scholarship to students in professional/technical certificates or degrees.