
SUBSTITUTE SENATE BILL 5823

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles, Sheahan, Shin, Bauer, B. Sheldon, Hale and Brown)

Read first time 03/02/1999.

1 AN ACT Relating to higher education accountability; amending 1998
2 c 346 s 601 (uncodified); adding new sections to chapter 28B.80 RCW;
3 creating new sections; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that it is in the
6 interest of Washington citizens and current and prospective higher
7 education students for the state's institutions of higher education to
8 have in place an incentive system of performance funding and
9 accountability to encourage performance improvements in specified
10 areas. The legislature also finds that annual performance progress
11 reports will draw the attention of the public and the state's
12 policymakers to important issues related to students' educational
13 attainment and learning outcomes.

14 (2) The 1997 legislature established a performance incentive system
15 when it placed funds in reserve status for each institution of higher
16 education and made release of the funds contingent on specific
17 performance achievements. This incentive system resulted in one
18 million four hundred sixty-five thousand dollars of the ten million six
19 hundred sixty-one thousand dollars held in reserve for the six four-

1 year institutions of higher education not being approved for release.
2 Under the provisions of chapter 43.79 RCW, these funds will be directed
3 to the education savings account. While the intention of the 1997
4 legislature was a performance incentive system, the resultant loss of
5 aggregate funding for higher education contradicts the legislature's
6 goal of maintaining institutions of the highest quality. Therefore,
7 the legislature intends to direct unreleased performance funds for
8 fiscal year 1999 to the Washington higher education improvement fund
9 established in section 7 of this act.

10 (3) For future biennia, it is the intent of the legislature to
11 provide performance incentive funding rather than place funds in
12 reserve. The purpose of the funding is to encourage public four-year
13 institutions of higher education to develop new, innovative, and
14 creative approaches to improvement in student learning outcomes.
15 Further the incentive funding would be used to encourage continued
16 progress by the four-year institutions of higher education in the
17 following areas: Undergraduate retention, graduation efficiency,
18 graduation rates, faculty productivity, and areas unique to each
19 institution of higher education. The incentive system would also
20 initiate new measures for student learning and distance education.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.80 RCW
22 to read as follows:

23 Four-year institutions of higher education shall strive to make
24 continuous improvement and meaningful and substantial progress on all
25 performance measures, and shall report their progress to the higher
26 education coordinating board and to the legislature each year.
27 Performance measures shall address undergraduate retention, graduation
28 efficiency, graduation rates, faculty productivity, student learning,
29 distance education, and measures unique to each institution.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.80 RCW
31 to read as follows:

32 The higher education coordinating board, in consultation with the
33 four-year institutions of higher education, shall develop criteria for
34 a competitive grant process. The higher education coordinating board
35 shall use those criteria to evaluate institutions' proposals for making
36 progress in undergraduate retention, graduation efficiency, graduation
37 rates, faculty productivity, and areas unique to each institution of

1 higher education. Subject to available funds in the Washington higher
2 education improvement fund created in section 7 of this act, the higher
3 education coordinating board shall award grants to the institutions
4 based on the strength of the institutions' proposals in meeting the
5 established criteria.

6 NEW SECTION. **Sec. 4.** In collaboration with Washington's public
7 four-year institutions of higher education, the higher education
8 coordinating board shall establish distance education performance
9 measures by June 30, 1999. Institutions of higher education shall use
10 these measures to establish baseline information by September 1, 2000.
11 The higher education coordinating board shall report to the legislature
12 in January 2001 on the outcomes of this effort and recommended next
13 steps.

14 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.80 RCW
15 to read as follows:

16 Incentive funds may be used to reinforce institutional and state
17 initiatives in the area of student learning outcomes, and to encourage
18 new assessment projects, particularly in the areas of writing,
19 quantitative skills, and technological literacy. By 2003, all four-
20 year institutions of higher education should have student learning
21 outcomes in place for every undergraduate academic program, aligning
22 those outcomes where appropriate with the K-12 and community college
23 systems. Beginning in December 1999, institutions of higher education
24 should report annually to the higher education coordinating board on
25 progress in establishing and assessing these outcomes.

26 **Sec. 6.** 1998 c 346 s 601 (uncodified) is amended to read as
27 follows:

28 The appropriations in sections 603 through 609 of this act are
29 subject to the following conditions and limitations:

30 (1) "Institutions" means the institutions of higher education
31 receiving appropriations under sections 603 through 609 of this act.

32 (2)(a) The salary increases provided or referenced in this
33 subsection shall be the allowable salary increases provided at
34 institutions of higher education, excluding increases associated with
35 normally occurring promotions and increases related to faculty and
36 professional staff retention, and excluding increases associated with

1 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
2 provisions of RCW 28B.16.015.

3 (b) Each institution of higher education shall provide to each
4 classified staff employee as defined by the office of financial
5 management a salary increase of 3.0 percent on July 1, 1997. Each
6 institution of higher education shall provide to instructional and
7 research faculty, exempt professional staff, academic administrators,
8 academic librarians, counselors, teaching and research assistants as
9 classified by the office of financial management, and all other
10 nonclassified staff, including those employees under RCW 28B.16.015, an
11 average salary increase of 3.0 percent on July 1, 1997. For employees
12 under the jurisdiction of chapter 41.56 RCW pursuant to the provisions
13 of RCW 28B.16.015, distribution of the salary increases will be in
14 accordance with the applicable collective bargaining agreement.
15 However, an increase shall not be provided to any classified employee
16 whose salary is above the approved salary range maximum for the class
17 to which the employee's position is allocated. To collect consistent
18 data for use by the legislature, the office of financial management,
19 and other state agencies for policy and planning purposes, institutions
20 of higher education shall report personnel data to be used in the
21 department of personnel's human resource data warehouse in compliance
22 with uniform reporting procedures established by the department of
23 personnel.

24 (c) Each institution of higher education receiving appropriations
25 under sections 604 through 609 of this act may provide to instructional
26 and research faculty, exempt professional staff, academic
27 administrators, academic librarians, counselors, teaching and research
28 assistants, as classified by the office of financial management, and
29 all other nonclassified staff, but not including employees under RCW
30 28B.16.015, an additional average salary increase of 1.0 percent on
31 July 1, 1997, and an average salary increase of 2.0 percent on July 1,
32 1998. Any salary increases authorized under this subsection (2)(c)
33 shall not be included in an institution's salary base. It is the
34 intent of the legislature that general fund--state support for an
35 institution shall not increase during the current or any future
36 biennium as a result of any salary increases authorized under this
37 subsection (2)(c).

1 (d) Specific salary increases authorized in sections 603 through
2 609 of this act are in addition to any salary increase provided in this
3 subsection.

4 (3)(a) Each institution receiving appropriations under sections 604
5 through 609 of this act shall submit plans for achieving measurable and
6 specific improvements in academic years 1997-98 and 1998-99 to the
7 higher education coordinating board. The plans, to be prepared at the
8 direction of the board, shall be submitted by August 15, 1997 (for
9 academic year 1997-98) and June 30, 1998 (for academic year 1998-99).
10 The following measures and goals will be used for the 1997-99 biennium:

	Goal
11	
12 (i) Undergraduate graduation efficiency index:	
13 For students beginning as freshmen	95
14 For transfer students	90

15 (ii) Undergraduate student retention, defined as the percentage of	
16 all undergraduate students who return for the next year at the same	
17 institution, measured from fall to fall:	
18 Research universities	95%
19 Comprehensive universities and college	90%

20 (iii) Graduation rates, defined as the percentage of an entering	
21 freshmen class at each institution that graduates within five years:	
22 Research universities	65%
23 Comprehensive universities and college	55%

24 (iv) A measure of faculty productivity, with goals and targets in
25 accord with the legislative intent to achieve measurable and specific
26 improvements, to be determined by the higher education coordinating
27 board, in consultation with the institutions receiving appropriations
28 under sections 604 through 609 of this act.

29 (v) An additional measure and goal to be selected by the higher
30 education coordinating board for each institution, in consultation with
31 each institution.

32 (b) Academic year 1995-96 shall be the baseline year against which
33 performance in academic year 1997-98 shall be measured. Academic year
34 1997-98 shall be the baseline year against which performance in
35 academic year 1998-99 shall be measured. The difference between each
36 institution's baseline year and the state-wide performance goals shall
37 be calculated and shall be the performance gap for each institution for

1 each measure for each year. The higher education coordinating board
2 shall set performance targets for closing the performance gap for each
3 measure for each institution. Performance targets shall be set at
4 levels that reflect meaningful and substantial progress towards the
5 state-wide performance goals. Each institution shall report to the
6 higher education coordinating board on its actual performance
7 achievement for each measure for academic year 1997-98 by November 1,
8 1998.

9 (c) General fund--state appropriations made to institutions of
10 higher education under sections 604 through 609, chapter 346, Laws of
11 1998, shall be reduced by any amounts placed in reserve for fiscal year
12 1999 that are not approved for allotment by December 31, 1998, under
13 the provisions specified. An amount equal to the total of these
14 reductions shall be appropriated to the Washington higher education
15 improvement fund in section 7 of this act.

16 (4) The state board for community and technical colleges shall
17 develop an implementation plan for measurable and specific improvements
18 in productivity, efficiency, and student retention in academic years
19 1997-98 and 1998-99 consistent with the performance management system
20 developed by the work force training and education coordinating board
21 and for the following long-term performance goals:

	Goal
22 (a) Hourly wages for vocational graduates	\$12/hour
23 (b) Academic students transferring to Washington	
24 higher education institutions	67%
25 (c) Core course completion rates	85%
26 (d) Graduation efficiency index	95

28 (5) The state's public institutions of higher education
29 increasingly are being called upon to become more efficient in
30 conducting the business operations necessary to support the carrying
31 out of their academic missions. The legislature recognizes that state
32 laws and regulations may have the unintended effect of acting as
33 barriers to efficient operation in some instances, and desires to
34 encourage the institutions of higher education to think beyond the
35 constraints of current law in identifying opportunities for improved
36 efficiency. Accordingly, the legislature requests that the
37 institutions of higher education, working together through the council
38 of presidents' office and the state board for community and technical

1 colleges, identify opportunities for changes in state law that would
2 form the basis for a new efficiency compact with the state, for
3 consideration no later than the 1999 legislative session.

4 (6) Pursuant to RCW 43.135.055, institutions of higher education
5 receiving appropriations under sections 603 through 609 of this act are
6 authorized to increase summer term tuition in excess of the fiscal
7 growth factor during the 1997-99 fiscal biennium. Tuition levels
8 increased pursuant to this subsection shall not exceed the per credit
9 hour rate calculated from the academic year tuition levels established
10 by the legislature in RCW 28B.15.067.

11 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.80 RCW
12 to read as follows:

13 The Washington higher education improvement fund is established in
14 the custody of the state treasurer. Moneys in the fund may be spent
15 only for the purposes of sections 3 and 5 of this act. Disbursements
16 from the fund shall be on the authorization of the higher education
17 coordinating board. The fund is subject to the allotment procedure
18 provided under chapter 43.88 RCW, but no appropriation is required for
19 disbursements.

20 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 immediately.

--- END ---