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**SUBSTITUTE HOUSE BILL 2111**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives Priest, Jarrett and Cox)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to performance contracts between the state and  
2 institutions of higher education; creating new sections; and providing  
3 an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that ten years  
6 have passed since the state attempted to redefine the relationship with  
7 its institutions of higher education based on trust, evidence, and a  
8 new alignment of responsibilities, as articulated in chapter 363, Laws  
9 of 1993.

10 (2) However, the legislature also finds that the intent to combine  
11 institutional flexibility and authority to make decisions at the local  
12 level with accountability for achieving statewide goals and objectives  
13 has never been fully achieved, in part because there has not been an  
14 operating mechanism through which to implement this relationship.

15 (3) Therefore, the legislature intends to explore opportunities to  
16 create performance contracts between the state and public institutions  
17 of higher education. It is the intent of the legislature that such a  
18 contract would constitute a negotiated agreement between the state and  
19 an institution, where the state's primary interest would lie not in the

1 management and operations of an institution, but in the institution's  
2 contribution to achieving agreed-upon statewide goals and objectives  
3 for higher education.

4 NEW SECTION. **Sec. 2.** (1) A task force on higher education  
5 performance contracts is established. The task force shall consist of  
6 sixteen members, as follows:

7 (a) Two members from each major caucus of the senate, appointed by  
8 the president of the senate, including members of the higher education  
9 and ways and means committees. The president of the senate shall  
10 appoint one member to serve as cochair of the task force;

11 (b) Two members from each major caucus of the house of  
12 representatives, appointed by the speaker of the house of  
13 representatives, including members of the higher education, capital  
14 budget, and appropriations committees. The speaker of the house of  
15 representatives shall appoint one member to serve as cochair of the  
16 task force;

17 (c) One representative of the higher education coordinating board,  
18 appointed by the board;

19 (d) One representative of the state board for community and  
20 technical colleges, appointed by the state board;

21 (e) Two representatives of public four-year institutions of higher  
22 education, appointed by the council of presidents;

23 (f) Two representatives of the community and technical colleges,  
24 appointed by the Washington administrative council; and

25 (g) One representative of the governor's office and one  
26 representative of the office of financial management, each appointed by  
27 the governor.

28 (2) The task force may invite input from other interested parties,  
29 including but not limited to faculty and student representatives and  
30 representatives of the business community. Within available funds, the  
31 task force may obtain additional expertise or engage consultants if  
32 necessary to carry out its work.

33 (3) The task force shall:

34 (a) Examine the experience of other states in developing and  
35 implementing performance contracts with institutions of higher  
36 education;

1 (b) Consider the feasibility of implementing performance contracts  
2 in Washington;

3 (c) Identify whether amendments to current laws may be necessary to  
4 implement performance contracts; and

5 (d) Develop guidelines and possible models for performance  
6 contracts, including:

7 (i) The types of indicators and benchmarks that could be included  
8 in a contract to measure an institution's progress in meeting the  
9 contract's objectives; and

10 (ii) The types of flexibility, exemptions, or commitments that  
11 could be included in a contract to reflect the state's obligation to an  
12 institution.

13 (4) The task force shall use legislative facilities and staff from  
14 senate committee services and the office of program research. Each  
15 nonlegislative member of the task force shall be reimbursed for travel  
16 expenses in accordance with RCW 43.03.050 and 43.03.060. Travel  
17 expenses for the nonlegislative members shall be paid by their  
18 respective institutions or agencies. All other expenses of the task  
19 force shall be paid jointly by the senate and the house of  
20 representatives.

21 (5) The task force shall report its findings and recommendations to  
22 the higher education and fiscal committees of the legislature by  
23 December 15, 2003.

24 NEW SECTION. **Sec. 3.** This act expires June 30, 2004.

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