

EHB 2641 - S COMM AMD
By Committee on Higher Education

ADOPTED 03/06/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that in the last
4 ten years, significant progress has been made to identify and monitor
5 accountability and performance measures in higher education, both
6 internally in institutions and externally in the legislative and state
7 policymaking environment.

8 (2) However, the legislature further finds that opportunities exist
9 to promote greater visibility of performance measures among
10 policymakers and among the public consumers of higher education.
11 Policy decisions, including decisions about resource allocation, should
12 be made with greater knowledge and a shared understanding about the
13 tradeoffs between resources, flexibility, and desired outcomes. A
14 forum should be created to allow discussion among policymakers and
15 institution leaders about setting outcome-oriented priorities,
16 targeting of investments, linking operating and capital planning, and
17 creating a longer-term view than the biennial budget cycle typically
18 permits.

19 (3) Therefore, the legislature intends to implement a process for
20 such discussions, agreements, and planning to occur. The process of
21 crafting higher education performance agreements will be pilot-tested
22 over a six-year period with the public four-year institutions of higher
23 education beginning in 2008.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW
25 to read as follows:

26 (1) As used in this section and sections 3 and 4 of this act, a
27 performance agreement is an agreement reached between the state and the
28 governing board of an institution of higher education and approved by
29 the legislature using the process provided in section 4 of this act.

1 (2) The purpose of a performance agreement is to develop and
2 communicate a six-year plan developed jointly by state policymakers and
3 an institution of higher education that aligns goals, priorities,
4 desired outcomes, flexibility, institutional mission, accountability,
5 and levels of resources.

6 (3) Beginning in 2008, performance agreements shall be pilot-tested
7 with the public four-year institutions of higher education.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.10 RCW
9 to read as follows:

10 (1) Performance agreements shall address but not be limited to the
11 following issues:

12 (a) Indicators that measure outcomes concerning cost, quality,
13 timeliness of student progress toward degrees and certifications, and
14 articulation between and within the K-12 and higher education systems;

15 (b) Benchmarks and goals for long-term degree production, including
16 discrete benchmarks and goals in particular fields of study;

17 (c) The level of resources necessary to meet the performance
18 outcomes, benchmarks, and goals, subject to legislative appropriation;

19 (d) The prioritization of four-year institution capital budget
20 projects by the office of financial management; and

21 (e) Indicators that measure outcomes concerning recruitment,
22 retention, and success of students, faculty, and staff from diverse,
23 underrepresented communities.

24 (2) The goals and outcomes identified in a performance agreement
25 shall be linked to the role, mission, and strategic plan of the
26 institution of higher education and aligned with the statewide
27 strategic master plan for higher education.

28 (3) Performance agreements may also include grants to an
29 institution, under the terms of the agreement, of flexibility or
30 waivers from state controls or rules. The agreement may identify areas
31 where statutory change is necessary to grant an institution flexibility
32 or waivers of state agency rules.

33 (4) The following areas may not be included in a performance
34 agreement:

35 (a) Flexibility or waivers of requirements in a collective
36 bargaining agreement negotiated under chapter 28B.52, 41.56, 41.59,
37 41.76, or 41.80 RCW;

1 (b) Flexibility or waivers of administrative rules or processes
2 governed by chapter 28B.52, 41.56, 41.59, 41.76, or 41.80 RCW;

3 (c) Rules, processes, duties, rights, and responsibilities of the
4 academic faculty as contained in the faculty codes of the four-year
5 institution;

6 (d) Flexibility or waivers of requirements under chapter 39.12 RCW;

7 (e) Flexibility or waivers of administrative rules or other
8 regulations that address health and safety, civil rights, and
9 nondiscrimination laws that apply to institutions of higher education;
10 and

11 (f) State laws covering terms and conditions of employment,
12 including but not limited to salaries, job security, and health,
13 retirement, unemployment, or any other employment benefits.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.10 RCW
15 to read as follows:

16 (1) A state performance agreement committee is created to represent
17 the state in developing performance agreements under this section and
18 sections 2 and 3 of this act. The committee is composed of
19 representatives from the governor's office, the office of financial
20 management, the higher education coordinating board, the office of the
21 superintendent of public instruction, two members of the senate
22 appointed by the secretary of the senate, and two members of the house
23 of representatives appointed by the speaker of the house of
24 representatives. The state performance agreement committee shall be
25 staffed by personnel from the higher education coordinating board.

26 (2) Each of the participating institutions shall develop a
27 preliminary draft of a performance agreement with input from students
28 and faculty. The governing boards of the public four-year institutions
29 of higher education shall designate performance agreement
30 representatives for each institution respectively that shall include
31 two faculty members at those institutions bargaining under chapter
32 41.76 RCW, at least one of whom shall be appointed by the exclusive
33 collective bargaining agent and the other appointed by the faculty
34 governance organization of that institution. If the participating
35 pilot institution does not bargain under chapter 41.76 RCW, then two
36 faculty members shall be appointed by the faculty governance
37 organization of that institution. The associated student governments

1 or their equivalents shall designate two performance agreement
2 representatives at those institutions. Starting with the preliminary
3 drafts, the state performance agreement committee and representatives
4 of each institution shall develop revised draft performance agreements
5 for each institution and submit the revised drafts to the governor and
6 the fiscal and higher education committees of the legislature no later
7 than September 1, 2008.

8 (3) After receiving informal input on the revised draft performance
9 agreements, particularly regarding the levels of resources assumed in
10 the agreements, the state committee and institution representatives
11 shall develop final proposed performance agreements and submit the
12 agreements to the governor and the office of financial management by
13 November 1, 2008, for consideration in development of the governor's
14 2009-2011 operating and capital budget recommendations.

15 (4) The state committee shall submit any legislation necessary to
16 implement a performance agreement to the higher education committees of
17 the senate and house of representatives.

18 (5) All cost items contained within a performance agreement are
19 subject to legislative appropriation.

20 (6) If the legislature affirms, through a proviso in the 2009-2011
21 omnibus appropriations act, that the omnibus appropriations act and the
22 2009 capital budget act enacted by the legislature align with the
23 proposed performance agreements, the performance agreements shall take
24 effect beginning July 1, 2009, through June 30, 2015. If the
25 legislature affirms, through a proviso in the 2009-2011 omnibus
26 appropriations act or through inaction, that the omnibus appropriations
27 act and/or the 2009 capital budget act are not aligned with the
28 proposed performance agreements, the state committee and institution
29 representatives shall redraft the agreements to align with the enacted
30 budgets, and the redrafted agreements shall take effect beginning
31 September 1, 2009, through June 30, 2015.

32 (7) The legislature, the state committee, and the institution
33 representatives shall repeat the process described in subsection (6) of
34 this section for each subsequent omnibus appropriations and capital
35 budget act enacted between the 2010 and 2014 legislative sessions to
36 ensure that the performance agreements are updated as necessary to
37 align with enacted omnibus appropriations and capital budget acts.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.28 RCW
2 to read as follows:

3 The joint committee shall conduct an evaluation of the higher
4 education performance agreement pilot test under sections 2 through 4
5 of this act and make recommendations regarding changes to the substance
6 or process of creating the agreements, including whether the
7 performance agreement process should be continued and expanded to
8 include additional higher education institutions. The evaluation shall
9 be submitted to the governor and the higher education committees of the
10 senate and house of representatives by November 1, 2014."

EHB 2641 - S COMM AMD
By Committee on Higher Education

ADOPTED 03/06/2008

11 On page 1, line 1 of the title, after "agreements;" strike the
12 remainder of the title and insert "adding new sections to chapter
13 28B.10 RCW; adding a new section to chapter 44.28 RCW; and creating a
14 new section."

--- END ---