
SECOND SUBSTITUTE HOUSE BILL 1795

State of Washington

62nd Legislature

2011 Regular Session

By House Ways & Means (originally sponsored by Representatives Carlyle, Seaquist, Haler, Reykdal, Rolfes, Probst, Morris, Sells, Pedersen, Jacks, Hudgins, Maxwell, and Frockt)

READ FIRST TIME 04/19/11.

1 AN ACT Relating to the higher education opportunity act; amending
2 RCW 28B.15.031, 28B.15.025, 28B.15.067, 28B.15.068, 28B.76.270,
3 28B.92.060, 28A.600.310, 39.29.011, 43.19.1906, 43.88.160, 43.03.220,
4 43.03.230, 43.03.240, 43.03.250, and 43.03.265; amending 2010 c 3 ss
5 602, 603, and 604 (uncodified); amending 2010 1st sp.s. c 37 s 901
6 (uncodified); amending 2010 c 1 s 8 (uncodified); adding a new section
7 to chapter 28B.15 RCW; adding new sections to chapter 28B.10 RCW;
8 adding a new section to chapter 28B.50 RCW; adding a new section to
9 chapter 28B.76 RCW; creating new sections; repealing RCW 28B.10.920,
10 28B.10.921, and 28B.10.922; providing an expiration date; and declaring
11 an emergency.

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

13 NEW SECTION. **Sec. 1.** (1) The legislature finds that in the
14 knowledge-based, globally interdependent economy of the twenty-first
15 century, postsecondary education is the most indispensable form of
16 currency. Public institutions of higher education are drivers of
17 economic growth and job creation and incubators for innovation. An
18 educated citizenry is a critical component of our democracy, and a
19 commitment to provide public funding for public higher education

1 institutions is imperative. At the same time, the legislature finds
2 that Washington state is experiencing a profound structural shift in
3 the funding of higher education. State support has declined
4 dramatically over the past twenty years, thereby necessitating
5 increases in tuition to supplant the support of higher education from
6 general taxpayers. The problem faced by all stakeholders - students
7 and their families, institutions, and policymakers - is a growing
8 reliance on tuition dollars and a reduced reliance on state support.
9 At the same time, there is insufficient visibility into the use of
10 locally retained tuition dollars. There is little transparency
11 regarding whether increasing tuition dollars gives students, their
12 families, and Washington taxpayers a high-value return on investment.

13 (2) It is the intent of the legislature to:

14 (a) Ensure that tuition dollars are spent to improve student
15 access, affordability, and the quality of education;

16 (b) Establish a clear nexus between tuition dollars and improved
17 productivity and greater accountability of public institutions of
18 higher education;

19 (c) Create a modern and robust higher education financial system
20 that funds outcomes and results rather than input and process; and

21 (d) Continue a commitment to public funding of higher education
22 through state appropriations that are essential for providing access,
23 affordability, and quality in higher education for all students across
24 the state.

25 (3)(a) It is the intent of the legislature to set goals for four-
26 year institutions of higher education to increase the number of
27 students who earn baccalaureate degrees, while maintaining quality, and
28 achieve the following initial degree completion targets by 2018:

29 (i) Increasing the number of bachelor's degrees earned by
30 Washington's resident students from the 2009-10 academic year levels by
31 at least six thousand degrees completed or by twenty-seven percent;

32 (ii) Consistent with the priority for expanding the number of
33 enrollments and degrees in the fields of engineering, technology,
34 biotechnology, sciences, computer sciences, and mathematics, at least
35 two thousand of the additional degrees under this subsection (3)(a)
36 would be awarded in the areas of science, which includes the health
37 sciences, technology, engineering, and mathematics, natural resources,

1 environment, conservation, biology, life sciences, and other applied
2 and interdisciplinary sciences; and

3 (iii) Attaining parity in degree attainment for students from
4 underrepresented groups, which would mean that at least nineteen
5 percent of the degrees awarded would include students who are low-
6 income or are the first in their families to attend college.

7 (b) It is the intent of the legislature that the bachelor degree
8 completion targets in (a) of this subsection be updated every two years
9 based upon the state's changing population and economic needs and that
10 targets be set for five-year periods following the 2018 target.

11 (c) It is the intent of the legislature to urge four-year
12 institutions of higher education to place the highest priority on
13 achieving the degree completion targets under (a) of this subsection.
14 The legislature intends to examine the strategies used and progress
15 made by institutions of higher education to meet the targets in
16 addition to evidence of increased cost-effectiveness and efficiency.
17 The legislature recognizes that individual institutions develop their
18 campus goals recognizing the role of their campus as part of the system
19 of public higher education and may implement a variety of innovative
20 methods to achieve these goals.

21 **Sec. 2.** RCW 28B.15.031 and 2003 c 232 s 2 are each amended to read
22 as follows:

23 The term "operating fees" as used in this chapter shall include the
24 fees, other than building fees, charged all students registering at the
25 state's colleges and universities but shall not include fees for short
26 courses, self-supporting degree credit programs and courses, marine
27 station work, experimental station work, correspondence or extension
28 courses, and individual instruction and student deposits or rentals,
29 disciplinary and library fines, which colleges and universities shall
30 have the right to impose, laboratory, gymnasium, health, technology and
31 student activity fees, or fees, charges, rentals, and other income
32 derived from any or all revenue producing lands, buildings and
33 facilities of the colleges or universities heretofore or hereafter
34 acquired, constructed or installed, including but not limited to income
35 from rooms, dormitories, dining rooms, hospitals, infirmaries, housing
36 or student activity buildings, vehicular parking facilities, land, or
37 the appurtenances thereon, or such other special fees as may be

1 established by any college or university board of trustees or regents
2 from time to time. All moneys received as operating fees at any
3 institution of higher education shall be deposited in a local account
4 containing only operating fees revenue and related interest: PROVIDED,
5 That a minimum of (~~three and one-half~~) five percent of operating fees
6 shall be retained by the four-year institutions of higher education,
7 and a minimum of three and one-half percent of operating fees shall be
8 retained by the community and technical colleges for the purposes of
9 RCW 28B.15.820. Local operating fee accounts shall not be subject to
10 appropriation by the legislature or allotment procedures under chapter
11 43.88 RCW.

12 **Sec. 3.** RCW 28B.15.025 and 1985 c 390 s 12 are each amended to
13 read as follows:

14 The term "building fees" means the fees charged students
15 registering at the state's colleges and universities, which fees are to
16 be used as follows: At the University of Washington, solely for the
17 purposes provided in RCW 28B.15.210; at Washington State University,
18 solely for the purposes provided in RCW 28B.15.310; at each of the
19 regional universities and at The Evergreen State College, solely for
20 the purposes provided in RCW 28B.35.370; and at the community colleges,
21 for the purposes provided in RCW 28B.50.320, 28B.50.360 and 28B.50.370.
22 The term "building fees" is a renaming of the "general tuition fee,"
23 and shall not be construed to affect otherwise moneys pledged to, or
24 used for bond retirement purposes. Beginning in the 2011-12 academic
25 year and through the end of the 2014-15 academic year, building fees
26 may not be increased above the level set in the 2010-11 academic year,
27 adjusted for inflation using the consumer price index for the Seattle,
28 Washington area as compiled by the United States department of labor
29 bureau of labor statistics.

30 **Sec. 4.** RCW 28B.15.067 and 2010 c 20 s 7 are each amended to read
31 as follows:

32 (1) Tuition fees shall be established under the provisions of this
33 chapter.

34 (2) (~~Beginning with the 2003-04 academic year and ending with the~~
35 ~~2012-13 academic year, reductions or increases in full-time tuition~~
36 ~~fees for resident undergraduates shall be as provided in the omnibus~~

1 ~~appropriations act~~) Beginning in the 2011-12 academic year, reductions
2 or increases in the operating fees portion of full-time tuition fees
3 shall be as provided in the omnibus appropriations act for resident
4 undergraduate students at community and technical colleges. The state
5 board for community and technical colleges may reduce or increase the
6 operating fees portion of full-time tuition fees for all students other
7 than resident undergraduates, including nonresident students, summer
8 school students, and students in other self-supporting degree programs.
9 Percentage increases in the operating fees portion of full-time tuition
10 may exceed the fiscal growth factor. The state board for community and
11 technical colleges may pilot or institute differential tuition models.
12 The board may define scale, scope, and rationale for the models.

13 (3)(a) Beginning with the ~~((2003-04))~~ 2011-12 academic year and
14 ~~((ending with the 2012-13))~~ through the end of the 2014-15 academic
15 year, the governing boards of the state universities, the regional
16 universities, and The Evergreen State College~~((, and the state board~~
17 ~~for community and technical colleges))~~ may reduce or increase the
18 operating fees portion of full-time tuition fees for all students
19 ~~((other than resident undergraduates))~~, including summer school
20 students and students in other self-supporting degree programs.
21 Percentage increases in the operating fees portion of full-time tuition
22 fees may exceed the fiscal growth factor. Reductions or increases may
23 be made for all or portions of an institution's programs, campuses,
24 courses, or students.

25 (b) Prior to reducing or increasing tuition for each academic year,
26 the governing boards of the state universities, the regional
27 universities, and The Evergreen State College shall consult with
28 existing student associations or organizations with student
29 undergraduate and graduate representatives regarding the impacts of
30 potential tuition increases. Governing boards shall be required to
31 provide data regarding the percentage of students receiving financial
32 aid, the sources of aid, and the percentage of total costs of
33 attendance paid for by aid.

34 (c) Prior to reducing or increasing tuition for each academic year,
35 ~~((each college in))~~ the state board for community and technical college
36 system shall consult with existing student associations or
37 organizations with undergraduate student representation regarding the
38 impacts of potential tuition increases. The state board for community

1 and technical colleges shall provide data regarding the percentage of
2 students receiving financial aid, the sources of aid, and the
3 percentage of total costs of attendance paid for by aid.

4 ~~(4) ((Academic year tuition for full-time students at the state's~~
5 ~~institutions of higher education beginning with 2015-16, other than~~
6 ~~summer term, shall be as charged during the 2014-15 academic year~~
7 ~~unless different rates are adopted by the legislature)) Beginning with~~
8 the 2015-16 academic year, the governing boards of the state
9 universities, regional universities, and The Evergreen State College
10 may set tuition for resident undergraduates as follows:

11 (a) If state funding for a college or university falls below the
12 state funding provided in the operating budget for fiscal year 2011,
13 the governing board may increase tuition up to the limits set in (d) of
14 this subsection, reduce enrollments, or both;

15 (b) If state funding for a college or university is at least at the
16 level of state funding provided in the operating budget for fiscal year
17 2011, the governing board may increase tuition up to the limits set in
18 (d) of this subsection and shall continue to at least maintain the
19 actual enrollment levels for fiscal year 2011 or increase enrollments
20 as required in the omnibus appropriations act; and

21 (c) If state funding is increased so that combined with tuition the
22 sixtieth percentile of the total per-student funding at similar public
23 institutions of higher education in the global challenge states under
24 RCW 28B.15.068 is exceeded, the governing board shall decrease tuition
25 by the amount needed for the total per-student funding to be at the
26 sixtieth percentile under RCW 28B.15.068.

27 (d) The amount of tuition set by the governing board for an
28 institution under this subsection (4) may not exceed the sixtieth
29 percentile of the tuition of similar public institutions of higher
30 education in the global challenge states.

31 (5) The tuition fees established under this chapter shall not apply
32 to high school students enrolling in participating institutions of
33 higher education under RCW 28A.600.300 through 28A.600.400.

34 (6) The tuition fees established under this chapter shall not apply
35 to eligible students enrolling in a dropout reengagement program
36 through an interlocal agreement between a school district and a
37 community or technical college under RCW 28A.175.100 through
38 28A.175.110.

1 (7) The tuition fees established under this chapter shall not apply
2 to eligible students enrolling in a community or technical college
3 participating in the pilot program under RCW 28B.50.534 for the purpose
4 of obtaining a high school diploma.

5 ~~((8) For the academic years 2003-04 through 2008-09, the
6 University of Washington shall use an amount equivalent to ten percent
7 of all revenues received as a result of law school tuition increases
8 beginning in academic year 2000-01 through academic year 2008-09 to
9 assist needy low and middle income resident law students.~~

10 ~~(9) For the academic years 2003-04 through 2008-09, institutions of
11 higher education shall use an amount equivalent to ten percent of all
12 revenues received as a result of graduate academic school tuition
13 increases beginning in academic year 2003-04 through academic year
14 2008-09 to assist needy low and middle income resident graduate
15 academic students.~~

16 ~~(10) Any tuition increases above seven percent shall fund costs of
17 instruction, library and student services, utilities and maintenance,
18 other costs related to instruction as well as institutional financial
19 aid. Through 2010-11, any funding reductions to instruction, library
20 and student services, utilities and maintenance and other costs related
21 to instruction shall be proportionally less than other program areas
22 including administration.))~~

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

25 (1)(a) Beginning July 1, 2011, each four-year institution of higher
26 education that raises tuition levels beyond levels established in
27 subsection (4) of this section shall provide financial aid for the
28 express purpose of mitigating the effects of tuition increases on
29 resident middle-income and low-income students with incomes up to one
30 hundred twenty-five percent of the median family income.

31 (b) Financial aid sources and methods may be:

32 (i) Tuition revenue or locally held funds;

33 (ii) Tuition waivers created by a four-year institution of higher
34 education for the specific purpose of serving low-income and middle-
35 income students; or

36 (iii) Local financial aid programs.

1 (c) In developing financial aid packages for middle-income students
2 with demonstrated need and incomes between fifty and one hundred
3 twenty-five percent of median family income, each four-year institution
4 of higher education shall use every effort to minimize educational loan
5 debt burden incurred by students.

6 (2) It is the intention of the legislature that any four-year
7 institution of higher education that increases tuition levels above
8 those provided in subsection (4) of this section shall make available
9 to the maximum extent possible, financial assistance for students
10 receiving financial assistance under the state need grant program so as
11 to avoid an additional state obligation beyond levels assumed in the
12 state operating budget.

13 (3) By August 15, 2012, and August 15th every year thereafter,
14 four-year institutions of higher education shall report to the governor
15 and relevant committees of the legislature on the effectiveness of the
16 various sources and methods of financial aid in mitigating tuition
17 increases. These reports shall include:

18 (a) The amount of additional financial aid provided to middle-
19 income and low-income students with demonstrated need in the aggregate
20 and per student;

21 (b) An itemization of the sources and methods of financial aid
22 provided by the four-year institution of higher education in the
23 aggregate and per student;

24 (c) An analysis of the combined impact of federal tuition tax
25 credits and financial aid provided by the institution of higher
26 education on the net cost to students and their families resulting from
27 tuition increases;

28 (d) In cases where tuition increases are greater than those
29 provided in subsection (4) of this section at any four-year institution
30 of higher education, the institution must include an explanation in its
31 report of why this increase was necessary and how the institution will
32 mitigate the effects of the increase. The institution must include in
33 this section of its report a plan and specific timelines; and

34 (e) An analysis of changes in student enrollment patterns by race
35 and ethnicity, gender, state and county of origin, age, and
36 socioeconomic status, and a plan to mitigate effects of reduced
37 diversity due to tuition increases.

1 (4) Subsection (1) of this section applies when tuition levels are
2 raised above:

3 (a) For the University of Washington, Washington State University,
4 and Western Washington University, thirteen percent per year; and

5 (b) For The Evergreen State College, Central Washington University,
6 and Eastern Washington University, eleven and one-half percent per
7 year.

8 (5) This section expires July 1, 2015.

9 **Sec. 6.** RCW 28B.15.068 and 2009 c 540 s 1 are each amended to read
10 as follows:

11 ~~(1) ((Beginning with the 2007-08 academic year and ending with the~~
12 ~~2016-17 academic year, tuition fees charged to full-time resident~~
13 ~~undergraduate students, except in academic years 2009-10 and 2010-11,~~
14 ~~may increase no greater than seven percent over the previous academic~~
15 ~~year in any institution of higher education. Annual reductions or~~
16 ~~increases in full-time tuition fees for resident undergraduate students~~
17 ~~shall be as provided in the omnibus appropriations act, within the~~
18 ~~seven percent increase limit established in this section. For academic~~
19 ~~years 2009-10 and 2010-11 the omnibus appropriations act may provide~~
20 ~~tuition increases greater than seven percent. To the extent that state~~
21 ~~appropriations combined with tuition and fee revenues are insufficient~~
22 ~~to achieve the total per student funding goals established in~~
23 ~~subsection (2) of this section, the legislature may revisit state~~
24 ~~appropriations, authorized enrollment levels, and changes in tuition~~
25 ~~fees for any given fiscal year.~~

26 ~~(2) The state shall adopt as its goal total per student funding~~
27 ~~levels, from state appropriations plus tuition and fees, of at least~~
28 ~~the sixtieth percentile of total per student funding at similar public~~
29 ~~institutions of higher education in the global challenge states. In~~
30 ~~defining comparable per student funding levels, the office of financial~~
31 ~~management shall adjust for regional cost-of-living differences; for~~
32 ~~differences in program offerings and in the relative mix of lower~~
33 ~~division, upper division, and graduate students; and for accounting and~~
34 ~~reporting differences among the comparison institutions. The office of~~
35 ~~financial management shall develop a funding trajectory for each four-~~
36 ~~year institution of higher education and for the community and~~
37 ~~technical college system as a whole that when combined with tuition and~~

1 fees revenue allows the state to achieve its funding goal for each
2 four-year institution and the community and technical college system as
3 a whole no later than fiscal year 2017. The state shall not reduce
4 enrollment levels below fiscal year 2007 budgeted levels in order to
5 improve or alter the per student funding amount at any four-year
6 institution of higher education or the community and technical college
7 system as a whole. The state recognizes that each four-year
8 institution of higher education and the community and technical college
9 system as a whole have different funding requirements to achieve
10 desired performance levels, and that increases to the total per student
11 funding amount may need to exceed the minimum funding goal.

12 (3) By September 1st of each year beginning in 2008, the office of
13 financial management shall report to the governor, the higher education
14 coordinating board, and appropriate committees of the legislature with
15 updated estimates of the total per student funding level that
16 represents the sixtieth percentile of funding for comparable
17 institutions of higher education in the global challenge states, and
18 the progress toward that goal that was made for each of the public
19 institutions of higher education.

20 (4) As used in this section, "global challenge states" are the top
21 performing states on the new economy index published by the progressive
22 policy institute as of July 22, 2007. The new economy index ranks
23 states on indicators of their potential to compete in the new economy.
24 At least once every five years, the office of financial management
25 shall determine if changes to the list of global challenge states are
26 appropriate. The office of financial management shall report its
27 findings to the governor and the legislature.

28 (5) During the 2009-10 and the 2010-11 academic years, institutions
29 of higher education shall include information on their billing
30 statements notifying students of tax credits available through the
31 American opportunity tax credit provided in the American recovery and
32 reinvestment act of 2009.) Institutions of higher education, in
33 collaboration with relevant student associations, shall aim to have one
34 hundred percent of students that can benefit from available tax credits
35 that mitigate the costs of higher education take advantage of these
36 opportunities. These tax credits include the American opportunity tax
37 credit provided in the American recovery and reinvestment act of 2009,

1 the lifetime learning credit, and other relevant tax credits for as
2 long as they are available.

3 (2)(a) Institutions shall make every effort to communicate to
4 students and their families the benefits of such tax credits and
5 provide assistance to students and their families on how to apply.

6 (b) Information about relevant tax credits shall, to the greatest
7 extent possible, be incorporated into financial aid counseling,
8 admission information, and individual billing statements.

9 (c) Institutions shall, to the greatest extent possible, use all
10 means of communication, including but not limited to web sites, online
11 catalogues, admission and registration forms, mass email messaging,
12 social media, and outside marketing to ensure information about
13 relevant tax credits is visible and compelling, and reaches the maximum
14 amount of student and families that can benefit.

15 (3) In the event that the economic value of the American
16 opportunity tax credit is reduced or expires at any time before or
17 after December 31, 2012, institutions of higher education shall:

18 (a) Develop an updated tuition mitigation plan established under
19 section 5 of this act for the purpose of minimizing, to the greatest
20 extent possible, the increase in net cost of tuition or total cost of
21 attendance for students resulting from any such change. This plan
22 shall include the methods specified by the four-year institution of
23 higher education to avoid adding additional loan debt burdens to
24 students regardless of the source of such loans;

25 (b) Report to the governor and the relevant committees of the
26 legislature on their plans to adjust their tuition mitigation plans no
27 later than ninety days after any such change to the American
28 opportunity tax credit.

29 **Sec. 7.** RCW 28B.76.270 and 2004 c 275 s 11 are each amended to
30 read as follows:

31 (1) The board shall establish an accountability monitoring and
32 reporting system as part of a continuing effort to make meaningful and
33 substantial progress towards the achievement of long-term performance
34 goals in higher education.

35 (2) To provide consistent, easily understood data among the public
36 four-year institutions of higher education within Washington and in
37 other states, the following data must be reported annually and at a

1 minimum include data recommended by a national organization
2 representing state chief executives. The board may change the data
3 requirements to be consistent with best practices across the country.
4 This data must, to the maximum extent possible, be disaggregated by
5 race and ethnicity, gender, state and county of origin, age, and
6 socioeconomic status, and include the following for the four-year
7 institutions of higher education:

8 (a) Bachelor's degrees awarded;

9 (b) Graduate and professional degrees awarded;

10 (c) Graduation rates: The number and percentage of students who
11 graduate within four years for bachelor's degrees and within the
12 extended time, which is six years for bachelor's degrees;

13 (d) Transfer rates: The annual number and percentage of students
14 who transfer from a two-year to a four-year institution of higher
15 education;

16 (e) Time and credits to degree: The average length of time in
17 years and average number of credits that graduating students took to
18 earn a bachelor's degree;

19 (f) Enrollment in remedial education: The number and percentage of
20 entering first-time undergraduate students who place into and enroll in
21 remedial mathematics, English, or both;

22 (g) Success beyond remedial education: The number and percentage
23 of entering first-time undergraduate students who complete entry
24 college-level math and English courses within the first two consecutive
25 academic years;

26 (h) Credit accumulation: The number and percentage of first-time
27 undergraduate students completing two quarters or one semester worth of
28 credit during their first academic year;

29 (i) Retention rates: The number and percentage of entering
30 undergraduate students who enroll consecutively from fall-to-spring and
31 fall-to-fall at an institution of higher education;

32 (j) Course completion: The percentage of credit hours completed
33 out of those attempted during an academic year;

34 (k) Program participation and degree completion rates in bachelor
35 and advanced degree programs in the sciences, which includes the health
36 sciences, natural resources, environment, conservation, biology, life
37 sciences, and other applied and interdisciplinary sciences, technology,

1 engineering, and mathematic disciplines, including participation and
2 degree completion rates for students from traditionally
3 underrepresented populations;

4 (l) Annual enrollment: Annual unduplicated number of students
5 enrolled over a twelve-month period at institutions of higher education
6 including by student level;

7 (m) Annual first-time enrollment: Total first-time students
8 enrolled in a four-year institution of higher education;

9 (n) Completion ratio: Annual ratio of undergraduate and graduate
10 degrees and certificates, of at least one year in expected length,
11 awarded per one hundred full-time equivalent undergraduate students at
12 the state level;

13 (o) Market penetration: Annual ratio of undergraduate and graduate
14 degrees and certificates, of at least one year in program length,
15 awarded relative to the state's population age eighteen to twenty-four
16 years old with a high school diploma; and

17 (p) Student debt load: Median three-year distribution of debt
18 load, excluding debts incurred before coming to the institution.

19 (3) Four-year institutions of higher education must count all
20 students when collecting data, not only first-time, full-time freshmen.

21 (4) Based on guidelines prepared by the board, each four-year
22 institution and the state board for community and technical colleges
23 shall submit a biennial plan to achieve measurable and specific
24 improvements each academic year on statewide and institution-specific
25 performance measures. Plans shall be submitted to the board along with
26 the biennial budget requests from the institutions and the state board
27 for community and technical colleges. Performance measures established
28 for the community and technical colleges shall reflect the role and
29 mission of the colleges.

30 ~~((+3))~~ (5) The board shall approve biennial performance targets
31 for each four-year institution and for the community and technical
32 college system and shall review actual achievements annually. The
33 state board for community and technical colleges shall set biennial
34 performance targets for each college or district, where appropriate.

35 ~~((+4))~~ (6) The board shall submit a report on progress towards the
36 statewide goals, with recommendations for the ensuing biennium, to the
37 fiscal and higher education committees of the legislature along with
38 the board's biennial budget recommendations.

1 ~~((+5))~~ (7) The board, in collaboration with the four-year
2 institutions and the state board for community and technical colleges,
3 shall periodically review and update the accountability monitoring and
4 reporting system.

5 ~~((+6))~~ (8) The board shall develop measurable indicators and
6 benchmarks for its own performance regarding cost, quantity, quality,
7 and timeliness and including the performance of committees and advisory
8 groups convened under this chapter to accomplish such tasks as
9 improving transfer and articulation, improving articulation with the K-
10 12 education system, measuring educational costs, or developing data
11 protocols. The board shall submit its accountability plan to the
12 legislature concurrently with the biennial report on institution
13 progress.

14 (9) In conjunction with the office of financial management, all
15 four-year institutions of higher education must display the data
16 described in subsection (2) of this section in a uniform dashboard
17 format on the office of financial management's web site no later than
18 December 1, 2011, and updated thereafter annually by December 1st. To
19 the maximum extent possible, the information must be viewable by race
20 and ethnicity, gender, state and county of origin, age, and
21 socioeconomic status. The information may be tailored to meet the
22 needs of various target audiences such as students, researchers, and
23 the general public.

24 **Sec. 8.** RCW 28B.92.060 and 2009 c 215 s 4 are each amended to read
25 as follows:

26 In awarding need grants, the board shall proceed substantially as
27 follows: PROVIDED, That nothing contained herein shall be construed to
28 prevent the board, in the exercise of its sound discretion, from
29 following another procedure when the best interest of the program so
30 dictates:

31 (1) The board shall annually select the financial aid award
32 recipients from among Washington residents applying for student
33 financial aid who have been ranked according to:

34 (a) Financial need as determined by the amount of the family
35 contribution; and

36 (b) Other considerations, such as whether the student is a former

1 foster youth, or is a placebound student who has completed an associate
2 of arts or associate of science degree or its equivalent.

3 (2) The financial need of the highest ranked students shall be met
4 by grants depending upon the evaluation of financial need until the
5 total allocation has been disbursed. Funds from grants which are
6 declined, forfeited or otherwise unused shall be reawarded until
7 disbursed, except that eligible former foster youth shall be assured
8 receipt of a grant. The board, in consultation with four-year
9 institutions of higher education, and the state board for community and
10 technical colleges, shall develop award criteria and methods of
11 disbursement based on level of need, and not solely rely on a first-
12 come, first-served basis.

13 (3) A student shall be eligible to receive a state need grant for
14 up to five years, or the credit or clock hour equivalent of five years,
15 or up to one hundred twenty-five percent of the published length of
16 time of the student's program. A student may not start a new associate
17 degree program as a state need grant recipient until at least five
18 years have elapsed since earning an associate degree as a need grant
19 recipient, except that a student may earn two associate degrees
20 concurrently. Qualifications for renewal will include maintaining
21 satisfactory academic progress toward completion of an eligible program
22 as determined by the board. Should the recipient terminate his or her
23 enrollment for any reason during the academic year, the unused portion
24 of the grant shall be returned to the state educational grant fund by
25 the institution according to the institution's own policy for issuing
26 refunds, except as provided in RCW 28B.92.070.

27 (4) In computing financial need, the board shall determine a
28 maximum student expense budget allowance, not to exceed an amount equal
29 to the total maximum student expense budget at the public institutions
30 plus the current average state appropriation per student for operating
31 expense in the public institutions. Any child support payments
32 received by students who are parents attending less than half-time
33 shall not be used in computing financial need.

34 (5)(a) A student who is enrolled in three to six credit-bearing
35 quarter credits, or the equivalent semester credits, may receive a
36 grant for up to one academic year before beginning a program that leads
37 to a degree or certificate.

1 (b) An eligible student enrolled on a less-than-full-time basis
2 shall receive a prorated portion of his or her state need grant for any
3 academic period in which he or she is enrolled on a less-than-full-time
4 basis, as long as funds are available.

5 (c) An institution of higher education may award a state need grant
6 to an eligible student enrolled in three to six credit-bearing quarter
7 credits, or the semester equivalent, on a provisional basis if:

8 (i) The student has not previously received a state need grant from
9 that institution;

10 (ii) The student completes the required free application for
11 federal student aid;

12 (iii) The institution has reviewed the student's financial
13 condition, and the financial condition of the student's family if the
14 student is a dependent student, and has determined that the student is
15 likely eligible for a state need grant; and

16 (iv) The student has signed a document attesting to the fact that
17 the financial information provided on the free application for federal
18 student aid and any additional financial information provided directly
19 to the institution is accurate and complete, and that the student
20 agrees to repay the institution for the grant amount if the student
21 submitted false or incomplete information.

22 (6) As used in this section, "former foster youth" means a person
23 who is at least eighteen years of age, but not more than twenty-four
24 years of age, who was a dependent of the department of social and
25 health services at the time he or she attained the age of eighteen.

26 **Sec. 9.** RCW 28A.600.310 and 2009 c 450 s 8 are each amended to
27 read as follows:

28 (1) Eleventh and twelfth grade students or students who have not
29 yet received the credits required for the award of a high school
30 diploma and are eligible to be in the eleventh or twelfth grades may
31 apply to a participating institution of higher education to enroll in
32 courses or programs offered by the institution of higher education. A
33 student receiving home-based instruction enrolling in a public high
34 school for the sole purpose of participating in courses or programs
35 offered by institutions of higher education shall not be counted by the
36 school district in any required state or federal accountability
37 reporting if the student's parents or guardians filed a declaration of

1 intent to provide home-based instruction and the student received home-
2 based instruction during the school year before the school year in
3 which the student intends to participate in courses or programs offered
4 by the institution of higher education. Students receiving home-based
5 instruction under chapter 28A.200 RCW and students attending private
6 schools approved under chapter 28A.195 RCW shall not be required to
7 meet the student learning goals, obtain a certificate of academic
8 achievement or a certificate of individual achievement to graduate from
9 high school, or to master the essential academic learning requirements.
10 However, students are eligible to enroll in courses or programs in
11 participating universities only if the board of directors of the
12 student's school district has decided to participate in the program.
13 Participating institutions of higher education, in consultation with
14 school districts, may establish admission standards for these students.
15 If the institution of higher education accepts a secondary school pupil
16 for enrollment under this section, the institution of higher education
17 shall send written notice to the pupil and the pupil's school district
18 within ten days of acceptance. The notice shall indicate the course
19 and hours of enrollment for that pupil.

20 (2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020
21 and 28B.15.041((7)):

22 (i) Running start students shall pay to the community or technical
23 college all other mandatory fees as established by each community or
24 technical college and, in addition, the state board for community and
25 technical colleges may authorize a fee of up to ten percent of tuition
26 and fees as defined in RCW 28B.15.020 and 28B.15.041; and

27 (ii) All other institutions of higher education operating a running
28 start program may charge running start students a fee of up to ten
29 percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041
30 in addition to technology fees.

31 (b) The fees charged under this subsection (2) shall be prorated
32 based on credit load.

33 (3)(a) The institutions of higher education must make available fee
34 waivers for low-income running start students. Each institution must
35 establish a written policy for the determination of low-income students
36 before offering the fee waiver. A student shall be considered low
37 income and eligible for a fee waiver upon proof that the student is
38 currently qualified to receive free or reduced-price lunch. Acceptable

1 documentation of low-income status may also include, but is not limited
2 to, documentation that a student has been deemed eligible for free or
3 reduced-price lunches in the last five years, or other criteria
4 established in the institution's policy.

5 (b) Institutions of higher education, in collaboration with
6 relevant student associations, shall aim to have one hundred percent of
7 students that can benefit from fee waivers take advantage of these
8 waivers. Institutions shall make every effort to communicate to
9 students and their families the benefits of the waivers and provide
10 assistance to students and their families on how to apply. Information
11 about waivers shall, to the greatest extent possible, be incorporated
12 into financial aid counseling, admission information, and individual
13 billing statements. Institutions also shall, to the greatest extent
14 possible, use all means of communication, including but not limited to
15 web sites, online catalogues, admission and registration forms, mass e-
16 mail messaging, social media, and outside marketing to ensure that
17 information about waivers is visible, compelling, and reaches the
18 maximum number of students and families that can benefit.

19 (4) The pupil's school district shall transmit to the institution
20 of higher education an amount per each full-time equivalent college
21 student at statewide uniform rates for vocational and nonvocational
22 students. The superintendent of public instruction shall separately
23 calculate and allocate moneys appropriated for basic education under
24 RCW 28A.150.260 to school districts for purposes of making such
25 payments and for granting school districts seven percent thereof to
26 offset program related costs. The calculations and allocations shall
27 be based upon the estimated statewide annual average per full-time
28 equivalent high school student allocations under RCW 28A.150.260,
29 excluding small high school enhancements, and applicable rules adopted
30 under chapter 34.05 RCW. The superintendent of public instruction, the
31 higher education coordinating board, and the state board for community
32 and technical colleges shall consult on the calculation and
33 distribution of the funds. The funds received by the institution of
34 higher education from the school district shall not be deemed tuition
35 or operating fees and may be retained by the institution of higher
36 education. A student enrolled under this subsection shall be counted
37 for the purpose of meeting enrollment targets in accordance with terms
38 and conditions specified in the omnibus appropriations act.

1 (5) The state board for community and technical colleges, in
2 collaboration with the other institutions of higher education that
3 participate in the running start program and the office of the
4 superintendent of public instruction, shall identify, assess, and
5 report on alternatives for providing ongoing and adequate financial
6 support for the program. Such alternatives shall include but are not
7 limited to student tuition, increased support from local school
8 districts, and reallocation of existing state financial support among
9 the community and technical college system to account for differential
10 running start enrollment levels and impacts. The state board for
11 community and technical colleges shall report the assessment of
12 alternatives to the governor and to the appropriate fiscal and policy
13 committees of the legislature by September 1, 2010.

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

16 (1) A graduate of a community or technical college in this state
17 who has earned a transferable associate of arts or sciences degree when
18 admitted to a four-year institution of higher education shall have
19 junior standing. A graduate who has earned the direct transfer
20 associate of arts degree will be deemed to have met the lower division
21 general education requirements of the receiving four-year institution
22 of higher education. A graduate who has earned the associate of
23 science transfer degree will be deemed to have met most requirements
24 that prepare the graduate for baccalaureate degree majors in science,
25 technology, engineering, and math and will be required to complete only
26 such additional lower division, general education courses at the
27 receiving four-year institutions of higher education as would have been
28 required to complete the direct transfer associate of arts degree.

29 (2) A student who has earned the equivalent of ninety quarter
30 credit hours and has completed the general education requirements at
31 that four-year institution of higher education in Washington when
32 admitted to another four-year institution of higher education shall
33 have junior standing and shall be deemed to have met the lower division
34 general education requirements of the institution to which the student
35 transfers.

36 (3) The community and technical colleges, jointly with the four-
37 year institutions of higher education, must develop a list of academic

1 courses that are equivalent to one-year's worth of general education
2 credit and that would transfer for that purpose to any other two or
3 four-year institution of higher education. If a student completes one-
4 year's worth of general education credits, the student may be issued a
5 one-year academic completion certificate. This certificate shall be
6 accepted at any transferring two or four-year institution of higher
7 education.

8 (4) Each institution of higher education must develop a minimum of
9 one degree within the arts and sciences disciplines that can be
10 completed within the equivalent of ninety quarter upper division
11 credits by any student who enters an institution of higher education
12 with junior status and lower division general education requirements
13 completed.

14 (5) Each four-year institution of higher education must publish a
15 list of recommended courses for each academic major designed to help
16 students who are planning to transfer design their course of study.
17 Publication of the list of courses must be easily identified and
18 accessible on the institution's web site.

19 (6) The requirements to publish a list of recommended courses for
20 each academic major under this section does not apply if an institution
21 does not require courses or majors to meet specific requirements but
22 generally applies credits earned towards degree requirements.

23 NEW SECTION. **Sec. 11.** A new section is added to chapter 28B.50
24 RCW to read as follows:

25 (1)(a) Community and technical colleges must identify and publish
26 in their admissions materials the college level courses that are
27 recognized by all four-year institutions of higher education as
28 transferable to the four-year institutions of higher education.
29 Publication of the list of courses must be easily identified and
30 accessible on the college's web site.

31 (b) If a four-year institution of higher education does not require
32 courses of majors for transfer, the community and technical colleges
33 must identify and publish the transfer policy of the institution in
34 their admissions materials and make the transfer policy of the
35 institution easily identifiable on the college's web site.

36 (2) Community and technical colleges must create a list of courses

1 that satisfy the basic requirements, distribution requirements, and
2 approved electives for:

3 (a) A one-year academic completion certificate as provided for
4 under section 10 of this act; and

5 (b) A transferrable associate of arts or sciences degree as
6 provided for under section 10 of this act.

7 (3) To the extent possible, each community and technical college
8 must develop links between the lists in subsections (1) and (2) of this
9 section and its list of courses, and develop methods to encourage
10 students to check the lists in subsections (1) and (2) of this section
11 when the students are registering for courses.

12 **Sec. 12.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to read
13 as follows:

14 All personal service contracts shall be entered into pursuant to
15 competitive solicitation, except for:

16 (1) Emergency contracts;

17 (2) Sole source contracts;

18 (3) Contract amendments;

19 (4) Contracts between a consultant and an agency of less than
20 twenty thousand dollars. However, contracts of five thousand dollars
21 or greater but less than twenty thousand dollars shall have documented
22 evidence of competition, which must include agency posting of the
23 contract opportunity on the state's common vendor registration and bid
24 notification system. Agencies shall not structure contracts to evade
25 these requirements; (~~and~~)

26 (5) Contracts between a consultant and an institution of higher
27 education of less than one hundred thousand dollars. However,
28 contracts of ten thousand dollars or greater but less than one hundred
29 thousand dollars shall have documented evidence of competition, which
30 must include an institution of higher education's posting of the
31 contract opportunity on the state's common vendor registration and bid
32 notification system. Institutions of higher education may not
33 structure contracts to evade these requirements; and

34 (6) Other specific contracts or classes or groups of contracts
35 exempted from the competitive solicitation process by the director of
36 the office of financial management when it has been determined that a
37 competitive solicitation process is not appropriate or cost-effective.

1 **Sec. 13.** RCW 43.19.1906 and 2008 c 215 s 5 are each amended to
2 read as follows:

3 Insofar as practicable, all purchases and sales shall be based on
4 competitive bids, and a formal sealed, electronic, or web-based bid
5 procedure, subject to RCW 43.19.1911, shall be used as standard
6 procedure for all purchases and contracts for purchases and sales
7 executed by the state purchasing and material control director and
8 under the powers granted by RCW 43.19.190 through 43.19.1939. This
9 requirement also applies to purchases and contracts for purchases and
10 sales executed by agencies, including educational institutions, under
11 delegated authority granted in accordance with provisions of RCW
12 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic,
13 or web-based competitive bidding is not necessary for:

14 (1) Emergency purchases made pursuant to RCW 43.19.200 if the
15 sealed bidding procedure would prevent or hinder the emergency from
16 being met appropriately;

17 (2) Purchases not exceeding thirty-five thousand dollars, or
18 subsequent limits as calculated by the office of financial management:
19 PROVIDED, That the state director of general administration shall
20 establish procedures to assure that purchases made by or on behalf of
21 the various state agencies shall not be made so as to avoid the thirty-
22 five thousand dollar bid limitation, or subsequent bid limitations as
23 calculated by the office of financial management: PROVIDED FURTHER,
24 That the state purchasing and material control director is authorized
25 to reduce the formal sealed bid limits of thirty-five thousand dollars,
26 or subsequent limits as calculated by the office of financial
27 management, to a lower dollar amount for purchases by individual state
28 agencies if considered necessary to maintain full disclosure of
29 competitive procurement or otherwise to achieve overall state
30 efficiency and economy in purchasing and material control. Quotations
31 from three thousand dollars to thirty-five thousand dollars, or
32 subsequent limits as calculated by the office of financial management,
33 shall be secured from at least three vendors to assure establishment of
34 a competitive price and may be obtained by telephone or written
35 quotations, or both. The agency shall invite at least one quotation
36 each from a certified minority and a certified women-owned vendor who
37 shall otherwise qualify to perform such work. Immediately after the
38 award is made, the bid quotations obtained shall be recorded and open

1 to public inspection and shall be available by telephone inquiry. A
2 record of competition for all such purchases from three thousand
3 dollars to thirty-five thousand dollars, or subsequent limits as
4 calculated by the office of financial management, shall be documented
5 for audit purposes. Purchases up to three thousand dollars may be made
6 without competitive bids based on buyer experience and knowledge of the
7 market in achieving maximum quality at minimum cost;

8 (3) Purchases which are clearly and legitimately limited to a
9 single source of supply and purchases involving special facilities,
10 services, or market conditions, in which instances the purchase price
11 may be best established by direct negotiation;

12 (4) Purchases of insurance and bonds by the risk management
13 division under RCW 43.41.310;

14 (5) Purchases and contracts for vocational rehabilitation clients
15 of the department of social and health services: PROVIDED, That this
16 exemption is effective only when the state purchasing and material
17 control director, after consultation with the director of the division
18 of vocational rehabilitation and appropriate department of social and
19 health services procurement personnel, declares that such purchases may
20 be best executed through direct negotiation with one or more suppliers
21 in order to expeditiously meet the special needs of the state's
22 vocational rehabilitation clients;

23 (6) Purchases by universities for hospital operation or biomedical
24 teaching or research purposes and by the state purchasing and material
25 control director, as the agent for state hospitals as defined in RCW
26 72.23.010, and for health care programs provided in state correctional
27 institutions as defined in RCW 72.65.010(3) and veterans' institutions
28 as defined in RCW 72.36.010 and 72.36.070, made by participating in
29 contracts for materials, supplies, and equipment entered into by
30 nonprofit cooperative hospital group purchasing organizations;

31 (7) Purchases for resale by institutions of higher education to
32 other than public agencies when such purchases are for the express
33 purpose of supporting instructional programs and may best be executed
34 through direct negotiation with one or more suppliers in order to meet
35 the special needs of the institution;

36 (8) Purchases by institutions of higher education not exceeding
37 (~~thirty-five~~) one hundred thousand dollars: PROVIDED, That for
38 purchases between (~~three~~) ten thousand dollars and (~~thirty-five~~)

1 one hundred thousand dollars quotations shall be secured from at least
2 three vendors to assure establishment of a competitive price and may be
3 obtained by telephone or written quotations, or both. For purchases
4 between (~~three~~) ten thousand dollars and (~~thirty-five~~) one hundred
5 thousand dollars, each institution of higher education shall invite at
6 least one quotation each from a certified minority and a certified
7 women-owned vendor who shall otherwise qualify to perform such work.
8 A record of competition for all such purchases made from (~~three~~) ten
9 thousand to (~~thirty-five~~) one hundred thousand dollars shall be
10 documented for audit purposes;

11 (9) Off-contract purchases of Washington grown food when such food
12 is not available from Washington sources through an existing contract.
13 However, Washington grown food purchased under this subsection must be
14 of an equivalent or better quality than similar food available through
15 the contract and be able to be paid from the agency's existing budget.
16 This requirement also applies to purchases and contracts for purchases
17 executed by state agencies, including institutions of higher education,
18 under delegated authority granted in accordance with RCW 43.19.190 or
19 under RCW 28B.10.029; and

20 (10) Negotiation of a contract by the department of transportation,
21 valid until June 30, 2001, with registered tow truck operators to
22 provide roving service patrols in one or more Washington state patrol
23 tow zones whereby those registered tow truck operators wishing to
24 participate would cooperatively, with the department of transportation,
25 develop a demonstration project upon terms and conditions negotiated by
26 the parties.

27 Beginning on July 1, 1995, and on July 1st of each succeeding odd-
28 numbered year, the dollar limits specified in this section shall be
29 adjusted as follows: The office of financial management shall
30 calculate such limits by adjusting the previous biennium's limits by
31 the appropriate federal inflationary index reflecting the rate of
32 inflation for the previous biennium. Such amounts shall be rounded to
33 the nearest one hundred dollars. However, the three thousand dollar
34 figure in subsection(~~s~~) (2) (~~and~~(~~8~~)) of this section may not be
35 adjusted to exceed five thousand dollars.

36 As used in this section, "Washington grown" has the definition in
37 RCW 15.64.060.

1 **Sec. 14.** RCW 43.88.160 and 2006 c 1 s 6 are each amended to read
2 as follows:

3 This section sets forth the major fiscal duties and
4 responsibilities of officers and agencies of the executive branch. The
5 regulations issued by the governor pursuant to this chapter shall
6 provide for a comprehensive, orderly basis for fiscal management and
7 control, including efficient accounting and reporting therefor, for the
8 executive branch of the state government and may include, in addition,
9 such requirements as will generally promote more efficient public
10 management in the state.

11 (1) Governor; director of financial management. The governor,
12 through the director of financial management, shall devise and
13 supervise a modern and complete accounting system for each agency to
14 the end that all revenues, expenditures, receipts, disbursements,
15 resources, and obligations of the state shall be properly and
16 systematically accounted for. The accounting system shall include the
17 development of accurate, timely records and reports of all financial
18 affairs of the state. The system shall also provide for central
19 accounts in the office of financial management at the level of detail
20 deemed necessary by the director to perform central financial
21 management. The director of financial management shall adopt and
22 periodically update an accounting procedures manual. Any agency
23 maintaining its own accounting and reporting system shall comply with
24 the updated accounting procedures manual and the rules of the director
25 adopted under this chapter. An agency may receive a waiver from
26 complying with this requirement if the waiver is approved by the
27 director. Waivers expire at the end of the fiscal biennium for which
28 they are granted. The director shall forward notice of waivers granted
29 to the appropriate legislative fiscal committees. The director of
30 financial management may require such financial, statistical, and other
31 reports as the director deems necessary from all agencies covering any
32 period.

33 (2) Except as provided in chapter 43.88C RCW, the director of
34 financial management is responsible for quarterly reporting of primary
35 operating budget drivers such as applicable workloads, caseload
36 estimates, and appropriate unit cost data. These reports shall be
37 transmitted to the legislative fiscal committees or by electronic means
38 to the legislative evaluation and accountability program committee.

1 Quarterly reports shall include actual monthly data and the variance
2 between actual and estimated data to date. The reports shall also
3 include estimates of these items for the remainder of the budget
4 period.

5 (3) The director of financial management shall report at least
6 annually to the appropriate legislative committees regarding the status
7 of all appropriated capital projects, including transportation
8 projects, showing significant cost overruns or underruns. If funds are
9 shifted from one project to another, the office of financial management
10 shall also reflect this in the annual variance report. Once a project
11 is complete, the report shall provide a final summary showing estimated
12 start and completion dates of each project phase compared to actual
13 dates, estimated costs of each project phase compared to actual costs,
14 and whether or not there are any outstanding liabilities or unsettled
15 claims at the time of completion.

16 (4) In addition, the director of financial management, as agent of
17 the governor, shall:

18 (a) Develop and maintain a system of internal controls and internal
19 audits comprising methods and procedures to be adopted by each agency
20 that will safeguard its assets, check the accuracy and reliability of
21 its accounting data, promote operational efficiency, and encourage
22 adherence to prescribed managerial policies for accounting and
23 financial controls. The system developed by the director shall include
24 criteria for determining the scope and comprehensiveness of internal
25 controls required by classes of agencies, depending on the level of
26 resources at risk.

27 Each agency head or authorized designee shall be assigned the
28 responsibility and authority for establishing and maintaining internal
29 audits following the standards of internal auditing of the institute of
30 internal auditors;

31 (b) Make surveys and analyses of agencies with the object of
32 determining better methods and increased effectiveness in the use of
33 manpower and materials; and the director shall authorize expenditures
34 for employee training to the end that the state may benefit from
35 training facilities made available to state employees;

36 (c) Establish policies for allowing the contracting of child care
37 services;

1 (d) Report to the governor with regard to duplication of effort or
2 lack of coordination among agencies;

3 (e) Review any pay and classification plans, and changes
4 thereunder, developed by any agency for their fiscal impact: PROVIDED,
5 That none of the provisions of this subsection shall affect merit
6 systems of personnel management now existing or hereafter established
7 by statute relating to the fixing of qualifications requirements for
8 recruitment, appointment, or promotion of employees of any agency. The
9 director shall advise and confer with agencies including appropriate
10 standing committees of the legislature as may be designated by the
11 speaker of the house and the president of the senate regarding the
12 fiscal impact of such plans and may amend or alter the plans, except
13 that for the following agencies no amendment or alteration of the plans
14 may be made without the approval of the agency concerned: Agencies
15 headed by elective officials;

16 (f) Fix the number and classes of positions or authorized employee
17 years of employment for each agency and during the fiscal period amend
18 the determinations previously fixed by the director except that the
19 director shall not be empowered to fix the number or the classes for
20 the following: Agencies headed by elective officials;

21 (g) Adopt rules to effectuate provisions contained in (a) through
22 (f) of this subsection.

23 (5) The treasurer shall:

24 (a) Receive, keep, and disburse all public funds of the state not
25 expressly required by law to be received, kept, and disbursed by some
26 other persons: PROVIDED, That this subsection shall not apply to those
27 public funds of the institutions of higher learning which are not
28 subject to appropriation;

29 (b) Receive, disburse, or transfer public funds under the
30 treasurer's supervision or custody;

31 (c) Keep a correct and current account of all moneys received and
32 disbursed by the treasurer, classified by fund or account;

33 (d) Coordinate agencies' acceptance and use of credit cards and
34 other payment methods, if the agencies have received authorization
35 under RCW 43.41.180;

36 (e) Perform such other duties as may be required by law or by
37 regulations issued pursuant to this law.

1 It shall be unlawful for the treasurer to disburse public funds in
2 the treasury except upon forms or by alternative means duly prescribed
3 by the director of financial management. These forms or alternative
4 means shall provide for authentication and certification by the agency
5 head or the agency head's designee that the services have been rendered
6 or the materials have been furnished; or, in the case of loans or
7 grants, that the loans or grants are authorized by law; or, in the case
8 of payments for periodic maintenance services to be performed on state
9 owned equipment, that a written contract for such periodic maintenance
10 services is currently in effect; and the treasurer shall not be liable
11 under the treasurer's surety bond for erroneous or improper payments so
12 made. When services are lawfully paid for in advance of full
13 performance by any private individual or business entity other than
14 equipment maintenance providers or as provided for by RCW 42.24.035,
15 such individual or entity other than central stores rendering such
16 services shall make a cash deposit or furnish surety bond coverage to
17 the state as shall be fixed in an amount by law, or if not fixed by
18 law, then in such amounts as shall be fixed by the director of the
19 department of general administration but in no case shall such required
20 cash deposit or surety bond be less than an amount which will fully
21 indemnify the state against any and all losses on account of breach of
22 promise to fully perform such services. Except for institutions of
23 higher education, no payments shall be made in advance for any
24 equipment maintenance services to be performed more than twelve months
25 after such payment. Any such bond so furnished shall be conditioned
26 that the person, firm or corporation receiving the advance payment will
27 apply it toward performance of the contract. The responsibility for
28 recovery of erroneous or improper payments made under this section
29 shall lie with the agency head or the agency head's designee in
30 accordance with regulations issued pursuant to this chapter. Nothing
31 in this section shall be construed to permit a public body to advance
32 funds to a private service provider pursuant to a grant or loan before
33 services have been rendered or material furnished.

34 (6) The state auditor shall:

35 (a) Report to the legislature the results of current post audits
36 that have been made of the financial transactions of each agency; to
37 this end the auditor may, in the auditor's discretion, examine the
38 books and accounts of any agency, official, or employee charged with

1 the receipt, custody, or safekeeping of public funds. Where feasible
2 in conducting examinations, the auditor shall utilize data and findings
3 from the internal control system prescribed by the office of financial
4 management. The current post audit of each agency may include a
5 section on recommendations to the legislature as provided in (c) of
6 this subsection.

7 (b) Give information to the legislature, whenever required, upon
8 any subject relating to the financial affairs of the state.

9 (c) Make the auditor's official report on or before the thirty-
10 first of December which precedes the meeting of the legislature. The
11 report shall be for the last complete fiscal period and shall include
12 determinations as to whether agencies, in making expenditures, complied
13 with the laws of this state. The state auditor is authorized to
14 perform or participate in performance verifications and performance
15 audits as expressly authorized by the legislature in the omnibus
16 biennial appropriations acts or in the performance audit work plan
17 approved by the joint legislative audit and review committee. The
18 state auditor, upon completing an audit for legal and financial
19 compliance under chapter 43.09 RCW or a performance verification, may
20 report to the joint legislative audit and review committee or other
21 appropriate committees of the legislature, in a manner prescribed by
22 the joint legislative audit and review committee, on facts relating to
23 the management or performance of governmental programs where such facts
24 are discovered incidental to the legal and financial audit or
25 performance verification. The auditor may make such a report to a
26 legislative committee only if the auditor has determined that the
27 agency has been given an opportunity and has failed to resolve the
28 management or performance issues raised by the auditor. If the auditor
29 makes a report to a legislative committee, the agency may submit to the
30 committee a response to the report. This subsection (6) shall not be
31 construed to authorize the auditor to allocate other than de minimis
32 resources to performance audits except as expressly authorized in the
33 appropriations acts or in the performance audit work plan. The results
34 of a performance audit conducted by the state auditor that has been
35 requested by the joint legislative audit and review committee must only
36 be transmitted to the joint legislative audit and review committee.

37 (d) Be empowered to take exception to specific expenditures that
38 have been incurred by any agency or to take exception to other

1 practices related in any way to the agency's financial transactions and
2 to cause such exceptions to be made a matter of public record,
3 including disclosure to the agency concerned and to the director of
4 financial management. It shall be the duty of the director of
5 financial management to cause corrective action to be taken within six
6 months, such action to include, as appropriate, the withholding of
7 funds as provided in RCW 43.88.110. The director of financial
8 management shall annually report by December 31st the status of audit
9 resolution to the appropriate committees of the legislature, the state
10 auditor, and the attorney general. The director of financial
11 management shall include in the audit resolution report actions taken
12 as a result of an audit including, but not limited to, types of
13 personnel actions, costs and types of litigation, and value of recouped
14 goods or services.

15 (e) Promptly report any irregularities to the attorney general.

16 (f) Investigate improper governmental activity under chapter 42.40
17 RCW.

18 (~~(g)~~) In addition to the authority given to the state auditor in
19 this subsection (6), the state auditor is authorized to conduct
20 performance audits identified in RCW 43.09.470. Nothing in this
21 subsection (6) shall limit, impede, or restrict the state auditor from
22 conducting performance audits identified in RCW 43.09.470.

23 (7) The joint legislative audit and review committee may:

24 (a) Make post audits of the financial transactions of any agency
25 and management surveys and program reviews as provided for in chapter
26 44.28 RCW as well as performance audits and program evaluations. To
27 this end the joint committee may in its discretion examine the books,
28 accounts, and other records of any agency, official, or employee.

29 (b) Give information to the legislature or any legislative
30 committee whenever required upon any subject relating to the
31 performance and management of state agencies.

32 (c) Make a report to the legislature which shall include at least
33 the following:

34 (i) Determinations as to the extent to which agencies in making
35 expenditures have complied with the will of the legislature and in this
36 connection, may take exception to specific expenditures or financial
37 practices of any agencies; and

1 (ii) Such plans as it deems expedient for the support of the
2 state's credit, for lessening expenditures, for promoting frugality and
3 economy in agency affairs, and generally for an improved level of
4 fiscal management.

5 **Sec. 15.** RCW 43.03.220 and 2010 1st sp.s. c 7 s 142 are each
6 amended to read as follows:

7 (1) Any part-time board, commission, council, committee, or other
8 similar group which is established by the executive, legislative, or
9 judicial branch to participate in state government and which functions
10 primarily in an advisory, coordinating, or planning capacity shall be
11 identified as a class one group.

12 (2) Absent any other provision of law to the contrary, no money
13 beyond the customary reimbursement or allowance for expenses may be
14 paid by or through the state to members of class one groups for
15 attendance at meetings of such groups.

16 (3) Beginning July 1, 2010, through June 30, 2011, no person
17 designated as a member of a class one board, commission, council,
18 committee, or similar group may receive an allowance for subsistence,
19 lodging, or travel expenses if the allowance cost is funded by the
20 state general fund. Exceptions may be granted under section 605,
21 chapter 3, Laws of 2010. Class one groups, when feasible, shall use an
22 alternative means of conducting a meeting that does not require travel
23 while still maximizing member and public participation and may use a
24 meeting format that requires members to be physically present at one
25 location only when necessary or required by law. Meetings that require
26 a member's physical presence at one location must be held in state
27 facilities whenever possible(~~, and~~). Meetings conducted using
28 private facilities must be approved by the director of the office of
29 financial management, except that meetings of class one groups
30 affiliated with institutions of higher education do not require such
31 approval.

32 (4) Beginning July 1, 2010, through June 30, 2011, class one groups
33 that are funded by sources other than the state general fund are
34 encouraged to reduce travel, lodging, and other costs associated with
35 conducting the business of the group including use of other meeting
36 formats that do not require travel.

1 **Sec. 16.** RCW 43.03.230 and 2010 1st sp.s. c 7 s 143 are each
2 amended to read as follows:

3 (1) Any agricultural commodity board or commission established
4 pursuant to Title 15 or 16 RCW shall be identified as a class two group
5 for purposes of compensation.

6 (2) Except as otherwise provided in this section, each member of a
7 class two group is eligible to receive compensation in an amount not to
8 exceed one hundred dollars for each day during which the member attends
9 an official meeting of the group or performs statutorily prescribed
10 duties approved by the chairperson of the group. A person shall not
11 receive compensation for a day of service under this section if the
12 person (a) occupies a position, normally regarded as full-time in
13 nature, in any agency of the federal government, Washington state
14 government, or Washington state local government; and (b) receives any
15 compensation from such government for working that day.

16 (3) Compensation may be paid a member under this section only if it
17 is authorized under the law dealing in particular with the specific
18 group to which the member belongs or dealing in particular with the
19 members of that specific group.

20 (4) Beginning July 1, 2010, through June 30, 2011, no person
21 designated as a member of a class two board, commission, council,
22 committee, or similar group may receive an allowance for subsistence,
23 lodging, or travel expenses if the allowance cost is funded by the
24 state general fund. Exceptions may be granted under section 605,
25 chapter 3, Laws of 2010. Class two groups, when feasible, shall use an
26 alternative means of conducting a meeting that does not require travel
27 while still maximizing member and public participation and may use a
28 meeting format that requires members to be physically present at one
29 location only when necessary or required by law. Meetings that require
30 a member's physical presence at one location must be held in state
31 facilities whenever possible(~~, and~~). Meetings conducted using
32 private facilities must be approved by the director of the office of
33 financial management, except that meetings of class two groups
34 affiliated with institutions of higher education do not require such
35 approval.

36 (5) Beginning July 1, 2010, through June 30, 2011, class two groups
37 that are funded by sources other than the state general fund are

1 encouraged to reduce travel, lodging, and other costs associated with
2 conducting the business of the group including use of other meeting
3 formats that do not require travel.

4 **Sec. 17.** RCW 43.03.240 and 2010 1st sp.s. c 7 s 144 are each
5 amended to read as follows:

6 (1) Any part-time, statutory board, commission, council, committee,
7 or other similar group which has rule-making authority, performs quasi
8 judicial functions, has responsibility for the administration or policy
9 direction of a state agency or program, or performs regulatory or
10 licensing functions with respect to a specific profession, occupation,
11 business, or industry shall be identified as a class three group for
12 purposes of compensation.

13 (2) Except as otherwise provided in this section, each member of a
14 class three group is eligible to receive compensation in an amount not
15 to exceed fifty dollars for each day during which the member attends an
16 official meeting of the group or performs statutorily prescribed duties
17 approved by the chairperson of the group. A person shall not receive
18 compensation for a day of service under this section if the person (a)
19 occupies a position, normally regarded as full-time in nature, in any
20 agency of the federal government, Washington state government, or
21 Washington state local government; and (b) receives any compensation
22 from such government for working that day.

23 (3) Compensation may be paid a member under this section only if it
24 is authorized under the law dealing in particular with the specific
25 group to which the member belongs or dealing in particular with the
26 members of that specific group.

27 (4) Beginning July 1, 2010, through June 30, 2011, no person
28 designated as a member of a class three board, commission, council,
29 committee, or similar group may receive an allowance for subsistence,
30 lodging, or travel expenses if the allowance cost is funded by the
31 state general fund. Exceptions may be granted under section 605,
32 chapter 3, Laws of 2010. Class three groups, when feasible, shall use
33 an alternative means of conducting a meeting that does not require
34 travel while still maximizing member and public participation and may
35 use a meeting format that requires members to be physically present at
36 one location only when necessary or required by law. Meetings that
37 require a member's physical presence at one location must be held in

1 state facilities whenever possible(~~, and~~). Meetings conducted using
2 private facilities must be approved by the director of the office of
3 financial management, except that meetings of class three groups
4 affiliated with institutions of higher education do not require such
5 approval.

6 (5) Beginning July 1, 2010, through June 30, 2011, class three
7 groups that are funded by sources other than the state general fund are
8 encouraged to reduce travel, lodging, and other costs associated with
9 conducting the business of the group including use of other meeting
10 formats that do not require travel.

11 **Sec. 18.** RCW 43.03.250 and 2010 1st sp.s. c 7 s 145 are each
12 amended to read as follows:

13 (1) A part-time, statutory board, commission, council, committee,
14 or other similar group shall be identified as a class four group for
15 purposes of compensation if the group:

16 (a) Has rule-making authority, performs quasi-judicial functions,
17 or has responsibility for the administration or policy direction of a
18 state agency or program;

19 (b) Has duties that are deemed by the legislature to be of
20 overriding sensitivity and importance to the public welfare and the
21 operation of state government; and

22 (c) Requires service from its members representing a significant
23 demand on their time that is normally in excess of one hundred hours of
24 meeting time per year.

25 (2) Each member of a class four group is eligible to receive
26 compensation in an amount not to exceed one hundred dollars for each
27 day during which the member attends an official meeting of the group or
28 performs statutorily prescribed duties approved by the chairperson of
29 the group. A person shall not receive compensation for a day of
30 service under this section if the person (a) occupies a position,
31 normally regarded as full-time in nature, in any agency of the federal
32 government, Washington state government, or Washington state local
33 government; and (b) receives any compensation from such government for
34 working that day.

35 (3) Compensation may be paid a member under this section only if it
36 is authorized under the law dealing in particular with the specific

1 group to which the member belongs or dealing in particular with the
2 members of that specific group.

3 (4) Beginning July 1, 2010, through June 30, 2011, class four
4 groups, when feasible, shall use an alternative means of conducting a
5 meeting that does not require travel while still maximizing member and
6 public participation and may use a meeting format that requires members
7 to be physically present at one location only when necessary or
8 required by law. Meetings that require a member's physical presence at
9 one location must be held in state facilities whenever possible(~~and~~
10 and)). Meetings conducted using private facilities must be approved by
11 the director of the office of financial management, except that
12 meetings of class four groups affiliated with institutions of higher
13 education do not require such approval.

14 **Sec. 19.** RCW 43.03.265 and 2010 1st sp.s. c 7 s 146 are each
15 amended to read as follows:

16 (1) Any part-time commission that has rule-making authority,
17 performs quasi-judicial functions, has responsibility for the policy
18 direction of a health profession credentialing program, and performs
19 regulatory and licensing functions with respect to a health care
20 profession licensed under Title 18 RCW shall be identified as a class
21 five group for purposes of compensation.

22 (2) Except as otherwise provided in this section, each member of a
23 class five group is eligible to receive compensation in an amount not
24 to exceed two hundred fifty dollars for each day during which the
25 member attends an official meeting of the group or performs statutorily
26 prescribed duties approved by the chairperson of the group. A person
27 shall not receive compensation for a day of service under this section
28 if the person (a) occupies a position, normally regarded as full-time
29 in nature, in any agency of the federal government, Washington state
30 government, or Washington state local government; and (b) receives any
31 compensation from such government for working that day.

32 (3) Compensation may be paid a member under this section only if it
33 is necessarily incurred in the course of authorized business consistent
34 with the responsibilities of the commission established by law.

35 (4) Beginning July 1, 2010, through June 30, 2011, no person
36 designated as a member of a class five board, commission, council,
37 committee, or similar group may receive an allowance for subsistence,

1 lodging, or travel expenses if the allowance cost is funded by the
2 state general fund. Exceptions may be granted under section 605,
3 chapter 3, Laws of 2010. Class five groups, when feasible, shall use
4 an alternative means of conducting a meeting that does not require
5 travel while still maximizing member and public participation and may
6 use a meeting format that requires members to be physically present at
7 one location only when necessary or required by law. Meetings that
8 require a member's physical presence at one location must be held in
9 state facilities whenever possible(~~, and~~). Meetings conducted using
10 private facilities must be approved by the director of the office of
11 financial management, except that meetings of class five groups
12 affiliated with institutions of higher education do not require such
13 approval.

14 (5) Beginning July 1, 2010, through June 30, 2011, class five
15 groups that are funded by sources other than the state general fund are
16 encouraged to reduce travel, lodging, and other costs associated with
17 conducting the business of the group including use of other meeting
18 formats that do not require travel.

19 **Sec. 20.** 2010 c 3 s 602 (uncodified) is amended to read as
20 follows:

21 (1) From March 17, 2010, until July 1, 2011, state agencies of the
22 legislative, executive, and judicial branches shall not enter into any
23 contracts or other agreements entered into for the acquisition of
24 personal services not related to an emergency or other catastrophic
25 event that requires government action to protect life or public safety.

26 (2) This section does not apply to personal services contracts or
27 other agreements for the acquisition of personal services where the
28 costs are funded exclusively from private or federal grants, where the
29 costs are for tax and fee collection, where the costs are for revenue
30 generation and auditing activities, where the costs are for the review
31 and research conducted by the joint transportation committee pursuant
32 to RCW 44.04.300, where the costs are necessary to receive or maintain
33 federal funds by the state, or(~~, in~~) to institutions of higher
34 education(~~, where the costs are not funded from state funds or~~
35 ~~tuition~~). This section also does not apply where costs are related to
36 hearing officers, where costs are related to real estate appraisals or
37 habitat assessments, where costs are related to carrying out a court

1 order, or where costs are related to information technology contracts
2 related to an information services board approved information
3 technology project, or where costs are related to judicial information
4 system technology projects.

5 (3) Exceptions to this section may be granted under section 605,
6 chapter 3, Laws of 2010.

7 **Sec. 21.** 2010 c 3 s 603 (uncodified) is amended to read as
8 follows:

9 (1) From March 17, 2010, until July 1, 2011, state agencies of the
10 legislative, executive, and judicial branches shall not enter into any
11 contracts or other agreements for the acquisition of any item of
12 equipment the cost of which exceeds five thousand dollars and is not
13 related to an emergency or other catastrophic event that requires
14 government action to protect life or public safety.

15 (2) This section does not apply to the unemployment insurance
16 program of the employment security department, to costs that are for
17 tax and fee collection, for revenue generation and audit activities, or
18 for receiving or maintaining federal funds by the state, or(~~(, in))~~) to
19 institutions of higher education(~~(, to costs not funded from state~~
20 ~~funds or tuition))~~). This section also does not apply to costs that are
21 funded exclusively from private or federal grants, or for equipment
22 necessary to complete a project funded in the omnibus capital or
23 transportation appropriation acts, or the operational divisions of the
24 department of information services, or cost related to the
25 continuation, renewal, or establishment of maintenance for existing
26 computer software licensing and existing computer hardware, or for
27 costs related to the judicial information system.

28 (3) Exceptions to this section may be granted under section 605,
29 chapter 3, Laws of 2010.

30 **Sec. 22.** 2010 c 3 s 604 (uncodified) is amended to read as
31 follows:

32 (1) State agencies of the legislative, executive, and judicial
33 branches shall not make expenditures for the cost or reimbursement of
34 out-of-state travel or out-of-state training by state employees where
35 the travel or training is not related to an emergency or other

1 catastrophic event that requires government action to protect life or
2 public safety, or direct service delivery, and the travel or training
3 occurs after March 17, 2010, and before July 1, 2011.

4 (2) This section does not apply to travel expenditures when the
5 costs are funded exclusively from private or federal grants. This
6 section does not apply to the unemployment insurance program of the
7 employment security department, to costs that are for tax and fee
8 collection, for revenue generation and audit activities, or for
9 receiving or maintaining federal funds by the state, or(~~(, in)~~) to
10 institutions of higher education(~~(, to costs not funded from state~~
11 ~~funds or tuition)~~). This section also does not apply to costs related
12 to carrying out a court order or to costs to travel by air into
13 Washington state from any airport located in a contiguous state of
14 which the largest city is part of a metropolitan statistical area with
15 a city located in Washington state, or to motor vehicle and parking
16 costs for single day travel to a contiguous state or British Columbia,
17 Canada.

18 (3) Exceptions to this section may be granted under section 605,
19 chapter 3, Laws of 2010.

20 **Sec. 23.** 2010 1st sp.s. c 37 s 901 (uncodified) is amended to read
21 as follows:

22 (1) From May 4, 2010, until July 1, 2011, state agencies of the
23 legislative, executive, and judicial branches shall not establish new
24 staff positions or fill vacant existing staff positions except as
25 specifically authorized by this section.

26 (2) The following activities of state agencies are exempt from
27 subsection (1) of this section:

28 (a) Direct custody, supervision, and patient care in corrections,
29 juvenile rehabilitation, institutional care of veterans, the mentally
30 ill, developmentally disabled, state hospitals, the special commitment
31 center, and the schools for the blind and the deaf;

32 (b) Direct protective services to children and other vulnerable
33 populations in the department of social and health services;

34 (c) Washington state patrol investigative services and field
35 enforcement;

36 (d) Hazardous materials response and emergency cleanup;

1 (e) Emergency public health and patient safety response and the
2 public health laboratory;

3 (f) Military operations and emergency management within the
4 military department;

5 (g) Firefighting;

6 (h) Enforcement officers in the department of fish and wildlife,
7 the liquor control board, the gambling commission, and the department
8 of natural resources;

9 (i) Park rangers at the parks and recreation commission;

10 (j) Seasonal employment by natural resources agencies to the extent
11 that employment levels do not exceed the prior fiscal year;

12 (k) Seasonal employment in the department of transportation
13 maintenance programs to the extent that employment levels do not exceed
14 the prior fiscal year;

15 (l) Employees hired on a seasonal basis by the department of
16 agriculture for inspection and certification of agricultural products
17 and for insect detection;

18 (m) Activities directly related to tax and fee collection, revenue
19 generation, auditing, and recovery;

20 (n) In institutions of higher education, (~~any positions directly~~
21 ~~related to academic programs, as well as positions not funded from~~
22 ~~state funds or tuition, positions that are filled by enrolled students~~
23 ~~at their own institution as student workers, positions in campus police~~
24 ~~and security, positions related to emergency management and response,~~
25 ~~and positions related to student health care and counseling)) all
26 positions;~~

27 (o) Operations of the state lottery and liquor control board
28 business enterprises;

29 (p) The unemployment insurance program of the employment security
30 department; and

31 (q) Activities that are necessary to receive or maintain federal
32 funds by the state.

33 (3) The exemptions specified in subsection (2) of this section do
34 not require the establishment of new staff positions or the filling of
35 vacant staff positions in the activities specified.

36 (4) Exceptions to this section may be granted under section 605
37 (~~of this act~~), chapter 3, Laws of 2010.

1 (5) Also exempted from this section are positions related to
2 facility realignments in the department of corrections, positions
3 related to the transfer of programs between state agencies assumed in
4 (~~this act~~) chapter 3, Laws of 2010, and disability determination
5 staff funded solely by federal funds.

6 **Sec. 24.** 2010 c 1 s 8 (uncodified) is amended to read as follows:

7 (1) Notwithstanding sections 1 through 5, chapter 1, Laws of 2010,
8 institutions of higher education may grant a wage or salary increase
9 for additional academic responsibilities during the summer quarter if
10 the following conditions are met:

11 (a) The salary increase can be paid within existing resources; and

12 (b) The salary increase will not adversely impact the provision of
13 client services.

14 (2) Notwithstanding sections 1 through 5, chapter 1, Laws of 2010,
15 and provided that any increase is not funded from state funds,
16 institutions of higher education may grant a wage or salary increase to
17 critical academic personnel as needed for retention purposes where the
18 loss of such personnel would be likely to result in a loss of grant or
19 other funding.

20 (3) Any institution granting a wage or salary increase under this
21 section from February 15, 2010, through June 30, 2011, shall submit a
22 report to the fiscal committees of the legislature no later than July
23 31, 2011, detailing the positions for which salary increases were
24 granted, the size of the increases, and the reasons for giving the
25 increases.

26 NEW SECTION. **Sec. 25.** The following acts or parts of acts are
27 each repealed:

28 (1) RCW 28B.10.920 (Performance agreements--Generally) and 2008 c
29 160 s 2;

30 (2) RCW 28B.10.921 (Performance agreements--Contents) and 2008 c
31 160 s 3; and

32 (3) RCW 28B.10.922 (Performance agreements--State committee--
33 Development of final proposals--Implementation--Updates) and 2008 c 160
34 s 4.

1 NEW SECTION. **Sec. 26.** (1) The office of financial management
2 shall work with the department of personnel and the office of the
3 secretary of state to review and develop a proposal to balance
4 expenditures from the higher education personnel services fund and the
5 archives and record management account with agency rates paid into
6 these accounts. The office of financial management shall work with the
7 department of personnel and the office of the secretary of state to
8 develop a proposal for state agency rates paid into these accounts that
9 equitably and reasonably reflect the actual cost of services provided
10 to state agencies, including the appropriate allocation of agency
11 overhead costs. The office of financial management shall seek and
12 consider input from state agencies regarding charges for agency
13 services supported from these accounts. By November 15, 2011, the
14 office of financial management shall submit to the appropriate fiscal
15 committees of the legislature a proposed rate structure for agency
16 charges paid into the higher education personnel services fund and the
17 archives and record management account.

18 (2) The office of financial management shall work with the
19 appropriate state agencies as determined by the office of financial
20 management, and the council of presidents to convene an interagency
21 work group to develop and implement improved administration and
22 management practices that enhance the efficiency and effectiveness of
23 operations throughout higher education campuses. The council of
24 presidents shall appoint a lead higher education institution to provide
25 administrative support to the work group within that institution's
26 current resources. The work group shall report to the legislature by
27 November 15, 2012, and November 15, 2013, on its progress, anticipated
28 outcomes, policy recommendations, and performance measures for
29 demonstrating achievement of improved efficiencies and effectiveness.

30 NEW SECTION. **Sec. 27.** A new section is added to chapter 28B.76
31 RCW to read as follows:

32 (1) The board, the state board for community and technical
33 colleges, the council of presidents, the four-year institutions of
34 higher education, the private independent higher education
35 institutions, and the private career schools shall collaborate to carry
36 out the following goals:

1 (a) Increase the number of students who receive academic credit for
2 prior learning and the number of students who receive credit for prior
3 learning that counts towards their major or towards earning their
4 degree, certificate, or credential, while ensuring that credit is
5 awarded only for high quality, course-level competencies;

6 (b) Increase the number and type of academic credits accepted for
7 prior learning in institutions of higher education, while ensuring that
8 credit is awarded only for high quality, course-level competencies;

9 (c) Develop transparent policies and practices in awarding academic
10 credit for prior learning;

11 (d) Improve prior learning assessment practices across the
12 institutions of higher education;

13 (e) Create tools to develop faculty and staff knowledge and
14 expertise in awarding credit for prior learning and to share exemplary
15 policies and practices among institutions of higher education;

16 (f) Develop articulation agreements when patterns of credit for
17 prior learning are identified for particular programs and pathways; and

18 (g) Develop outcome measures to track progress on the goals
19 outlined in this section.

20 (2) The board shall convene the academic credit for prior learning
21 work group.

22 (a) The work group must include the following members in addition
23 to representation from the board:

24 (i) The state board for community and technical colleges;

25 (ii) The workforce training and education coordinating board;

26 (iii) The council of presidents;

27 (iv) Representatives from Washington institutions of higher
28 education;

29 (v) Representatives from faculty of two and four-year institutions
30 of higher education;

31 (vi) Representatives from private career schools; and

32 (vii) Representatives from business and labor.

33 (b) The purpose of the work group is to coordinate and implement
34 the goals in subsection (1) of this section.

35 (3) The board shall report progress on the goals and outcome
36 measures annually by December 31st.

37 (4) For the purposes of this section, "prior learning" means the
38 knowledge and skills gained through work and life experience; through

1 military training and experience; and through formal and informal
2 education and training from in-state and out-of-state institutions
3 including foreign institutions.

4 NEW SECTION. **Sec. 28.** This act may be known and cited as the
5 higher education opportunity act.

6 NEW SECTION. **Sec. 29.** Sections 20 through 25 of this act are
7 necessary for the immediate preservation of the public peace, health,
8 or safety, or support of the state government and its existing public
9 institutions, and take effect immediately.

10 NEW SECTION. **Sec. 30.** A new section is added to chapter 28B.10
11 RCW to read as follows:

12 (1) The higher education coordinating board and the state board for
13 community and technical colleges shall convene a work group including
14 representatives from each of the institutions of higher education to
15 establish a single set of common course numbers and common course
16 descriptions for all common lower division courses at all institutions
17 of higher education. Lower division courses are those first and
18 second-year courses numbered between ninety-nine and three hundred,
19 including internships, cooperative learning, field experiences,
20 individual research, special seminars, and independent studies.

21 (2) A course must be identified as common between institutions of
22 higher education if the course descriptions in the official college
23 course catalogs are similar enough to be accepted as equivalent for
24 transfer purposes to meet degree requirements. Once identified as
25 common, a course must have the same course number and be accepted as
26 equivalent at each institution.

27 (3) By August 2013, each institution of higher education shall
28 formally adopt the common course numbers and specifically identify them
29 in all course catalogs and publications. Unique courses with no
30 equivalent at another institution or at some but not all institutions
31 must have common course numbers at all institutions that do have
32 equivalent courses and the limitations shall be noted in all course
33 catalogs and publications.

--- END ---