
SUBSTITUTE SENATE BILL 5960

State of Washington

66th Legislature

2019 Regular Session

By Senate Higher Education & Workforce Development (originally sponsored by Senator Palumbo)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to higher education data and transparency;
2 amending RCW 43.41.400; reenacting and amending RCW 43.88.160; adding
3 a new section to chapter 28B.92 RCW; adding a new section to chapter
4 28C.18 RCW; adding a new section to chapter 82.32 RCW; adding a new
5 section to chapter 18.16 RCW; and adding a new section to chapter
6 28B.10 RCW.

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

8 **PART I**

9 **DATA COLLECTION**

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.92
11 RCW to read as follows:

12 (1) In order to be eligible for state student financial aid
13 programs, postsecondary institutions shall submit student-level data
14 to the education data center established in RCW 43.41.400 in
15 accordance with RCW 28B.77.090. The primary goals of the education
16 data center's data collection are to:

17 (a) Understand how postsecondary institutions are preparing
18 students for the workforce;

19 (b) Compare and contrast postsecondary institutions' programs;

1 (c) Assist state policymakers and postsecondary institutions in
2 evaluating programs and gaps in the workforce;

3 (d) Inform legislatively mandated research on the effectiveness
4 of state postsecondary and workforce programs; and

5 (e) Assist state policymakers and postsecondary institutions in
6 making policy decisions relating to student success in state student
7 financial aid programs.

8 (2) The education data center shall determine the appropriate
9 student-level data each postsecondary institution shall report in
10 order to meet the state goals for research and evaluation under
11 subsection (1) of this section.

12 (3) The education data center shall enter data-sharing agreements
13 to facilitate the transfer of required data.

14 (4) Religious postsecondary institutions that maintain a
15 religious exemption under RCW 28B.85.040 may request an exemption
16 from the council from submitting student-level data to the education
17 data center.

18 (5) Postsecondary institutions, except for those exempt under
19 subsection (4) of this section, that do not submit student-level data
20 to the education data center may be found ineligible for the state's
21 federally required eligible training provider list and may lose
22 eligibility to participate in the state need grant program,
23 established in RCW 28B.92.010. The council's office of student
24 financial assistance shall determine penalties for postsecondary
25 institutions in accordance with chapter 34.05 RCW.

26 (6) The education data center shall make data available to
27 researchers and the public by January 1, 2020, and update the data at
28 least annually.

29 (7) Nothing in this section allows the sharing of confidential
30 information that is prohibited by state or federal law.

31 (8) For the purposes of this section, "postsecondary institution"
32 means an institution of higher education as defined in RCW
33 28B.10.016, a degree-granting institution as defined in RCW
34 28B.85.010, a private vocational school as defined in RCW 28C.10.020,
35 and a school as defined in RCW 18.16.020.

36 **PART II**

37 **POSTSECONDARY AND WORKFORCE DASHBOARD**

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 28C.18
2 RCW to read as follows:

3 (1) The board shall make detailed statistical summaries of
4 student-level data authorized under section 1 of this act accessible
5 and easy to navigate through the board's career bridge web site for
6 the purpose of providing information to the public on the costs and
7 outcomes of all Washington postsecondary institutions programs. On
8 its career bridge web site, the board shall use the following to
9 evaluate the performance of all postsecondary institutions programs
10 offered in the state:

- 11 (a) Student-level data;
- 12 (b) Employment rates and industry of employment;
- 13 (c) Earnings of recent graduates;
- 14 (d) Student graduation rates;
- 15 (e) Information on industries where students work after
16 graduating;
- 17 (f) Demographic characteristics of students enrolled in specific
18 programs;
- 19 (g) Loan indebtedness; and
- 20 (h) Any other indicators deemed appropriate and necessary to
21 compare postsecondary programs.

22 (2) The board's career bridge web site must link postsecondary
23 program data with labor market and occupation data. In addition to
24 providing information under subsection (1) of this section about the
25 performance of postsecondary programs, the board's career bridge web
26 site must, at a minimum, and in an easy-to-navigate format:

- 27 (a) Display labor market data for the state;
- 28 (b) Display labor market data for workforce development regions;
- 29 (c) Link labor market data to postsecondary program information,
30 including outcomes; and
- 31 (d) Provide potential job seekers information about the most in-
32 demand careers and appropriate levels of education for the state and
33 by region.

34 (3) For the purposes of this section:

35 (a) "Postsecondary institution" means an institution of higher
36 education as defined in RCW 28B.10.016, a degree-granting institution
37 as defined in RCW 28B.85.010, a private vocational school as defined
38 in RCW 28C.10.020, and a school as defined in RCW 18.16.020.

39 (b) "Program" means a sequence of approved subjects offered by a
40 postsecondary institution that teaches skills and fundamental

1 knowledge required for a degree, certificate, or other credential and
2 is identified by a classification of instructional program code.

3 **Sec. 3.** RCW 43.41.400 and 2017 3rd sp.s. c 6 s 223 are each
4 amended to read as follows:

5 (1) An education data center shall be established in the office
6 of financial management. The education data center shall jointly,
7 with the legislative evaluation and accountability program committee,
8 conduct collaborative analyses of early learning, K-12, and higher
9 education programs and education issues across the P-20 system, which
10 includes the department of children, youth, and families, the
11 superintendent of public instruction, the professional educator
12 standards board, the state board of education, the state board for
13 community and technical colleges, the workforce training and
14 education coordinating board, the student achievement council, public
15 and private nonprofit four-year institutions of higher education, and
16 the employment security department. The education data center shall
17 conduct collaborative analyses under this section with the
18 legislative evaluation and accountability program committee and
19 provide data electronically to the legislative evaluation and
20 accountability program committee, to the extent permitted by state
21 and federal confidentiality requirements. The education data center
22 shall be considered an authorized representative of the state
23 educational agencies in this section under applicable federal and
24 state statutes for purposes of accessing and compiling student record
25 data for research purposes.

26 (2) The education data center shall:

27 (a) In consultation with the legislative evaluation and
28 accountability program committee and the agencies and organizations
29 participating in the education data center, identify the critical
30 research and policy questions that are intended to be addressed by
31 the education data center and the data needed to address the
32 questions;

33 (b) Coordinate with other state education agencies to compile and
34 analyze education data, including data on student demographics that
35 is disaggregated by distinct ethnic categories within racial
36 subgroups, and complete P-20 research projects;

37 (c) Collaborate with the legislative evaluation and
38 accountability program committee and the education and fiscal

1 committees of the legislature in identifying the data to be compiled
2 and analyzed to ensure that legislative interests are served;

3 (d) Annually provide to the K-12 data governance group a list of
4 data elements and data quality improvements that are necessary to
5 answer the research and policy questions identified by the education
6 data center and have been identified by the legislative committees in

7 (c) of this subsection. Within three months of receiving the list,
8 the K-12 data governance group shall develop and transmit to the
9 education data center a feasibility analysis of obtaining or
10 improving the data, including the steps required, estimated time
11 frame, and the financial and other resources that would be required.
12 Based on the analysis, the education data center shall submit, if
13 necessary, a recommendation to the legislature regarding any
14 statutory changes or resources that would be needed to collect or
15 improve the data;

16 (e) Monitor and evaluate the education data collection systems of
17 the organizations and agencies represented in the education data
18 center ensuring that data systems are flexible, able to adapt to
19 evolving needs for information, and to the extent feasible and
20 necessary, include data that are needed to conduct the analyses and
21 provide answers to the research and policy questions identified in
22 (a) of this subsection;

23 (f) Track enrollment and outcomes through the public centralized
24 higher education enrollment system;

25 (g) Assist other state educational agencies' collaborative
26 efforts to develop a long-range enrollment plan for higher education
27 including estimates to meet demographic and workforce needs;

28 (h) Support the workforce training and education coordinating
29 board in evaluating and making public the performance of
30 postsecondary education programs;

31 (i) Provide research that focuses on student transitions within
32 and among the early learning, K-12, and higher education sectors in
33 the P-20 system;

34 (~~(i)~~) (j) Prepare a regular report on the educational and
35 workforce outcomes of youth in the juvenile justice system, using
36 data disaggregated by age, and by ethnic categories and racial
37 subgroups in accordance with RCW 28A.300.042; and

38 (~~(j)~~) (k) Make recommendations to the legislature as necessary
39 to help ensure the goals and objectives of this section and RCW
40 28A.655.210 and 28A.300.507 are met.

1 (3) The department of children, youth, and families,
2 superintendent of public instruction, professional educator standards
3 board, state board of education, state board for community and
4 technical colleges, workforce training and education coordinating
5 board, student achievement council, public four-year institutions of
6 higher education, department of social and health services, and
7 employment security department shall work with the education data
8 center to develop data-sharing and research agreements, consistent
9 with applicable security and confidentiality requirements, to
10 facilitate the work of the center. The education data center shall
11 also develop data-sharing and research agreements with the
12 administrative office of the courts to conduct research on
13 educational and workforce outcomes using data maintained under RCW
14 13.50.010(12) related to juveniles. Private, nonprofit institutions
15 of higher education that provide programs of education beyond the
16 high school level leading at least to the baccalaureate degree and
17 are accredited by the Northwest association of schools and colleges
18 or their peer accreditation bodies may also develop data-sharing and
19 research agreements with the education data center, consistent with
20 applicable security and confidentiality requirements. The education
21 data center shall make data from collaborative analyses available to
22 the education agencies and institutions that contribute data to the
23 education data center to the extent allowed by federal and state
24 security and confidentiality requirements applicable to the data of
25 each contributing agency or institution.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.32
27 RCW to read as follows:

28 For the purposes of the workforce training and education
29 coordinating board implementing section 2 of this act and RCW
30 43.41.400, and to improve the accuracy of other federal and state
31 performance reporting, the department shall work with the workforce
32 training and education coordinating board to use available tax
33 records for addressing the gap in data for self-employed individuals.
34 Data shared by the department under any data-sharing agreement
35 entered into under this section remains privileged and confidential
36 and exempt from disclosure under the public records act, chapter
37 42.56 RCW.

1 control, including efficient accounting and reporting therefor, for
2 the executive branch of the state government and may include, in
3 addition, such requirements as will generally promote more efficient
4 public management in the state.

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

27 (2) Except as provided in chapter 43.88C RCW, the director of
28 financial management is responsible for quarterly reporting of
29 primary operating budget drivers such as applicable workloads,
30 caseload estimates, and appropriate unit cost data. These reports
31 shall be transmitted to the legislative fiscal committees or by
32 electronic means to the legislative evaluation and accountability
33 program committee. Quarterly reports shall include actual monthly
34 data and the variance between actual and estimated data to date. The
35 reports shall also include estimates of these items for the remainder
36 of the budget period.

37 (3) The director of financial management shall report at least
38 annually to the appropriate legislative committees regarding the
39 status of all appropriated capital projects, including transportation
40 projects, showing significant cost overruns or underruns. If funds

1 are shifted from one project to another, the office of financial
2 management shall also reflect this in the annual variance report.
3 Once a project is complete, the report shall provide a final summary
4 showing estimated start and completion dates of each project phase
5 compared to actual dates, estimated costs of each project phase
6 compared to actual costs, and whether or not there are any
7 outstanding liabilities or unsettled claims at the time of
8 completion.

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

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

20 (i) For those agencies that the director determines internal
21 audit is required, the agency head or authorized designee shall be
22 assigned the responsibility and authority for establishing and
23 maintaining internal audits following professional audit standards
24 including generally accepted government auditing standards or
25 standards adopted by the institute of internal auditors, or both.

26 (ii) For those agencies that the director determines internal
27 audit is not required, the agency head or authorized designee may
28 establish and maintain internal audits following professional audit
29 standards including generally accepted government auditing standards
30 or standards adopted by the institute of internal auditors, or both,
31 but at a minimum must comply with policies as established by the
32 director to assess the effectiveness of the agency's systems of
33 internal controls and risk management processes;

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

39 (c) Establish policies for allowing the contracting of child care
40 services;

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

16 (f) Fix the number and classes of positions or authorized
17 employee years of employment for each agency and during the fiscal
18 period amend the determinations previously fixed by the director
19 except that the director shall not be empowered to fix the number or
20 the classes for 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 office of financial management and institutions of higher
24 education as defined in RCW 28B.10.016 shall update the accounting
25 procedures manual under subsection (1) of this section to include
26 appropriate standards and procedures to allow institutions of higher
27 education to report to the accounting system under subsection (1) of
28 this section information of interest to the legislature. The office
29 of financial management shall notify the fiscal committees of the
30 legislature of these standards and procedures and any future updates.
31 The standards and procedures must allow, at a minimum, institutions
32 of higher education to report detail in the following areas:

33 (a) Spending and staffing levels for different types of faculty,
34 including part-time and adjunct faculty;

35 (b) Spending by campus and department;

36 (c) Spending by degree program as defined by the classification
37 of instructional programs;

38 (d) Tuition revenue by campus, student residency status, and
39 tuition type;

1 (e) Revenue and spending for auxiliary activities such as
2 housing, dining, and intercollegiate athletics;

3 (f) Spending and forgone revenue for financial aid and tuition
4 waivers by award type;

5 (g) Spending on information technology consistent with the office
6 of the chief information officer policies on technology business
7 management; and

8 (h) Revenue and spending of student fees by type.

9 (6) The treasurer shall:

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

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

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

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

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

24 It shall be unlawful for the treasurer to disburse public funds
25 in the treasury except upon forms or by alternative means duly
26 prescribed by the director of financial management. These forms or
27 alternative means shall provide for authentication and certification
28 by the agency head or the agency head's designee that the services
29 have been rendered or the materials have been furnished; or, in the
30 case of loans or grants, that the loans or grants are authorized by
31 law; or, in the case of payments for periodic maintenance services to
32 be performed on state owned equipment, that a written contract for
33 such periodic maintenance services is currently in effect; and the
34 treasurer shall not be liable under the treasurer's surety bond for
35 erroneous or improper payments so made. When services are lawfully
36 paid for in advance of full performance by any private individual or
37 business entity other than equipment maintenance providers or as
38 provided for by RCW 42.24.035, such individual or entity other than
39 central stores rendering such services shall make a cash deposit or
40 furnish surety bond coverage to the state as shall be fixed in an

1 amount by law, or if not fixed by law, then in such amounts as shall
2 be fixed by the director of the department of enterprise services but
3 in no case shall such required cash deposit or surety bond be less
4 than an amount which will fully indemnify the state against any and
5 all losses on account of breach of promise to fully perform such
6 services. No payments shall be made in advance for any equipment
7 maintenance services to be performed more than twelve months after
8 such payment except that institutions of higher education as defined
9 in RCW 28B.10.016 and the consolidated technology services agency
10 created in RCW 43.105.006 may make payments in advance for equipment
11 maintenance services to be performed up to sixty months after such
12 payment. Any such bond so furnished shall be conditioned that the
13 person, firm or corporation receiving the advance payment will apply
14 it toward performance of the contract. The responsibility for
15 recovery of erroneous or improper payments made under this section
16 shall lie with the agency head or the agency head's designee in
17 accordance with rules issued pursuant to this chapter. Nothing in
18 this section shall be construed to permit a public body to advance
19 funds to a private service provider pursuant to a grant or loan
20 before services have been rendered or material furnished.

21 ~~((+6))~~ (7) The state auditor shall:

22 (a) Report to the legislature the results of current post audits
23 that have been made of the financial transactions of each agency; to
24 this end the auditor may, in the auditor's discretion, examine the
25 books and accounts of any agency, official, or employee charged with
26 the receipt, custody, or safekeeping of public funds. Where feasible
27 in conducting examinations, the auditor shall utilize data and
28 findings from the internal control system prescribed by the office of
29 financial management. The current post audit of each agency may
30 include a section on recommendations to the legislature as provided
31 in (c) of this subsection.

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

34 (c) Make the auditor's official report on or before the thirty-
35 first of December which precedes the meeting of the legislature. The
36 report shall be for the last complete fiscal period and shall include
37 determinations as to whether agencies, in making expenditures,
38 complied with the laws of this state. The state auditor is authorized
39 to perform or participate in performance verifications and
40 performance audits as expressly authorized by the legislature in the

1 omnibus biennial appropriations acts or in the performance audit work
2 plan approved by the joint legislative audit and review committee.
3 The state auditor, upon completing an audit for legal and financial
4 compliance under chapter 43.09 RCW or a performance verification, may
5 report to the joint legislative audit and review committee or other
6 appropriate committees of the legislature, in a manner prescribed by
7 the joint legislative audit and review committee, on facts relating
8 to the management or performance of governmental programs where such
9 facts are discovered incidental to the legal and financial audit or
10 performance verification. The auditor may make such a report to a
11 legislative committee only if the auditor has determined that the
12 agency has been given an opportunity and has failed to resolve the
13 management or performance issues raised by the auditor. If the
14 auditor makes a report to a legislative committee, the agency may
15 submit to the committee a response to the report. This subsection
16 (~~(6)~~) (7) shall not be construed to authorize the auditor to
17 allocate other than de minimis resources to performance audits except
18 as expressly authorized in the appropriations acts or in the
19 performance audit work plan. The results of a performance audit
20 conducted by the state auditor that has been requested by the joint
21 legislative audit and review committee must only be transmitted to
22 the joint legislative audit and review committee.

23 (d) Be empowered to take exception to specific expenditures that
24 have been incurred by any agency or to take exception to other
25 practices related in any way to the agency's financial transactions
26 and to cause such exceptions to be made a matter of public record,
27 including disclosure to the agency concerned and to the director of
28 financial management. It shall be the duty of the director of
29 financial management to cause corrective action to be taken within
30 six months, such action to include, as appropriate, the withholding
31 of funds as provided in RCW 43.88.110. The director of financial
32 management shall annually report by December 31st the status of audit
33 resolution to the appropriate committees of the legislature, the
34 state auditor, and the attorney general. The director of financial
35 management shall include in the audit resolution report actions taken
36 as a result of an audit including, but not limited to, types of
37 personnel actions, costs and types of litigation, and value of
38 recouped goods or services.

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

1 (f) Investigate improper governmental activity under chapter
2 42.40 RCW.

3 (g) Audit the information reported by institutions of higher
4 education under section 6 of this act for completeness and accuracy.

5 In addition to the authority given to the state auditor in this
6 subsection (~~(6)~~) (7), the state auditor is authorized to conduct
7 performance audits identified in RCW 43.09.470. Nothing in this
8 subsection (~~(6)~~) (7) shall limit, impede, or restrict the state
9 auditor from conducting performance audits identified in RCW
10 43.09.470.

11 (~~(7)~~) (8) The joint legislative audit and review committee may:

12 (a) Make post audits of the financial transactions of any agency
13 and management surveys and program reviews as provided for in chapter
14 44.28 RCW as well as performance audits and program evaluations. To
15 this end the joint committee may in its discretion examine the books,
16 accounts, and other records of any agency, official, or employee.

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

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

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

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

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