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**Labor & Workforce Development  
Committee**

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**HB 2265**

**Brief Description:** Establishing Washington works payments to increase graduation rates, address critical skill shortages, increase student success, and narrow the educational opportunity gap.

**Sponsors:** Representatives Probst, Haler, Haigh, Rivers, Zeiger, Seaquist, Sells, Jinkins, Roberts, Hunt, Santos, Kelley, Finn and Ryu.

**Brief Summary of Bill**

- Establishes certain indicators of performance: increasing graduation and completion rates; increasing such rates in fields addressing critical skills shortages; increasing student success after graduation or completion; and narrowing the educational opportunity gap for disadvantaged students and minority students.
- Requires a board to measure performance by school districts, four-year institutions of higher education, and workforce development councils, and similarly requires the State Board for Community and Technical Colleges to measure performance by community and technical colleges.
- Creates a new dedicated account consisting of: certain increased near General Fund revenue; other funds appropriated by the Legislature or deposited by the Governor; and gifts, grants, or donations.
- Requires the board to disburse funds to school districts, community and technical colleges, four-year institutions, and workforce development councils as rewards for performance on indicators through student-focused strategies.
- Requires that, in each fiscal year in which Near General Fund revenues exceed the prior fiscal year's revenues, certain amounts of increased revenue be appropriated for public schools and higher education, and be appropriated or transferred to the new dedicated account.

**Hearing Date:** 1/27/12

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Jill Reinmuth (786-7134).

**Background:**

Several means are used to measure and reward performance by education and training institutions in Washington. These include the Washington Achievement Index, the Student Achievement Initiative, and the Higher Education Opportunity Act ("Complete to Compete") metrics.

For the K-12 system, the Washington Achievement Index measures performance using the Measurement of Student Progress, the High School Proficiency Exams, and graduation data. Based on the Index, the State Board of Education and the Office of the Superintendent of Public Instruction recognize schools with Washington Achievement Awards for overall excellence or special recognition for performance in particular subjects, high extended graduation rates, high rates of improvement, and closing achievement gaps.

For community and technical colleges, the State Board for Community and Technical Colleges uses the Student Achievement Initiative to analyze and reward performance on key achievement measures. Four categories are examined: building towards college level skills, first year retention, completion of college-level math, and completion of degrees, certificates, and apprenticeship training. Financial rewards are provided to colleges for increasing the levels of achievement attained by their students.

For four-year institutions of higher education, the Higher Education Opportunity Act requires annual reporting of certain performance data. The reports include outcome and progress metrics that align with the National Governor's Association "Complete to Compete" metrics as well as metrics for graduate and professional degrees; Science, Technology, Engineering, and Mathematics participation; student debt load; and disaggregation of measures based on various student demographics, including socio-economic status and income level, among others. Four-year institutions also develop performance plans that include minimum sets of expected outcomes.

**Summary of Bill:**

Findings and Intent.

The Legislature finds that increasing graduation rates improve economic competitiveness, and makes it an economic priority to: increase graduation and completion rates; increase graduation and completion rates in fields addressing critical skill shortages; increase student success after graduation or completion; and narrow the educational opportunity gap for disadvantaged students and minority students.

The Legislature intends that the state distinguish itself by becoming the fastest-growing provider of highly skilled workers for targeted industries, and also that the percentage of households in the state living in the middle-income bracket or above increase over time.

The Legislature intends to establish Washington works indicators for the state and for school districts, community and technical colleges, four-year institutions, and workforce development councils, and provide rewards for their performance on these indicators.

### Definitions.

Various terms are defined, including "Washington works indicators," "graduation or completion," "graduation or completion in fields addressing critical skill shortages," "student success," and "board."

"Washington works indicators" means:

- Increasing graduations and completions;
- Increasing graduations and completions in fields addressing critical skills shortages;
- Increasing student success after graduation or completion; and
- Narrowing the educational opportunity gap for disadvantaged students and minority students.

"Graduation and completion" means:

- For high schools, receipt of a high school diploma;
- For community and technical colleges, receipt of a credential, certificate, or degree;
- For four-year institutions, receipt of a baccalaureate degree; and
- For workforce development councils, as defined by the board.

"Graduation or completion in fields addressing critical skills shortages" means graduation or completion in the following fields:

- Aerospace;
- Biology and biomedical sciences;
- Computer and information science;
- Engineering and engineering technologies;
- Health professions and clinical sciences;
- Mathematics and statistics;
- Physical sciences and science technologies; and
- Other fields identified by the board.

"Student success" means that, within one year of graduation or completion, a student has an annual income exceeding the federal poverty level for a family of four, or is enrolled in postsecondary education.

"Board" means the Higher Education Coordinating Board's successor if the successor's voting membership includes representatives of school districts, community and technical colleges, four-year institutions, and workforce development councils. Otherwise, "board" means the Workforce Training and Education Coordinating Board (Workforce Board).

### Indicators.

The board must collect and analyze data on Washington works indicators other than student success from the Education Data Center, and if necessary, from education agencies and institutions. The board must rely on data it has for other purposes and data from the Education Data Center to the maximum extent possible.

The board must also analyze student success. The analysis of student success must be conducted using Social Security numbers to match graduation and completion data with employment and earnings data. School districts, community and technical colleges, four-year institutions, and workforce development councils must request Social Security numbers from students. If students decline to provide Social Security numbers, their records must be excluded from this analysis.

The board must publish the analyses of Washington works indicators on its website, which must include aggregate data as well as data disaggregated by school district, community and technical college, four-year institution, and workforce development council..

#### Measures of Performance.

The board must measure performance on Washington works indicators using metrics which assign points for each indicator and result in a single numeric score.

For school districts, the board must award the following: one point for each percent of growth in the extended graduation rate; an additional point for each percent of growth in the extended graduation rate for disadvantaged students and minority students; and an additional point for each percent of growth in student success.

For community and technical colleges, the State Board for Community and Technical Colleges (SBCTC) must award points for increasing the levels of achievement attained by students consistent with the Student Achievement Initiative, and may award an additional point per student for growth in the number of students who achieve student success.

For four-year institutions, the board must award the following: one point for growth in the number of students who earn baccalaureate degrees; an additional point per student for growth in the number of students who earn baccalaureate degrees in fields addressing critical skill shortages; an additional point per student for growth in the number of in-state disadvantaged students and in-state minority students who earn baccalaureate degrees; and an additional point per student for growth in the number of students who achieve student success.

For workforce development councils, the board must award points using a metric that is similar to the metric for four-year institutions.

The board may make statistical adjustments for student demographics.

#### Rewards for Performance.

The board must disburse funds from a new dedicated account as rewards for school districts, community and technical colleges, four-year institutions, and workforce development councils, for performance on Washington works indicators. Performance is measured by the board for

school districts, four-year institutions, and workforce development councils, and measured by the SBCTC for community and technical colleges.

The board must set the amounts disbursed per point. The amounts available to be disbursed must be proportionate to the amounts appropriated for public schools, community and technical colleges, and four-year institutions, and allocated for workforce development councils in the 2007-09 biennium.

#### Funding.

The Washington Works Account is created. The account consists of: certain increased near General Fund revenue; other funds appropriated by the Legislature or deposited by the Governor; and gifts, grants, donations, and interest earnings. The account may be expended only for rewards to school districts, community and technical colleges, four-year institutions, and workforce development councils.

In each fiscal year in which near General Fund revenue exceeds the prior fiscal year's revenue, a percentage of the increased revenue is dedicated to public schools and higher education. This percentage is equal to or greater than the percentage appropriated for public schools and higher education in the 2007-09 operating budget. One-fourth of this amount is appropriated or transferred to the Washington Works Account. The remaining amount is appropriated to public schools and higher education.

#### Other.

School districts, community and technical colleges, four-year institutions, and workforce development councils are encouraged to redistribute resources and realign course offerings to increase graduations and completions in fields addressing critical skill shortages. The Office of the Superintendent of Public Instruction, the SBCTC, the Higher Education Coordinating Board or its successor, and the Workforce Board are encouraged to publicize best practices for increasing such graduations and completions.

The Washington State Apprenticeship and Training Council (WSATC) may request that the board measure performance of apprenticeship programs on Washington works indicators using specified metrics. The WSATC also may recommend to the Legislature a source and a mechanism for disbursing funds to apprenticeship programs as rewards for performance.

A representative of four-year institutions appointed by the Council of Presidents is added to the Workforce Board as a nonvoting participating official.

The Workforce Board must develop a database available to the public that reports on completion rates, employment rates, industry of employment, and earnings of students following completion from institutions of higher education and apprenticeships for programs that culminate in certificates and degrees.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2012.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.