(AS OF HOUSE 2ND READING 2/13/12)

Requires the office of financial management to: (1) Develop a recommended plan for measuring and rewarding performance of four-year institutions of higher education;

- (2) Measure performance on Washington works indicators;
- (3) Make statistical adjustments for student demographics; and
- (4) Disburse funds to four-year institutions of higher education as rewards for performance on Washington works indicators through student-focused strategies.

Encourages four-year institutions of higher education to redistribute resources and realign course offerings to increase graduations in fields addressing critical skill shortages and improve performance on other Washington works indicators.

Requires the education data center to: (1) Analyze employment or continued education in consultation with the employment security department, the higher education coordinating board's successor, and the council of presidents of the four-year institutions of higher education;

- (2) Publish the analyses on its web site; and
- (3) Update data-sharing and research agreements to facilitate the work of the data education center.

Authorizes money transferred to the higher education coordinating board fund for innovation and quality to be disbursed only to four-year institutions of higher education as rewards for performance on Washington works indicators.