

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2111

Chapter 132, Laws of 2003

58th Legislature
2003 Regular Session

HIGHER EDUCATION PERFORMANCE CONTRACTS

EFFECTIVE DATE: 7/27/03

Passed by the House April 22, 2003
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 11, 2003
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved May 7, 2003.

GARY LOCKE

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2111** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

May 7, 2003 - 3:04 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2111

AS AMENDED BY THE SENATE

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Higher Education (originally sponsored by
Representatives Priest, Jarrett and Cox)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to performance contracts between the state and
2 institutions of higher education; creating new sections; and providing
3 an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that ten years
6 have passed since the state attempted to redefine the relationship with
7 its institutions of higher education based on trust, evidence, and a
8 new alignment of responsibilities, as articulated in chapter 363, Laws
9 of 1993.

10 (2) However, the legislature also finds that the intent to combine
11 institutional flexibility and authority to make decisions at the local
12 level with accountability for achieving statewide goals and objectives
13 has never been fully achieved, in part because there has not been an
14 operating mechanism through which to implement this relationship.

15 (3) Therefore, the legislature intends to explore opportunities to
16 create performance contracts between the state and public institutions
17 of higher education. It is the intent of the legislature that such a
18 contract would constitute a negotiated agreement between the state and
19 an institution, where the state's primary interest would lie not in the

1 management and operations of an institution, but in the institution's
2 contribution to achieving agreed-upon statewide goals and objectives
3 for higher education.

4 NEW SECTION. **Sec. 2.** (1) A work group on higher education
5 performance contracts is established. The work group shall consist of
6 members as follows:

7 (a) The members of the house and senate higher education and fiscal
8 committees;

9 (b) One representative of the higher education coordinating board,
10 appointed by the board;

11 (c) One representative of the state board for community and
12 technical colleges, appointed by the state board;

13 (d) Two representatives of public four-year institutions of higher
14 education, appointed by the council of presidents;

15 (e) Two representatives of the community and technical colleges,
16 appointed by the Washington association of community and technical
17 colleges; and

18 (f) One representative of the governor's office and one
19 representative of the office of financial management, each appointed by
20 the governor.

21 (2) The work group may invite input from other interested parties,
22 including but not limited to faculty and student representatives and
23 representatives of the business community. Within available funds, the
24 work group may obtain additional expertise or engage consultants if
25 necessary to carry out its work.

26 (3) The work group shall:

27 (a) Examine the experience of other states in developing and
28 implementing performance contracts with institutions of higher
29 education;

30 (b) Consider the feasibility of implementing performance contracts
31 in Washington;

32 (c) Identify whether amendments to current laws may be necessary to
33 implement performance contracts; and

34 (d) Develop guidelines and possible models for performance
35 contracts, including:

36 (i) The types of indicators and benchmarks that could be included

1 in a contract to measure an institution's progress in meeting the
2 contract's objectives; and

3 (ii) The types of flexibility, exemptions, or commitments that
4 could be included in a contract to reflect the state's obligation to an
5 institution.

6 (4) The work group shall use legislative facilities and staff from
7 senate committee services and the office of program research. Each
8 nonlegislative member of the work group shall be reimbursed for travel
9 expenses in accordance with RCW 43.03.050 and 43.03.060. Travel
10 expenses for the nonlegislative members shall be paid by their
11 respective institutions or agencies.

12 (5) The work group shall report its findings and recommendations to
13 the higher education and fiscal committees of the legislature by
14 December 15, 2003.

15 NEW SECTION. **Sec. 3.** This act expires June 30, 2004.
Passed by the House April 22, 2003.
Passed by the Senate April 11, 2003.
Approved by the Governor May 7, 2003.
Filed in Office of Secretary of State May 7, 2003.