
SENATE BILL 5942

State of Washington 63rd Legislature 2013 1st Special Session

By Senators Baumgartner and Bailey

Read first time 05/31/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to a performance and enrollment-based methodology
2 of distributing state appropriations to public institutions of higher
3 education; amending RCW 28B.10.776 and 28B.77.090; creating new
4 sections; repealing RCW 28B.10.778, 28B.10.780, 28B.10.782, 28B.10.784,
5 and 28B.15.101; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that public
8 institutions of higher education have experienced dramatic reductions
9 in state support over the last four fiscal years, which have
10 necessitated large increases in tuition prices. The legislature
11 further finds that the combination of decreases in state funding and
12 increases in tuition have led to a scenario where public higher
13 education is being funded disproportionately by the students and their
14 families. Therefore, it is the intent of the legislature to more
15 equitably distribute the support of public higher education between the
16 state and students and their families by (1) establishing a funding
17 methodology that is based on enrollment levels with which to provide
18 predictable and stable baseline state funding to the institutions of
19 higher education; and (2) establishing a process whereby any state

1 funds over and above the level needed for the baseline levels of state
2 funding are distributed among the institutions of higher education
3 based on their performance in meeting statewide goals and expectations,
4 and to reward the highest performers.

5 **Sec. 2.** RCW 28B.10.776 and 1993 sp.s. c 15 s 2 are each amended to
6 read as follows:

7 ~~((It is the policy of the state of Washington that the essential
8 requirements level budget calculation for))~~ (1) Beginning with fiscal
9 year 2014, institutions of higher education ((include enrollment levels
10 necessary to maintain, by educational sector, the participation rate
11 funded in the 1993 fiscal year. The participation rate shall be based
12 on the state's estimated population ages seventeen and above by
13 appropriate age groups)) shall receive a level of state funding that is
14 equal to the maintenance level appropriations in the omnibus
15 appropriations act for the 2013-2015 biennium expressed as a per-
16 resident student rate that is based on a three-year average of the
17 number of actual full-time equivalent enrolled resident students for
18 the current academic year and the two previous academic years as
19 reported in the state-funded public higher education enrollment reports
20 produced by the office of financial management.

21 (2) The per-resident student rates specified in subsection (1) of
22 this section shall increase each fiscal year by the rate of inflation
23 as measured by the implicit price deflator.

24 (3) The per-resident student rates specified in subsection (1) of
25 this section in existence at the time when specific appropriations are
26 made for creation or expansion of new or existing programs of study
27 shall receive a step adjustment in the following fiscal year to reflect
28 this additional level of funding.

29 (4) State universities, regional universities, The Evergreen State
30 College, and the state board for community and technical colleges are
31 legally entitled to receive the levels of state funding specified in
32 subsections (1) through (3) of this section.

33 (5) Beginning with fiscal year 2014, any state funds appropriated
34 for institutions of higher education that remain after satisfying the
35 per-resident student rates specified in subsections (1) through (3) of
36 this section, or any increases in state appropriations for the

1 institutions of higher education, must be distributed as provided in
2 this subsection (5).

3 (a) A proportionate share must be distributed to the state board
4 for community and technical colleges for disbursement to the community
5 and technical colleges based on performance in accordance with the
6 student achievement initiative.

7 (b) A proportionate share must be distributed to the public four-
8 year institution sector of higher education. This share must be
9 disbursed to the state universities, the regional universities, and The
10 Evergreen State College that have met the requirements in RCW
11 28B.77.090(2), and disbursement must be as specified in the omnibus
12 appropriations act based on a three-year average of performance, or in
13 recognition of the highest performing four-year institution of higher
14 education, in the following metrics:

- 15 (i) Average time to degree for undergraduate students;
- 16 (ii) Number of undergraduate high-demand degrees produced;
- 17 (iii) Freshman retention;
- 18 (iv) Low-income population; and
- 19 (v) Space utilization.

20 (6) For the purposes of subsection (5) of this section,
21 "proportionate share" means the proportion of near general fund
22 appropriations to either (a) the state board for community and
23 technical colleges or (b) the state universities, the regional
24 universities, and The Evergreen State College, relative to the total
25 near general fund appropriations to the institutions of higher
26 education.

27 (7) For the purposes of this section, the inflation adjustment
28 shall be computed using the percentage change on the implicit price
29 deflator for personal consumption expenditures for the United States
30 for the previous calendar year, as compiled by the bureau of economic
31 analysis of the United States department of commerce and reported in
32 the most recent quarterly publication of the economic and revenue
33 forecast council or successor agency.

34 **Sec. 3.** RCW 28B.77.090 and 2013 c 23 s 60 are each amended to read
35 as follows:

- 36 (1) An accountability monitoring and reporting system is

1 established as part of a continuing effort to make meaningful and
2 substantial progress towards the achievement of long-term performance
3 goals in higher education.

4 (2) To provide consistent, easily understood data among the public
5 four-year institutions of higher education within Washington and in
6 other states, the following data must be reported to the education data
7 center annually by December 1st, and at a minimum include data
8 recommended by a national organization representing state chief
9 executives. The education data center in consultation with the council
10 may change the data requirements to be consistent with best practices
11 across the country. This data must, to the maximum extent possible, be
12 disaggregated by race and ethnicity, gender, state and county of
13 origin, age, and socioeconomic status, and include the following for
14 the four-year institutions of higher education:

15 (a) Bachelor's degrees awarded;

16 (b) Graduate and professional degrees awarded;

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

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

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

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

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

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

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

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

3 (k) Program participation and degree completion rates in bachelor
4 and advanced degree programs in the sciences, which includes
5 agriculture and natural resources, biology and biomedical sciences,
6 computer and information sciences, engineering and engineering
7 technologies, health professions and clinical sciences, mathematics and
8 statistics, and physical sciences and science technologies, including
9 participation and degree completion rates for students from
10 traditionally underrepresented populations;

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

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

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

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

24 (p) Student debt load: Median three-year distribution of debt
25 load, excluding private loans or debts incurred before coming to the
26 institution;

27 (q) Space utilization: For each academic year, the average number
28 of hours per week each classroom seat and classroom lab is utilized;

29 (r) Data related to enrollment, completion rates, participation
30 rates, and debt load shall be disaggregated for students in the
31 following income brackets to the maximum extent possible:

32 (i) Up to seventy percent of the median family income;

33 (ii) Between seventy-one percent and one hundred twenty-five
34 percent of the median family income; and

35 (iii) Above one hundred twenty-five percent of the median family
36 income; and

37 ((+r)) (s) Yearly percentage increases in the average cost of
38 undergraduate instruction.

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

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

14 (5) The council shall use performance data from the education data
15 center for the purposes of strategic planning, to report on progress
16 toward achieving statewide goals, and to develop priorities proposed in
17 the ten-year plan for higher education.

18 NEW SECTION. **Sec. 4.** (1) The office of financial management shall
19 convene a work group to review the per-resident student rates
20 established in section 2, chapter . . ., Laws of 2013 1st sp. sess.
21 (section 2 of this act) and make recommendations for achieving equal
22 funding for similar institutions by the 2017-2019 fiscal biennium. In
23 making final recommendations, the work group shall consider that there
24 is a legislative goal to achieve the following per-resident student
25 rates by the 2017-2019 fiscal biennium:

26 (a) Ten thousand dollars for the research institutions as defined
27 in RCW 28B.10.016;

28 (b) Seven thousand five hundred dollars for the regional
29 institutions as defined in RCW 28B.10.016; and

30 (c) Five thousand dollars for the community and technical colleges.

31 (2) The work group must include the following members:

32 (a) One representative from the student achievement council;

33 (b) One representative from the education data center created in
34 RCW 43.41.400;

35 (c) One representative from each state university, regional
36 university, and state college as defined in RCW 28B.10.016; and

1 (d) One representative from the state board for community and
2 technical colleges.

3 (3) The office of financial management shall submit a final
4 recommendation of the work group to the governor and appropriate
5 committees of the legislature no later than December 1, 2014.

6 (4) This section expires August 1, 2015.

7 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
8 repealed:

9 (1) RCW 28B.10.778 (Budget calculation--New enrollments--Funding
10 level--Inflation factor) and 1993 sp.s. c 15 s 3;

11 (2) RCW 28B.10.780 (Budget calculation--Funding level) and 1993
12 sp.s. c 15 s 4;

13 (3) RCW 28B.10.782 (Budget calculation--Increased enrollment target
14 level--Availability of information) and 1993 sp.s. c 15 s 5;

15 (4) RCW 28B.10.784 (Budget calculation--Participation rate and
16 enrollment level estimates--Recommendations to governor and
17 legislature) and 2012 c 229 s 517 & 1993 sp.s. c 15 s 6; and

18 (5) RCW 28B.15.101 (Authority to modify tuition rates--Performance-
19 based measures and goals--Institutional performance plans) and 2011 1st
20 sp.s. c 10 s 5.

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