

FINAL BILL REPORT

SHB 2111

C 132 L 03

Synopsis as Enacted

Brief Description: Exploring opportunities to create performance contracts between the state and institutions of higher education.

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

House Committee on Higher Education
Senate Committee on Higher Education

Background:

During 2002 the Washington State Institute for Public Policy (Institute) conducted interviews with more than 70 key stakeholders as part of a legislatively-directed study of the Higher Education Coordinating Board (HECB). According to the Institute's report, many stakeholders view the state as "struggling to impose and maintain a regulatory relationship with its colleges and universities." The report also noted that tension between state centralization and institutional autonomy is not a new phenomenon.

For example, in 1993 the Legislature enacted a law declaring a "need to redefine the relationship between the state and its postsecondary education institutions through a compact based on trust, evidence, and a new alignment of responsibilities." The law intended to create a state policy where institutions would have authority and flexibility to meet statewide goals through locally-based decisions. In return for evidence of achieving desired results, the state would reduce its micromanagement of institutions. According to the Institute's report, the idea of this compact relationship has faded from view, possibly because it lacked an explicit mechanism to put it into operation.

Several other states, however, are experimenting with creating new relationships with one or more public institutions through performance compacts. In Kansas the Board of Regents has been directed by the Legislature to negotiate performance agreements with public institutions. West Virginia and Virginia are implementing compacts. Maryland and Colorado have chosen single institutions to pilot compacts (St Mary's College and the Colorado School of Mines).

A compact is a contractual agreement negotiated between the state (typically by the state governing board) and an institution's governing board. The agreement specifies measurable performance objectives which the institution commits to meet over the term of the compact and outlines the types of flexibility the state will offer in return.

Summary:

A workgroup on higher education performance contracts is created. The group includes legislative members representing the higher education and fiscal committees of the House and Senate. The HECB and the State Board for Community and Technical Colleges each appoint one representative. The Council of Presidents (for the four-year institutions) and the Washington Association of Community and Technical Colleges (for the two-year institutions) each appoint two representatives. There is also a representative from the Governor's Office and the Office of Financial Management.

The workgroup will examine the experience of other states in developing and implementing contracts; consider the feasibility of implementing contracts in Washington; and identify whether amendments to current laws are needed. The workgroup will also develop guidelines and possible models for contracts, including the types of institutional performance indicators and benchmarks that could be in a contract and the types of flexibility, exemptions, or commitments from the state that could be in a contract.

A report with findings and recommendations is due to the Senate and House higher education and fiscal committees by December 15, 2003. The task force expires June 30, 2004.

Votes on Final Passage:

House 96 0
Senate 49 0 (Senate amended)
House 97 0 (House concurred)

Effective: July 27, 2003