

Operational Efficiency & Effectiveness
in Washington Public Four-Year
Higher Education



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The Council of Presidents (COP) is an association of Washington’s six public baccalaureate degree granting college and universities. Located in Olympia, Washington, COP strives to be a common voice for the public baccalaureate sector and the most respected and trusted resource for decision makers on issues affecting public higher education. COP serves a coordinating role for a number of initiatives and activities common to the public baccalaureate institutions, fostering coordination and collaboration among the public baccalaureates as well as with other educational partners, both in Washington and nationally.

This report is also available online at <http://www.councilofpresidents.org>.

Introduction

Washington possesses some of the nation’s most productive public four-year colleges and universities, consistently ranking among the top in the nation in graduation rates and degree production. While our college and universities are constantly engaged in processes that improve operations and outcomes for students, the passage of House Bill 1795 (2011) spurred additional efforts to increase administrative efficiency through a coordinated review process. Since that time, the Council of Presidents (COP) has advanced efficiency legislation, participated in inter-agency efficiency efforts, and implemented multiple internal reforms. These efforts have helped preserve resources for the core function of educating and graduating students.

The purpose of this report is to highlight the work of the Council of Presidents and the public four-year colleges and universities in administering our duty to serve students and the public good. The report consists of a sector-wide summary of efficiency efforts followed by institutional narratives.

Legislative History

During the 2011 legislative session, the Legislature passed Engrossed Second Substitute House Bill (HB) 1795 (2011) – also known as “The Higher Education Opportunity Act.” Among its many provisions, Section 27 of HB 1795 required the Office of Financial Management (OFM) to work with the Council of Presidents to convene an interagency work group to develop and implement improved administrative and management practices that enhance the efficiency and effectiveness of operations throughout higher education campuses. A work group comprised of representatives from COP, the State Board for Community and Technical Colleges (SBCTC), and OFM was established to oversee this work. Since its inception, the group has been instrumental in identifying areas where efficiencies could be gained in administrative and operational functions. After the 2013 statutory expiration of the work group, COP continued to work collaboratively with the public baccalaureate institutions and the SBCTC to find efficiencies to present to policymakers. COP is committed to long-term efforts around continuous quality improvement.

Past Efficiency Legislation

The higher education efficiency work group’s effort led to the development of multiple packages of “regulatory relief” legislation. The Council of Presidents advanced efficiency legislation each year between 2012-2016. With strong support from colleagues at the community and technical colleges and other higher education partners, the workgroup introduced the following bills:

2012

- ◆ HB 2259 (Chapter 227, 2012 Laws) – Repealed the requirements in state law for institutions of higher education related to crime statistics reporting and campus safety plan development.
- ◆ HB 2585 (Chapter 230, 2012 Laws PV)
 - Exempted institutions of higher education from certain competitive contracting requirements for goods and services purchases and personal service contracts of less than \$100,000 and also for travel arrangements.

- Authorized institutions of higher education to make advance payments for certain equipment maintenance services.
 - Implemented compensation changes for certain health care classifications (vetoed).
 - Required that salaries and wages be paid using direct deposit or alternate methods.
 - Made local operating fee accounts subject to allotment procedures, and made permanent the requirement that institutions of higher education charge certain expenditures in ratios that conserve appropriated funds.
- ◆ HB 2735 (Failed to Pass) – Increased minor works and pre-design project thresholds.
 - Raised the minor works project threshold for higher education institutions from \$2 million to \$5 million.
 - Raised the predesign threshold for higher education institutions from \$5 million to \$10 million.

2013

- ◆ HB 1736 (Chapter 218, 2013 Laws) – Created a work group led by OFM to reduce reporting requirements related to building and environmental standards and transportation services, authorized the use of electronic signatures, authorized interstate reciprocity agreements for consumer protection for distance learning standards, and authorized student advisory groups on higher education governance.
- ◆ HB 1769 (Failed to Pass)
 - Increased the threshold for minor works projects from \$2 million to \$5 million for higher education institutions.
 - Increased the threshold for predesign requirements for major construction works from \$5 million to \$10 million for higher education institutions.
 - Permitted the regional universities, The Evergreen State College and the community and technical colleges to enter into financing contracts for real property, that are not subject to allotment or appropriation by the Legislature and are payable only from local fees and revenues.

2014

- ◆ SHB 2613 (Chapter 162, 2014 Laws)
 - Specified that only the public baccalaureate institutions that raise tuition above the assumed levels in the Omnibus Appropriations Act must provide financial aid mitigation information and modified the due date for mitigation reporting.
 - Adjusted certain reporting requirements for financial aid mitigation.
 - Required that the Joint Legislative Audit Review Committee’s audit of the impact of tuition-setting authority consider student completion rather than institutional quality.
 - Permitted institutions of higher education to change payroll frequency from semimonthly to biweekly and prorate paychecks for faculty on nine-month appointments.
 - Increased the predesign project limit for capital projects from \$5 million to \$10 million. (Not implemented by OFM).

2015

- ◆ SB 5562/HB 1532 (Failed to Pass) – Increased the threshold for requiring cost estimates for major capital projects for higher education institutions from \$5 million to \$10 million, in alignment with current pre-design threshold.

2016

- ◆ SB 6409/HB 2755 (Failed to Pass)
 - Increased the threshold for requiring cost estimates for major capital projects for higher education institutions from \$5 million to \$10 million, in alignment with current pre-design threshold.
 - Increased the threshold for minor works projects for institutions of higher education from \$2 million to \$5 million.
 - Allowed institutions of higher education to provide independent training or certification for procurement practices in order to meet state requirements.
 - Exempted institutions of higher education from the laws governing the release of individually identifying records for research purposes.
 - Allowed institutions of higher education to expend up to 10 percent of capital construction funds dedicated to artwork in the design phase in order to integrate art into the building design.

Internal Higher Education Efficiency Efforts

The public baccalaureates have made hundreds of improvements to business practices at the campus level that have complemented statutory changes. Included in this report is a summary of each institution's efforts over the past year. Each has developed a robust system to identify areas of need and continuous improvement in a variety of functional areas.

Past institutional initiatives are summarized in COP's prior operational efficiency reports:

- ◆ Operational Efficiency and Effectiveness in Public Four-Year Higher Education in Washington (November 2012) http://www.councilofpresidents.org/docs/r_d_docs/COP_EFF_REPORT_11_12.pdf
- ◆ Operational Efficiency and Effectiveness in Public Four-Year Higher Education in Washington (November 2013) http://www.councilofpresidents.org/docs/reports/COP_EFF_REPORT_13.pdf
- ◆ Operational Efficiency and Effectiveness in Public Four-Year Higher Education in Washington (November 2016) http://www.councilofpresidents.org/docs/reports/2016_COP_Efficiency_Report.pdf

OFM Work Group on Agency Reporting

Beyond legislative and internal efficiencies, COP worked closely with OFM to develop recommendations for coordinating and streamlining higher education reporting in accordance with HB 1736 (Chapter 218, 2013 Laws), efficiency legislation from the 2013 legislative session. The public baccalaureate sector and the SBCTC reviewed dozens of reporting requirements related to the Department of Enterprise Services, the Department of Ecology, and the Department of Transportation to identify duplicative or inefficient reporting.

- ◆ Specified Reporting Requirements for Higher Education Institutions (August 2014)
<http://ofm.wa.gov/reports/ReportingReqsHEInstitutions2014.pdf>

Capital Scoring Reform

COP engaged in conversations with OFM about improvements to the process of developing the state's capital budget. The capital budget directors at each four-year institution identified five efficiency items to begin discussions with OFM. They included:

- ◆ Allowing access to Building for the Arts funds during the design stage of capital projects,
- ◆ Identifying funding sources for technology with lifecycles less than seven years,
- ◆ Fixing the capital cost estimate to align with the pre-design threshold of \$10 million,
- ◆ Reforming the capital project scoring and ranking system, and
- ◆ The creation of a capital construction cost savings pool.

A 2015 capital budget proviso in HB 1517 (2015), Section 7040, resulted in a vigorous conversation and report on how to improve the project capital scoring and ranking process, including improving the submittal process, the capital scoring process, and increasing utility to policymakers. The end result was the *Washington State Report of the Four-Year Prioritized Capital Project List Technical Work Group* (January 2016), which contained concrete recommendations on process improvement and recommendations for legislative change.

- ◆ Washington State Report of the Four-Year Prioritized Capital Project List Technical Work Group (January 2016)
http://www.ofm.wa.gov/budget/capital/4year_prioritized_capital_project_work_group_report.pdf

2017 Efficiency Requirement

The 2012 legislation (HB 2585) required institutions of higher education to report the amount of cost savings that resulted from the legislation and how the cost savings were used:

NEW SECTION. Sec. 5 By January 1, 2017, institutions of higher education as defined in RCW 28B.10.016 must report to the legislature and the governor on: (1) The amount of savings resulting from use of the higher education provisions of this act; and (2) the manner in which such savings were used to promote student academic success.

As noted above, HB 2585 pertained to certain rules on procurement and employment for institutions of higher education. To the extent that the universities or college implemented the various policies of HB 2585, cost savings and a list of student success initiatives can be found in the individual college and university sections of this report. Institutional reporting shows how cost savings from efficiencies help preserve and expand programs that lead to greater student success. Efficiencies are not just about cost savings, but making sure institutions can continue to serve students through the provision of a high-quality postsecondary education.

Conclusion

Washington's public four-year colleges and universities and the Council of Presidents will continue to lead when it comes to operational efficiency and effectiveness. Continually assessing and reviewing operations helps ensure public institutions remain good stewards of taxpayer dollars. The past six years of efficiency efforts have shown tremendous impacts as a result of strong partnerships between colleges and universities, state agencies, and policymakers. These efforts will have effects that reach far in to the future.



1. Procurement Card Transactions

In calendar year 2016, CWU had 355 purchase orders and 131 department p-card transactions in the relief range for the direct buy limit going from \$5K - \$10K. With the efficiencies provided by HB 2585 these orders are now placed at the department level and are not subject to the additional time and expense of the competitive process. At an average amount of time that would have been spent on these orders at 3.5 hours x 486 orders X \$30/hour fully loaded time savings = \$51,030. Total estimated savings for this section = \$51,030.

2. Competitive Bidding Exemptions

Within the same time frame, the Purchasing Office processed 36 purchase orders in the dollar range between \$50,000 and \$100,000. With an estimated reduction of 6 hours reflecting the difference between informal processes and formal sealed bid processes, the university has saved: 36 orders and contracts x 6 hours x \$35/hour fully loaded (higher due to more buyer, supervisor and director involvement) = \$7,560. The removal of the requirement to advertise in a regional publication resulted in an additional estimated savings of \$1,850. Total estimated savings for this section = \$9,410.

3. Pre-Paid Maintenance Agreements

Savings relating to the efficiencies gained by being able to seek better pricing by paying some maintenance agreements up front and without knowing exactly how many times this was taken advantage of across the CWU system; we will use a conservative estimate that the university has saved 3% on 25% of its total spend per year for equipment maintenance agreements. Using a previous estimate, CWU spends about \$2M per year on equipment maintenance agreements. Conservatively, CWU estimates that it has saved \$500,000 x .03 = \$15,000. Total estimated savings for this section = \$15,000.

4. Online Travel Arrangements

This section of the bill allowed universities to use all appropriate means for making and paying for travel arrangements including purchasing online airline tickets. In calendar year 2016 CWU reimbursed \$271,931.62 in airfare not booked through the state contracted travel agencies. This was a savings of approximately \$47,800, or 15%.

In summary, total estimated savings per year for passage of HB 2585:

Direct buy limit going from \$5,000 to \$10,000: \$51,030
 Formal bid limit going from \$50,000 to \$100,000: \$9,410
 Pay in advance for equipment maintenance: \$15,000
 Purchasing online airline tickets: \$47,800
 Total estimated savings: \$123,240

Note: Savings amounts below are based on estimates. These figures include: average time spent on competitive and other processes relating to contracts and orders, fully loaded hourly rates for staff time, estimated/averaged advertising costs, figures on maintenance contracts and travel expense reimbursements. Estimated savings will be for the most recent calendar year.

**EASTERN WASHINGTON UNIVERSITY**start something **big**

1. Team-based advising and retention services for undergraduate students

In 2016 EWU began a research-based reorganization of academic advising and retention services for undergraduate students. Academic advisors and retention specialists were centralized into a single location and organized into college-centric teams. Eight new positions were created to support the team approach. The new positions included a team supervisor for each team and a student success coordinator representing each of the colleges.

The centralization of academic advising created consistency in advising policies, practices and messaging to students. Student accessibility to advising services was increased when hours of operations for academic advising and appointment scheduling were standardized. A team approach allowed the centralized unit to serve additional students due to wider access to knowledgeable advisors familiar with each college's program intricacies rather than limiting access to one or two individual advisors who may not be available when a student needs assistance.

The addition of a retention specialist to each team allowed for a deeper understanding of retention issues by college. Retention programming based on issues identified by the retention specialist and the student success coordinator for each college will be implemented in 2017. The student success coordinator will collaborate with college faculty and staff to implement college based retention initiatives. Additional benefits to the team approach include a higher level of professional growth due to the new supervisory structure that encourages advancement and rewards excellence.

2. Recruitment, Admissions, and Transition

- ◆ **Guidebook:** Guidebook is a mobile, self-service, event platform that contains EWU's firstSTEP Orientation and Welcome Week program event details and is used to inform our students, parents and other campus constituents about these transition programs. Guidebook provides an efficient means to disseminate information and creates a conduit for students and parents to provide instant feedback. As a result, EWU has all but eliminated printed booklets for firstSTEP and Welcome Week, thereby reducing waste and achieving measurable savings in printing costs.
- ◆ **Reverse Transfer MOU with SBCTC:** In 2016, EWU and the SBCTC entered into an MOU that streamlines the reverse transfer process for Washington transfer students. This new process eliminates the need to go back and forth between institutions to apply reverse transfer credits. It also takes a step toward improving community college completion rates in a collaborative manner between EWU and the SBCTC.
- ◆ **Constituent Relationship Management (CRM) Upgrade and Consolidation:** EWU upgraded CRM solutions in 2016 and created efficiency through expanded opportunities for campus partners to

leverage existing resources at nominally increased cost. Undergraduate, graduate, and pre-college programs collaborate within the same system to recruit and attract students and to track communication flows and results. In addition, increased functionality resulted in newly automated and personalized processes for tour and visit sign-up. EWU is now looking at expanding the scope to include small group visits. This in turn will facilitate additional efficiencies for on campus partners as well as for K-12 partners at primary and secondary schools throughout the state.

3. Financial Aid

- ◆ **Scholarship Manager Upgrade:** Scholarship Manager is a system that Eastern uses to manage and award EWU Foundation Scholarships to students. The 2016 upgrade has automated communication processes and students are now able to receive award notifications, accept awards, and submit “thank you” letters electronically. The system also improves recordkeeping and communication with the EWU Foundation and donors. Scholarship Manager has allowed for more timely awarding and re-awarding of scholarships, as well as operational savings on paper, postage, envelopes, and the redirection of staff time to other tasks.
- ◆ **Salt[®] Financial Literacy:** In 2016, the Salt[®] financial literacy program was made available to all Eastern students, staff, and alumni. Salt[®] is an education finance support program that helps remove the financial barriers to higher education. Salt[®] services include neutral financial education resources, advice, self-paced courses, live one-on-one counseling by trained advisors, tools to help students and alumni monitor and manage their loans and payments online, and resources to find jobs, internships, and scholarships. To date, over 2000 students and alumni have signed up to use the service.
- ◆ **Proactive Financial Aid Outreach:** Over the past two years, the Financial Aid Office has been proactively reaching out to new financial aid applicants just prior to their attendance at the EWU First Steps orientation and academic advising sessions to notify them of missing documents and counsel them on the financial aid process. This effort has been well-received by students and parents and has resulted in a much higher level of preparation when they visit campus and when the students begin attendance in the fall. It has alleviated many of the financial “crisis” situations that occurred in the past and has contributed to a higher level of student success and reduced university receivables.

4. Web and Mobile Technology Improvements

- ◆ **25Live – University Calendar and Scheduling Software:** EWU launched the 25Live Calendaring and Scheduling software package in December, 2016. 25Live is an enterprise-wide calendar solution that centralizes the university’s calendar of events, helps prevent scheduling conflicts and aligns efforts across the institution. The EWU community now has a single system for event scheduling and promotion. 25Live offers many other functions such as searching for room availability, following events, and running reports on room utilization. This project is expected to increase visibility of campus events and significantly improve scheduling of events and coordinating support personnel and resources.
- ◆ **OrgSync to Banner Interface:** EWU is in the process of linking OrgSync with Banner, which will allow for accurate tracking of student attendance at EWU events, and allow event organizers to automatically survey participants. This will allow organizers to more accurately assess their programs, facilitate the

tracking of student involvement, and enhance the gathering of assessment data on student learning outcomes.

- ◆ **Online Room Inspections and Inventories:** In 2016 EWU implemented online room inspections and inventories for students living on campus. This initiative has eliminated the need to have paper files for each student's room inventory. Additionally, this Fall students are able to submit work orders for their rooms online through StarRez. This allows them to submit minor repairs needed within their room and receive updates from the housing maintenance team regarding status.
- ◆ **Online Service and Activity Fee Proposals:** EWU has realized operational savings and increased efficiency by having our organizations submit their Service and Activity Fee (S&A Fee) expenditure proposals online. This has eliminated the need for paper submissions and printing costs. This paperless method of collecting S&A Fee allocation proposals was implemented in 2016.
- ◆ **Pay by Phone for parking meters:** EWU has adopted the ParkX smartphone application that allows users to pay for a parking meter using their smartphone. This initiative provides greater options for our customers and is helping to reduce parking citations.

5. Student Health and Welfare

- ◆ **TAO – Anytime, Anywhere: Mobile Friendly Therapy:** TAO is a suite of online tools to help students learn and practice new skills every day to reduce and overcome mild to moderate problems with anxiety and depression. It allows students to work on these concerns when and where it is most convenient for them. Skills and strategies can be reviewed and practiced throughout the week. Daily practice logs provide an easy and accessible way to ensure that new skills are practiced daily to build new healthy habits and reduce or eliminate old less functional habits. As a result, students feel better, faster.
- ◆ **Hilani joins EWU Police Department:** Hilani is a two-year-old golden retriever and Labrador mix. She joined the EWU Police Department in summer 2016 to help comfort victims in need, specifically those who have been victims of sexual assault. Hilani was matched with EWU Officer Tiffinni Archie through Canine Companions for Independence, a nonprofit organization that provides highly trained service dogs. Hilani's presence on campus has been well-received by the campus community and has helped further foster the relationship between the campus and the university police.

6. Parking and Transportation

- ◆ **Electric Vehicle Charging Stations:** In April 2016 EWU helped celebrate Earth Day by introducing four new electric vehicle charging stations as part of its sustainability program. Two electric charging units are located in front of EWU's Computing and Engineering Building and another two are located outside the campus Visitor Center. The charging stations are part of EWU's ongoing efforts to reduce costs and increase sustainability and efficiency.
- ◆ **Temporary Medical Condition Parking Permits:** In an effort to assist students and employees who have a temporary condition that impairs their mobility, EWU now offers Temporary Medical Condition (TMC) parking permits. TMC permit holders may park in any EWU parking lot or at any parking meter. TMC permit costs are modest – ranging from \$7 for a one week permit to \$56 for a 12-week permit.

- ◆ **Vanpool:** In Fall 2016 EWU performed a survey of those interested in having a vanpool program become an alternative form of travel to/from the Cheney campus. As a result, a vanpool between Airway Heights and Cheney will soon begin. There is currently no bus service directly between Airway Heights and campus, so it is a fitting choice for EWU's first vanpool. The Spokane Transit Authority will organize the vanpool which will be provided to participants at no cost. It is EWU's intent to develop more vanpools in the future.
- ◆ **Ride Share:** EWU renewed its agreement with Spokane Transit Authority (STA) to provide free bus service for all students and employees anywhere that STA offers service.



1. Applicant Tracking System

This system automated the application process for faculty and staff hiring. Applicants can create a single profile that can be used to apply for multiple positions. The system will send email notifications to applicants at various steps in the hiring process to ensure timely and informative communications. The system also collects applicant information and materials, screens applicants for minimum qualifications, and provides for paperless dissemination of application materials to search committees. The system saves time processing the applications by eliminating the need to input, print and distribute application materials. Multiple paper-based components of the previous hiring procedures were eliminated through by automating these procedures. Estimated photocopying cost savings are \$6,700 per year.

2. Time and Leave System Update

This two-year system upgrade improved the time and leave system reporting tool, including the administrative reporting structure, and the elimination of system weaknesses to allow a more user-friendly process of certifications and leave submissions. Estimated savings cannot be determined.

3. Policy Acknowledgement Checklist

This system automated the process of new employee on-boarding by allowing them to review and acknowledge the college required employment policies and procedures through the employee web portal. An electronic record of the employee's acknowledgement is retained, and administrative reporting capabilities are significantly improved. The on-boarding experience of new employees has improved and the number of employee acknowledgements has vastly increased. Estimated savings are \$1,000 per year.

4. Information Technology (IT) ticket tracking system (KACE)

This system provides integrated support to report, track, and resolve hundreds of computing-related issues each month. Instead of calling or emailing the help desk for support, users submit help tickets that can be tracked and monitored to completion. Tasks are assigned for resolution and can be escalated or re-assigned to appropriate staff, as needed. The system saves time and resources previously used to manually track requests for assistance and ensures that requests do not get lost or sidetracked. Estimated savings are \$4,500 per year.

5. IT messaging system (Slack)

This cloud-based instant messaging tool works across many devices. The IT team members can instantly create and maintain open communications about anything at all times, even when our own systems are unavailable. The platform supports the sharing of documents, links, and graphics that would not be possible via mobile phone or radio. These capabilities have allowed us to work collaboratively and efficiently to

resolve system outages. The record retention feature of Slack also allows us to store conversations for future reference. Estimated savings are \$27,000 per year.

6. Enrollment Services Customer Relations Management (CRM)

This system supports tailored, timely, and reliable communication with prospective students throughout the application and admission processes that are intended to improve services to students and increase the yield to enrollment. By eliminating the need for manual data entry of applications, the CRM implementation has allowed credential evaluators to invest more time advising students regarding the completion of application materials. The automation of the application process has also allowed admissions counselors to develop more personalized relationships with prospective students leading to improved outreach efforts. As a result, applications for admission have increased by 15% since we implemented the CRM. System implementation improved the availability and organization of data that support more sophisticated analyses and improved decision-making regarding the effectiveness and allocation of resources used in outreach and recruitment strategies. Full utilization and potential cost savings related to this tool requires major changes in past practices related to data collection, integration with existing software, and a steep learning curve for Enrollment Services staff. Full implementation of the system is targeted for the 2017–18 academic year. Estimated cost savings to date are \$20,000.

Total savings through improved operational efficiency and effectiveness initiatives: \$59,200

Selected Student Success Initiatives

1. 2011-13 biennium initiatives*	
a. Improved access to financial aid services	\$110,000
b. Improved assistive technology support	\$176,000
2. 2013-15 biennium initiatives*	
a. Enhanced Student Wellness Services	\$30,000
b. Enhanced alcohol & drug abuse prevention services	\$30,000
3. 2015-17 biennium initiatives*	
a. Added a Multicultural Advisor	\$120,000
b. Added Senior Resident Director for Student Conduct	\$98,000
c. Add Director of New Student Programs	\$160,000
d. Added Internship Coordinator	\$140,000
Total expenditures for selected student success initiatives since 2012	\$864,000

*Describes expenditures for both years of the biennium.



1. Better resources for researchers

The following resources have been added to “MyResearch” portal, which provides campus researchers with a central location for research administration tools, processes, and information.

- ◆ The Human Subjects Division (HSD) is phasing in implementation of the electronic Institutional Review Board (IRB) system called “Zipline,” which replaces a legacy paper-based process for the review and oversight of human subjects research. This technology streamlines the review process, increases transparency for researchers, and significantly enhances HSD’s reporting capability. This has allowed HSD to re-organize and reduce the average turnaround time for the most common type of IRB review by 31% as well as reducing the range of review turnaround times by 35%, with additional efficiencies being realized on an ongoing basis.
- ◆ The Office of Research has implemented an online tool called “Funding Status,” which provides campus researchers with a single portal for research sponsorship information. In comparisons between the first four months (Oct – Jan) to the most recent period (Feb – May):
 - Number of unique users on campus that have accessed MyResearch up 124%.
 - Number of unique users on campus that have used the Funding Status feature is up 159%.
 - Number of unique users on campus that have used Grant Tracker to access MyResearch Funding Status is up 580% for the period (note there was a very large usage spike in June 2016 after a renewed campus-wide communication)
- ◆ “Training Transcript,” another MyResearch tool, aggregates eight different sources of research-required training completion records into a single transcript for ease of monitoring compliance and reducing administrative burden. Since January 2016, Training Transcript usage has increased 106%, from 121 visits to 250 visits per month.

2. One Entry Point for Space Requests

The Space Strategy Team, through a web-based application process, strategically reviews all space requests (remodels, new construction, leases, etc.). Each request is reviewed, discussed, and analyzed to determine the most strategic use of space. A Capital Planning & Development contact is assigned to help applicants obtain additional information, keep them apprised of the schedule and status, and be available to provide assistance as needed.

3. Student Experience Improvements

- ◆ Student Fiscal Services (SFS) partnered with students and surveyed its staff to determine key messages for First Year Program Orientations and additional training needs. Based on this, SFS held over 100 orientations and workshops in 2015, touching over 10,000 students, parents, and UW staff. SFS also offered workshops to students in Budgeting 101, Banking in the U.S., and Tax. Additionally, SFS added

Student Database Training for departments, orientations for transfer students, and a Mandarin language option in one of the workshops. SFS received positive feedback from students, parents, and student counselors.

- ◆ First Year Programs launched U101, a 2.5 hour online pre-orientation module for first year students to complete before attending the on-campus Advising and Orientation Program. The online orientation is a collaboration of over 25 departments to identify information that students should know before coming to the Seattle campus. There was a 10% increase in the number of students who had registered for the majority of their Autumn classes by a specific deadline and an 8% increase in the number of students planning to participate in undergraduate research. In 2015, 99% of first year students completed U101 modules, including Autumn and Winter-admit freshman and transfer students.
- ◆ Undergraduate Academic Affairs, the Provost's Office, the Office of Minority Affairs & Diversity, and a number of other departments developed "Thrive" to help first year students deal with information overload, better adjust to UW life, and maximize exposure to resources and opportunities. Under "Thrive," short, weekly electronic messages focused on timely topics are sent as the quarter progresses. A pilot assessment effort was completed, including a survey designed to investigate what value, if any, students placed on the messages and whether MyUW was an effective platform for communicating content. 1,077 students (15%) responded to the survey, the results of which have informed improvements planned for the 2016-17 academic year.
- ◆ In 2015, the Libraries completed a Design Thinking project focused on transfer students. Design Thinking employs qualitative methods to inform an iterative process of rapid design and prototyping for the improvement of services and spaces. This project enabled the Libraries staff to identify transfer student needs, as well as opportunities for collaboration with First Year Programs and other campus partners to meet those needs. The Libraries will be offering additional programming and orientation activities for transfer students during fall's Dawg Daze events

4. Medical Records Process

Environmental Health & Safety and representatives of UW-affiliated healthcare organizations improved the process of documenting which health care providers have signed a release of information allowing affiliated entities to share their employee health records. The UW implemented OneDrive for Business, a secure HIPAA- and FERPA-compliant solution to allow for electronic sharing of records. Now, all UW-affiliated healthcare organizations can process shared medical staff immunization records quickly and efficiently, estimated to save 240 hours per year.

5. Sustainability Improvements

- ◆ The Paper Reduction Committee is comprised of cross-functional representatives from Seattle, Bothell and Tacoma and led by project leaders from Procurement Services and Creative Communications. It is responsible for implementing the State's mandate to reduce paper consumption by 30% and to purchase only 100% PCR white bond copy paper. Since its inception, the Committee has developed metrics to track paper reduction, implemented outreach programs and resources, and engaged campus

partners to support paper reduction efforts. The [Sustainability Dashboard](#) tracks metrics, which indicate a downward trend in aggregate paper purchased and per capita consumption.

- ◆ University of Washington Fleet Services is ranked first among the nation's 100 Best Fleets due to continuous improvement activities that center on a commitment to safety, customer service, operational excellence, and environmental sustainability. In its effort to reduce campus vehicle CO2 emissions, UW Fleet maintains optimum fleet size and composition, introducing hybrid, plug-in electric (PHEV), and all-electric vehicles (EV) when such alternative-fuel vehicles best meet customer and University needs. The fleet composition of hybrid, PHEV, and EV vehicles will grow to 22% of the fleet in 2016.
- ◆ UW Seattle Undergraduate Admissions has gone paperless, with a new online application review system for domestic freshmen implemented winter 2016, in partnership with UW-IT. The new system replaces a paper-intensive process, helping Admissions review the 28,000 domestic freshmen applications it received for autumn 2016. It provides a streamlined process supported by online forms, electronic workflow and reporting dashboards, increasing efficiency and agility, reducing paper use, and supporting the UW's ability to attract and admit high-achieving students.

6. UW Profiles

UW Profiles provides a single access point to a set of interactive web-based dashboards of core UW data. In 2016, the UW added features that allow interested parties to compare the UW with U.S. public, private and "Research 1" institutions in four key areas: graduation rates, retention rates, fall enrollment, and awards granted. These new Peer Dashboards, and the recently added Research Awards and Proposals, are available on the UW Profiles Portal, which received the business intelligence industry's most prestigious honor—The Data Warehousing Institute (TDWI) Best Practices Award. The latest dashboards were very recently published, so we are not yet able to measure the impact. However, by making this information available to stakeholders in a self-service manner, we anticipate a reduction in data requests and, thus, time savings for the Office of Planning & Budgeting.

7. UW Bothell – Faculty Space Utilization

Private faculty offices are often underutilized on university campuses, and typical office space models may not always foster interdisciplinary thinking. UW Bothell created a new model that encourages faculty to spend more time on campus in close collaboration with their colleagues. Study discussions with faculty determined that smaller enclosed offices are acceptable and even useful when the space is designed with appropriate furniture and storage. The new model is a "workgroup" model, which utilizes smaller enclosed offices grouped with other shared spaces. Shared zones outside private offices provide added amenities and collaboration space, which produce the potential for a more productive work environment. Furthermore, when measured accordingly, the new model approaches about 120 square feet per faculty member (80 square feet of enclosed office plus a prorated portion of other shared space in the suite). This is in contrast to the previous "square feet per private office" method of space allocation. Twenty-seven office spaces were constructed and occupied in 2016 using this model. UW Bothell anticipates to use this office model in future space remodels and in its Phase 4 academic building.

UW Tacoma--Leveraging Husky Card to improve access to affordable, quality food options

The University of Washington's "Husky Card" is a dynamic identification card that serves multiple functions and provide access to a variety of University services. All faculty, staff, and students are issued a Husky Card. Current Husky Card capabilities are limited to internal services/operations, generally out of Housing and Food Services. As the student population continues to grow and the Tacoma campus develops additional on-campus housing, providing accessible food options to both commuting and residential students is a high priority and concern for students and parents. Given the current number of students on campus, and particularly residential students, constructing a University owned and/or operated dining facility would not be feasible nor align with our urban serving mission. This provides a unique limitation to our Tacoma students. To address this need, UW Tacoma worked with University stakeholders to develop more holistic options and improved access to quality food/services that advance the Tacoma student educational experience and daily needs. Beginning in Summer 2017, students will be able to use their Husky Card as a safe, secure, cashless, discounted, and convenient purchasing alternative on the Tacoma campus – all within a university approved merchant network. This initiative and implementation will cost the University \$90,000 in upfront expenses and ~\$50,000 each year, which are significant savings over the construction and staffing costs associated with providing dining services (estimated at \$3-7 million in upfront costs plus \$180,000-\$400,000 in ongoing costs).

Annual Savings from HB 2585 (Chapter 230, 2012 Laws PV)

The University has realized a total annual savings of approximately \$1,850,000 as a result of the efficiencies made possible by HB 2585:

- ◆ The University saved approximately \$930,000 per year as a result of increased limits for formal and informal procurement competitions, as described in Section 4(1)(c)(iii) of the bill. These changes have impacted an estimated 8,500 transactions and reduced the amount of central- and unit-level office staff time required to complete those transactions, develop solicitation documents, and publicly post solicitations.
- ◆ The University has saved approximately \$380,000 per year by implementing direct deposit payments for employee payroll, per Section 3(2) of the bill. Since the implementation of HB 2585, we have been able to produce 2,300 fewer paper checks per pay period, or 55,200 fewer paper checks annually (a 72 percent reduction). As a result, staff time to process and distribute checks is much lower, as are expenditures for postage, envelopes and paper checks.
- ◆ The University realized approximately \$540,000 in annual savings as a result of the higher education exemption from competitive contracting requirements applicable to travel arrangements, per Section 4(1)(c)(ii). By using industry-standard practices for making travel arrangements, less staff time and effort is needed to make and pay for travel.

Investments in Student Success since FY12

Since 2012, the University has increased funding for student success initiatives by amounts that far exceed the estimated \$1,850,000 in annual savings associated with HB 2585. In FY15 alone, the UW made

permanent investments in cross-disciplinary teaching assistant activity (\$250,000 per year), an enhanced academic planning infrastructure called “MyPlan” (\$405,000 per year), increased access and improved collections at libraries (\$850,000 per year), and student health and wellness initiatives (\$240,000 per year). These investments alone total \$1,745,000 per year.

Since FY15, the UW has made other permanent investments in student success, including initiatives to maintain library collections (\$450,000 per year) and initiatives to develop student internships (\$100,000 per year). In 2014, UW Bothell consolidated various student support services into a single Student Success Center location and expanded offerings (\$462,000 per year) and has also increased staffing and support for student activities, mental health counseling, pre-major advising, and student diversity. Finally, since 2014, UW Tacoma has invested permanent funds in several new positions in career services, student health and wellness, financial aid counseling, and other areas (\$691,000 per year).

In addition to these permanent investments, the UW has made a number of student success investments using temporary fund sources. Examples include funds to develop a co-curricular data system called “My Husky Experience” (\$1,080,000), improve the undergraduate experience by expanding services to under-prepared pre-majors (\$140,000), increase instructional support for underrepresented minority students enrolled in STEM majors (\$75,000), create a tri-campus service program for student veterans (\$124,000), enhance career and internship services (\$250,000), expand library services for undergraduates (\$140,000), provide chemistry instruction to support URM students in STEM majors (\$225,000), and create a student graduation and retention initiative to address baccalaureate completion at the UW in Seattle (\$190,000).



1. **Campus Asset and Space Inventories**

Washington State University Facilities Services implemented asset inventory software that utilizes geo-spatial technologies. Thus far over 330 miles of utilities have been mapped using modern GPS methods. Previously hours or even days of research on a particular location would require searching through multiple hard copy maps and reports. Now, the information can be quickly searched geographically on web applications by staff, resulting in improved communication and labor savings on maintenance and repairs. This enhanced geographic central inventory system supports better decision making for administration related to campus planning as well.

Additionally, WSU Facility Services replaced a formerly paper-driven space inventory system with an online process. The digital environment includes space assignment reports and floor plans hosted online for individual departments to download and update. Changes to room use and assignment are now updated real time, and stored in a central database. With over 7.4 million assignable square feet in 541 buildings, with 29,243 rooms assigned to over 250 departments on the Pullman campus, the implementation of this system has promoted efficient record keeping and reporting to internal and external constituencies and added to the understanding of how the university is utilizing existing interior space.

2. **Campus predictive analytics advising tool**

WSU implemented an online advising tool in collaboration with the Education Advisory Board (EAB) that provides actual and projected student success information based on previous cohorts of students. Advisors are able to perform outreach campaigns to targeted groups of students, and students are able to schedule advising appointments online. Future developments include online referrals to student services such as tutoring, financial aid, health services and more.

3. **Laboratory Safety Database**

WSU consolidated information from several separate databases into a new coordinated database to allow for more efficient gathering, storage, querying, and reporting of research, teaching and clinical laboratory information. The database efficiently classifies laboratory hazards allowing safety and oversight resources to be directed where they are needed most and will ultimately improve emergency response time and support regulatory compliance within a flexible, updatable platform.

4. **Human Resource Tools**

A number of resources have been put in place to streamline HR processes for clients including a one-stop resource containing exemption criteria, benchmarks, title codes, compensation information, and sample position descriptions that serve to reduce the amount of time departments spend drafting position descriptions for exempt positions.

Medical leave request forms completed by employees and health care providers were converted to electronic format, increasing client ease of use and accessibility. In addition, through process modification, the number of required documents to be completed by employees and health care providers related to Family Medical Leave and Reasonable Accommodation recertification was reduced by 88%.

WSU transitioned to a more cost effective online job board platform in September 2016 resulting in savings in contract costs.

5. Goods and Services

Approximate savings in calendar year (CY) 2016 for direct buy purchases in the \$5000-\$10,000 range was \$123,000; nearly 1,200 purchases fell within this range. Since these purchases are now made at the departmental level and are not subject to the additional time and expense of the competitive process, WSU believes significant efficiencies have been gained.

The WSU Purchasing Office processed 83 purchase orders in the range of \$50,000-\$100,000 in calendar year 2016. By allowing for informal bid procedures for this range, the bill saved WSU approximately \$21,700 in staff time.

6. Personal Services

The WSU Purchasing Office processed 14 personal service contracts in the range of \$50,000-\$100,000 in CY 2016. By allowing for informal bid procedures for this range, the bill saved WSU an estimated \$3,600 in staff time.

7. Equipment Maintenance Services

WSU estimates approximately \$60,000 in savings for CY 2016 period due to the new 60-month from time of purchase service period allowed by the bill.

8. Compensation – Direct Deposit

Over 90% of WSU employees are utilizing direct deposit in fiscal year 2017. This increased from approximately 80% of employees in fiscal year 2012. WSU has not implemented alternative methods of payment such as payroll cards due to the high utilization of direct deposit.

9. Travel Arrangements

HB 2585 allowed staff to use the many travel websites that offer comparative prices as well as one-stop shopping for airfare, hotel, and car rental. Savings have likely been realized both in the travel costs themselves and staff time that is needed to research prices, make calls, and process reservations with state contracted vendors; however, these savings are difficult to isolate due to the variability of airfare and lodging costs over time as well as increases in grant funding for travel over the past several fiscal years.

10. Strategic Reallocation Project: Student Success through Transformational Change

A university wide reallocation of funds in FY 2016 directed \$7.3M over five years toward student success initiatives. Two proposals will scale up best practices developed and tested for freshmen and upperclassmen. The freshmen program builds resilience, purpose and growth through faculty support and

parental interventions, while the program for third and fourth-year students integrates peer mentoring, programming and advising to move students into increasingly experiential learning opportunities.

11. Major Student Success Initiatives

The Education Advisory Board (EAB) – Student Success Campus predictive analytics advising tool provides actual and projected student success information to advisors based on previous cohorts of students, allows advisors to perform outreach campaigns to targeted groups of students, and enables students to schedule advising appointments online.

Another EAB tool, the EAB Guide app for students, will provide students with just-in-time critical information at key points in the semester and will prompt them to use student success resources on campus tailored to their needs and interests. A pilot group will launch in spring of 2017 and University-wide release is expected in fall of 2017.

12. Federally-funded Student Success Initiatives

The ATLAS College of Education program provides programming, support and advising for aspiring teachers.

The Invest in Success savings program for low-income students matches savings from their wages at a 400% interest rate (up to \$4,000 in matching funds), and provides financial literacy and education for those students.

WSU was selected to participate in the OpenStax partnership, giving WSU faculty access to more than 20 textbooks, primarily geared toward general education courses. OpenStax books are available digitally at no cost to students, and in print for approximately \$30 to \$60 each.

13. Advising

The University Academic Advising Executive Council was created to provide oversight to advising across all campuses.

An equitable advising model directs precious advisor time to the students who need it most, rather than spreading it far too thinly among all advisees. This maximizes the effectiveness of resources. A pilot program for about 60 students in 2016-17 decouples advising from registration for students who have 30 to 90 credits earned at WSU.



1. Admissions

- ◆ Launched a new Early Action (EA) admission application cycle, allowing us to engage with highly motivated students in an earlier timeline for admission and scholarship notifications.
- ◆ Automated the import of over 10,000 supporting documents from high schools and colleges as part of the application review process, saving hundreds of staff hours per year.
- ◆ Streamlined an automatic interface to import prospective student data from third-party vendors (College Board, ACT, Chegg, etc.) into our systems, which will allow for prospective students to more quickly receive marketing information, such as how to apply, or visit campus and the Bellingham region.
- ◆ Piloted a program to utilize a state vehicle on a year-long lease in lieu of renting cars through rental companies, saving staff time (pick-up/drop-off trips to rental agencies, making reservations, submitting POs and receipts, etc.) and reducing annual rental car/fuel costs by approximately \$2,000.

2. E-Markets

E-Markets is an Amazon-like tool used to collect payment for registrations, events, t-shirt sales, sports camps, etc. Western began using this tool throughout campus in fiscal year (FY) 2013 to reduce, if not eliminate the need for collecting payments manually. The program has grown from 1,867 transactions totaling \$213,737 in FY 2013 to 52,677 transactions totaling \$5,926,920 in FY 2016. This transition from receiving manual payments has provided greater security and improved internal control and saved hundreds of staff hours per year throughout the university.

3. Financial Aid

Updated and simplified the student Financial Aid Award Letter to present a clear, concise understanding of Western's award offer, eliminating unnecessary fliers and oversized envelopes. This has resulted in annual savings of supplies and postage of approximately \$21,000, and reduced staff time by over 200 hours per year.

4. Mail Services

Installed an internal parcel tracking system through which all parcels are scanned, staged for delivery, and distributed to the appropriate campus location. The system implementation has saved many hours that have been redirected into core operations.

5. Parking Services

- ◆ Implemented online Citation Appeal system, which allows appellants to appeal citations online and attach supporting documentation using a computer, tablet or mobile device. The system eliminates

manual data entry and provides staff additional time to evaluate the appeals. In addition, increased transparency minimizes multiple phone calls to appellants, speeding up the appeal process.

- ◆ Implemented License Plate-Enabled Parking (LEP) for the entire campus, utilizing license plate recognition software (LPR), new solar-powered pay stations and pay-by-cell technologies. The system streamlined and automated many manual processes, increased access to campus, improved customer service, and eliminated the need to wait in line to purchase parking permits. LEP implementation has eliminated the need to print and distribute parking permits, resulting in annual savings of approximately \$42,000.

6. Travel Services

Implemented a travel booking tool for air, hotel and rental cars in partnership with UW. The tool leverages existing contracts as well as new agreements with travel vendors including better international airfare rates, lodging discounts and competitive booking fees. The tool also provides internal control at the point of purchase with built in approval routing, reducing the need for reimbursements.

7. Goods and Services

Removing the formal, sealed bid requirement for purchases less than \$100,000 and utilizing the much less complicated informal quote process has been very effective for Western. A formal bid process requires hours of labor during preparation, implementation, and the eventual evaluation of quotes. Prior to this legislation a bid project for \$10,000 could take nearly the same time to process as a larger, high dollar project. Removing the formal requirement for purchases of less than \$100,000 has reduced the overall processing time for these non-formal bids from three weeks to less than one week (and sometimes within a single day). In addition, the formal bid process requires an average of 18 hours within the Procurement/Contracts department and an average of 2 hours in the department requesting the bid, whereas a non-formal bid process averages less than two total hours to complete. This has resulted in approximately \$9,000 in savings per year since 2012.

8. Personal Services

Western has generally continued to use the competitive solicitation method for personal service contracts, as the cost of the project is unknown at the start of the project and many of these contracts result in multi-year terms with the total contract price exceeding \$100,000. Western will utilize the exemption from competitive solicitation requirement for personal service contracts in cases where the total contract cost is determinable up-front to be less than \$100,000.

9. Equipment Maintenance Services

Western chose not to utilize this opportunity due to potential changes in the market, possible vendor issues, and budgets.

10. Compensation – Direct Deposit

Western has not put the requirement for direct deposit in place, as 96% of our employees had voluntarily chosen the direct deposit payroll method.

11. Travel Arrangements

In the immediate aftermath of enacting this legislation, many campus users began using the online travel agencies (Orbitz, Expedia, etc.), as the experience with contracted travel agency providers was slow, clumsy, and inefficient. In the years since the legislation, Western has experienced annual savings of approximately \$10,000 through using the online travel agencies. Recently the contracted providers have changed their business model to include electronic payment options, additional services and enhanced customer service to the traveler. The University continues to have travelers use online travel agencies when booking travel needs but with the new, efficient, and enhanced services and value available from competitive contracted providers, Western's Travel Office is actively promoting their use.

12. Freshman Interest Group (FIG) program expansion

The FIG program has expanded over the last several years as a cost-effective means of increasing student retention. At Western, as at most universities, more students stop out between the first and second year than at any other time in a college career. Consequently, our academic efforts to foster student success focus particularly closely on improving student engagement and achievement in the first year. To this end, we have piloted, offered and assessed a variety of Academic First-Year programs, including First Year Experience seminars, General Education "Strands," our Distinguished Scholar programs, and Viking Launch, our fall early start program for new students. The largest such program is our Freshman Interest Group program (FIG), which provides recommended clusters of three thematically-connected courses that groups of 25 students take together as a cohort. The cluster includes two large general education courses and a small 25-person seminar. The seminar provides integrated, college-success activities and a small, discussion-based format in which the cluster theme or essential question can be explored in an inquiry-based fashion.

Over the last 10 years, rates of first to second-year retention for students who participate in the FIG program have been consistently higher than average, and much higher than predicted by academic preparation. Compared to non-participants FIG program students earn higher fall grades, fail fewer fall courses, earn more fall credits, report more satisfaction with Western, and are more likely to be retained to their sophomore year. Following an evidence-based model, we have directed both state and self-support resources to rapidly expand the FIG program so that more students can share in its benefits. More than 550 new students are currently enrolled in FIG clusters, compared to 300 student participants in 2011. This program creates efficiencies by increasing rates of retention and graduation. That is, total dollars cost per graduate falls because there are more graduates and fewer state resources spent on students who do not progress and graduate. The cost of the program is approximately \$150,000 per year. Additionally, \$60,000 in administrative costs have been eliminated and redirected into instruction.

13. Student Success Collaborative (SSC)

SSC is a data-analytics and advising platform designed to identify pathways to graduation and to achieve efficiency by focusing advising and support services to those most at risk for major declaration and degree completion. The tool enables SSC users to identify those students who are "off path" with the potential to intervene earlier, before academic tragedy occurs. Targeted outreach campaigns have been utilized to reach various sub-groups of students for purposes of earlier major declaration, improving time

to degree, and engaging high performing students who might be a retention risk. The annual investment in the SSC tool is \$122,750.

14. Tutoring Center Services

Research has shown that first year retention is higher for students who utilize Tutoring Center services versus those that do not and that retention is most pronounced for students of color, first generation students, and Pell-eligible students. In 2011, the Tutoring Center moved to a more visible location on campus in Wilson Library. Since that move demand for services has grown quite dramatically while space and staffing needs have not kept pace. While not sustainable without additional funding support, some measures have been put in place to help alleviate the most pressing matters. These include changes in service hours, tutor facilitated study groups for courses with high tutoring demand as opposed to individual support, and the re-design of some space to provide for more group study. Funds in the amount of \$38,000 were rebased internally to provide additional short-term tutoring support and help relieve service demands.

15. Other Student Success Efforts

- ◆ **15 Gets You There:** Research shows that students who take 15 credits on average each quarter perform better academically, save money, and graduate in a timelier manner. Data on Western students indicates that many students are registering at credit loads below 15. In fall 2016, Western launched a new campaign, 15 Gets You There, to educate students about these research findings. Credit load data will be monitored to determine the effectiveness of this campaign.
- ◆ **Academic Care Team:** This team is comprised of representatives from several University departments who meet regularly to examine student circumstances and academic issues needing collaborative input and action from more than one department while building institutional context in order to respond to the academic needs of students in departmental initiatives. This team conducts outreach and builds connections with students who are struggling academically.
- ◆ **Student Outreach Services – Advising Support:** One Academic Support Coordinator from Student Outreach Services is now working full-time in a satellite office in Western’s Ethnic Student Center. This placement has allowed for greater access to advising support in a location where students are visiting for multiple purposes.
- ◆ **University Residences - Residence Education Model:** Resident Assistants facilitate 1:1 reflective conversations 4 times a year with each of the residents assigned to their living area. These intentional discussions cover issues of roommate dialogues, academics, social identity, and personal reflection.

Appendix A: Legislation

CERTIFICATION OF ENROLLMENT

THIRD SUBSTITUTE HOUSE BILL 2585

Chapter 230, Laws of 2012

(partial veto)

62nd Legislature
2012 Regular Session

HIGHER EDUCATION--EFFICIENCIES

EFFECTIVE DATE: 06/07/12

Passed by the House March 7, 2012
Yeas 56 Nays 41

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate February 29, 2012
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved 03/30/12, 11:55 a.m., with the exception
of Section 2 which is vetoed.

CHRISTINE GREGOIRE

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **THIRD SUBSTITUTE HOUSE BILL 2585** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED
March 30, 2012

**Secretary of State
State of Washington**

Governor of the State of Washington

THIRD SUBSTITUTE HOUSE BILL 2585

AS AMENDED BY THE SENATE

Passed Legislature - 2012 Regular Session

State of Washington

62nd Legislature

2012 Regular Session

By House Ways & Means (originally sponsored by Representatives Springer, Haler, Eddy, Seaquist, and Zeiger)

READ FIRST TIME 02/07/12.

AN ACT Relating to creating efficiencies for institutions of higher education; amending RCW 43.88.160, 41.06.157, 41.04.240, and 43.88.150; reenacting and amending RCW 28B.10.029 and 28B.15.031; and creating a new section.

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

Sec. 1 RCW 43.88.160 and 2006 c 1 s 6 are each amended to read as follows:

This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this chapter shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

(1) Governor; director of financial management. The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for central accounts in the office of financial management at the level of detail deemed necessary by the director to perform central financial management. The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter. An agency may receive a waiver from complying with this requirement if the waiver is approved by the director. Waivers expire at the end of the fiscal biennium for which they are granted. The director shall forward notice of waivers granted to the appropriate legislative fiscal committees. The director of financial management may require such financial, statistical, and other reports as the director deems necessary from all agencies covering any period.

(2) Except as provided in chapter 43.88C RCW, the director of financial management is responsible

for quarterly reporting of primary operating budget drivers such as applicable workloads, caseload estimates, and appropriate unit cost data. These reports shall be transmitted to the legislative fiscal committees or by electronic means to the legislative evaluation and accountability program committee. Quarterly reports shall include actual monthly data and the variance between actual and estimated data to date. The reports shall also include estimates of these items for the remainder of the budget period.

(3) The director of financial management shall report at least annually to the appropriate legislative committees regarding the status of all appropriated capital projects, including transportation projects, showing significant cost overruns or underruns. If funds are shifted from one project to another, the office of financial management shall also reflect this in the annual variance report. Once a project is complete, the report shall provide a final summary showing estimated start and completion dates of each project phase compared to actual dates, estimated costs of each project phase compared to actual costs, and whether or not there are any outstanding liabilities or unsettled claims at the time of completion.

(4) In addition, the director of financial management, as agent of the governor, shall:

(a) Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by classes of agencies, depending on the level of resources at risk.

Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the institute of internal auditors;

(b) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of manpower and materials; and the director shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(c) Establish policies for allowing the contracting of child care services;

(d) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(e) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: **PROVIDED**, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications requirements for recruitment, appointment, or promotion of employees of any agency. The director shall advise and confer with agencies including appropriate standing committees of the legislature as may be designated by the speaker of the house and the president of the senate regarding the fiscal impact of such plans and may amend or alter the plans, except that for the following agencies no amendment or alteration of the plans may be made without the approval of the agency concerned: Agencies headed by elective officials;

(f) Fix the number and classes of positions or authorized employee years of employment for each agency and during the fiscal period amend the determinations previously fixed by the director except that the director shall not be empowered to fix the number or the classes for the following: Agencies headed by elective officials;

(g) Adopt rules to effectuate provisions contained in (a) through (f) of this subsection.

(5) The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: **PROVIDED**, That this subsection shall not apply

to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Receive, disburse, or transfer public funds under the treasurer's supervision or custody;

(c) Keep a correct and current account of all moneys received and disbursed by the treasurer, classified by fund or account;

(d) Coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180;

(e) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management. These forms or alternative means shall provide for authentication and certification by the agency head or the agency head's designee that the services have been rendered or the materials have been furnished; or, in the case of loans or grants, that the loans or grants are authorized by law; or, in the case of payments for periodic maintenance services to be performed on state owned equipment, that a written contract for such periodic maintenance services is currently in effect; and the treasurer shall not be liable under the treasurer's surety bond for erroneous or improper payments so made. When services are lawfully paid for in advance of full performance by any private individual or business entity other than equipment maintenance providers or as provided for by RCW 42.24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of (~~general administration~~) enterprise services but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services. No payments shall be made in advance for any equipment maintenance services to be performed more than twelve months after such payment except that institutions of higher education as defined in RCW 28B.10.016 may make payments in advance for equipment maintenance services to be performed up to sixty months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or the agency head's designee in accordance with (~~regulations~~) rules issued pursuant to this chapter. Nothing in this section shall be construed to permit a public body to advance funds to a private service provider pursuant to a grant or loan before services have been rendered or material furnished.

(6) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end the auditor may, in the auditor's discretion, examine the books and accounts of any agency, official, or employee charged with the receipt, custody, or safekeeping of public funds. Where feasible in conducting examinations, the auditor shall utilize data and findings from the internal control system prescribed by the office of financial management. The current post audit of each agency may include a section on recommendations to the legislature as provided in (c) of this subsection.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make the auditor's official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include determinations as to whether agencies, in making expenditures, complied with the laws of this state. The state auditor is authorized to perform or participate in performance verifications and performance audits as expressly authorized by the legislature in the omnibus biennial appropriations acts or in the

performance audit work plan approved by the joint legislative audit and review committee. The state auditor, upon completing an audit for legal and financial compliance under chapter 43.09 RCW or a performance verification, may report to the joint legislative audit and review committee or other appropriate committees of the legislature, in a manner prescribed by the joint legislative audit and review committee, on facts relating to the management or performance of governmental programs where such facts are discovered incidental to the legal and financial audit or performance verification. The auditor may make such a report to a legislative committee only if the auditor has determined that the agency has been given an opportunity and has failed to resolve the management or performance issues raised by the auditor. If the auditor makes a report to a legislative committee, the agency may submit to the committee a response to the report. This subsection (6) shall not be construed to authorize the auditor to allocate other than de minimis resources to performance audits except as expressly authorized in the appropriations acts or in the performance audit work plan. The results of a performance audit conducted by the state auditor that has been requested by the joint legislative audit and review committee must only be transmitted to the joint legislative audit and review committee.

(d) Be empowered to take exception to specific expenditures that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public record, including disclosure to the agency concerned and to the director of financial management. It shall be the duty of the director of financial management to cause corrective action to be taken within six months, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110. The director of financial management shall annually report by December 31st the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The director of financial management shall include in the audit resolution report actions taken as a result of an audit including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services.

(e) Promptly report any irregularities to the attorney general.

(f) Investigate improper governmental activity under chapter 42.40 RCW.

~~((g))~~ In addition to the authority given to the state auditor in this subsection (6), the state auditor is authorized to conduct performance audits identified in RCW 43.09.470. Nothing in this subsection (6) shall limit, impede, or restrict the state auditor from conducting performance audits identified in RCW 43.09.470.

(7) The joint legislative audit and review committee may:

(a) Make post audits of the financial transactions of any agency and management surveys and program reviews as provided for in chapter 44.28 RCW as well as performance audits and program evaluations. To this end the joint committee may in its discretion examine the books, accounts, and other records of any agency, official, or employee.

(b) Give information to the legislature or any legislative committee whenever required upon any subject relating to the performance and management of state agencies.

(c) Make a report to the legislature which shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs, and generally for an improved level of fiscal management.

**Sec. 2 RCW 41.06.157 and 2011 1st sp.s. c 43 s 411 are each amended to read as follows:*

(1) To promote the most effective use of the state's workforce and improve the effectiveness and efficiency of the delivery of services to the citizens of the state, the director shall adopt and maintain a comprehensive classification plan for all positions in the classified service. The classification plan must:

(a) Be simple and streamlined;

(b) Support state agencies in responding to changing technologies, economic and social conditions, and the needs of its citizens;

(c) Value workplace diversity;

(d) Facilitate the reorganization and decentralization of governmental services;

(e) Enhance mobility and career advancement opportunities; and

(f) Consider rates in other public employment and private employment in the state.

(2) An appointing authority and an employee organization representing classified employees of the appointing authority for collective bargaining purposes may jointly request the human resources director to initiate a classification study.

(3) For institutions of higher education and related boards, the director may adopt special salary ranges to be competitive with positions of a similar nature in the state or the locality in which the institution of higher education or related board is located.

(4) For health care classifications, institutions of higher education may implement higher education health care special pay plans to be competitive with positions of a similar nature in the locality in which the institution of higher education is located. In administering a special pay plan, institutions may authorize compensation changes including but not limited to increases in salary ranges, new top steps in salary ranges, premium pay, and adjustments for community practice. Such special pay plans are not subject to director approval or adoption; however, institutions of higher education shall report annually to the director actions they have taken under the provisions of this section.

(5) The director may undertake salary surveys of positions in other public and private employment to establish market rates. Any salary survey information collected from private employers which identifies a specific employer with salary rates which the employer pays to its employees shall not be subject to public disclosure under chapter 42.56 RCW.

**Sec. 2 was vetoed. See message at end of chapter.*

Sec. 3 RCW 41.04.240 and 1977 ex.s. c 269 s 1 are each amended to read as follows:

(1) Except with regard to institutions of higher education as defined in RCW 28B.10.016, any official of the state or of any political subdivision, municipal corporation, or quasi-municipal corporation authorized to disburse funds in payment of salaries and wages of employees is authorized upon written request of at least twenty-five employees to pay all or part of such salaries or wages to any financial institution for either: ~~((1))~~ (a) Credit to the employees' accounts in such financial institution; or ~~((2))~~ (b) immediate transfer therefrom to the employees' accounts in any other financial institutions ~~((: PROVIDED, That))~~.

(2) In disbursing funds for payment of salaries and wages of employees, institutions of higher education as defined in RCW 28B.10.016 are authorized to require the following payment methods:

(a) For employees who have an account in a financial institution, payment to any financial institution for either: (i) Credit to the employees' accounts in such financial institution; or (ii) immediate transfer therefrom to the employees' accounts in any other financial institutions; and

(b) For employees who do not have an account in a financial institution, payment by alternate

methods such as payroll cards.

(3) Nothing in this section shall be construed as authorizing any employer to require the employees to have an account in any particular financial institution or type of financial institution. A single warrant may be drawn in favor of such financial institution, for the total amount due the employees involved, and written directions provided to such financial institution of the amount to be credited to the account of an employee or to be transferred to an account in another financial institution for such employee. The issuance and delivery by the disbursing officer of a warrant in accordance with the procedure set forth herein and proper indorsement thereof by the financial institution shall have the same legal effect as payment directly to the employee.

For the purposes of this section "financial institution" means any bank or trust company established in this state pursuant to chapter 2, Title 12, United States Code, or Title 30 RCW, and any credit union established in this state pursuant to chapter 14, Title 12, United States Code, or chapter 31.12 RCW, and any mutual savings bank established in this state pursuant to Title 32 RCW, and any savings and loan association established in this state pursuant to chapter 12, Title 12, United States Code, or Title 33 RCW.

Sec. 4 RCW 28B.10.029 and 2011 1st sp.s. c 43 s 303 and 2011 c 198 s 1 are each reenacted and amended to read as follows:

(1)(a) An institution of higher education may exercise independently those powers otherwise granted to the director of enterprise services in chapter 43.19 RCW in connection with the purchase and disposition of all material, supplies, services, and equipment needed for the support, maintenance, and use of the respective institution of higher education.

(b) Property disposition policies followed by institutions of higher education shall be consistent with policies followed by the department of enterprise services.

(c)(i) Except as provided in (c)(ii) and (iii) of this subsection, purchasing policies and procedures followed by institutions of higher education shall be in compliance with chapters 39.19, 39.29, and 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917, 43.19.1937, 43.19.685, 43.19.700 through 43.19.704, and 43.19.560 through 43.19.637.

(ii) Institutions of higher education may use all appropriate means for making and paying for travel arrangements including, but not limited to, electronic booking and reservations, advance payment and deposits for tours, lodging, and other necessary expenses, and other travel transactions based on standard industry practices and federal accountable plan requirements. Such arrangements shall support student, faculty, staff, and other participants' travel, by groups and individuals, both domestic and international, in the most cost-effective and efficient manner possible, regardless of the source of funds.

(iii) Formal sealed, electronic, or web-based competitive bidding is not necessary for purchases or personal services contracts by institutions of higher education for less than one hundred thousand dollars. However, for purchases and personal services contracts of ten thousand dollars or more and less than one hundred thousand dollars, quotations must be secured from at least three vendors to assure establishment of a competitive price and may be obtained by telephone, electronic, or written quotations, or any combination thereof. As part of securing the three vendor quotations, institutions of higher education must invite at least one quotation each from a certified minority and a certified woman-owned vendor that otherwise qualifies to perform the work. A record of competition for all such purchases and personal services contracts of ten thousand dollars or more and less than one hundred thousand dollars must be documented for audit purposes.

(d) Purchases under chapter 39.29, 43.19, or 43.105 RCW by institutions of higher education may be made by using contracts for materials, supplies, services, or equipment negotiated or entered into by, for,

or through group purchasing organizations.

(e) The community and technical colleges shall comply with RCW 43.19.450.

(f) Except for the University of Washington, institutions of higher education shall comply with RCW 43.19.769, 43.19.763, and 43.19.781.

(g) If an institution of higher education can satisfactorily demonstrate to the director of the office of financial management that the cost of compliance is greater than the value of benefits from any of the following statutes, then it shall be exempt from them: RCW 43.19.685 and 43.19.637.

(h) Any institution of higher education that chooses to exercise independent purchasing authority for a commodity or group of commodities shall notify the director of enterprise services. Thereafter the director of enterprise services shall not be required to provide those services for that institution for the duration of the enterprise services contract term for that commodity or group of commodities.

(2) The council of presidents and the state board for community and technical colleges shall convene its correctional industries business development advisory committee, and work collaboratively with correctional industries, to:

(a) Reaffirm purchasing criteria and ensure that quality, service, and timely delivery result in the best value for expenditure of state dollars;

(b) Update the approved list of correctional industries products from which higher education shall purchase; and

(c) Develop recommendations on ways to continue to build correctional industries' business with institutions of higher education.

(3) Higher education and correctional industries shall develop a plan to build higher education business with correctional industries to increase higher education purchases of correctional industries products, based upon the criteria established in subsection (2) of this section. The plan shall include the correctional industries' production and sales goals for higher education and an approved list of products from which higher education institutions shall purchase, based on the criteria established in subsection (2) of this section. Higher education and correctional industries shall report to the legislature regarding the plan and its implementation no later than January 30, 2005.

(4)(a) Institutions of higher education shall set as a target to contract, beginning not later than June 30, 2006, to purchase one percent of the total goods and services required by the institutions each year produced or provided in whole or in part from class II inmate work programs operated by the department of corrections. Institutions of higher education shall set as a target to contract, beginning not later than June 30, 2008, to purchase two percent of the total goods and services required by the institutions each year produced or provided in whole or in part from class II inmate work programs operated by the department of corrections.

(b) Institutions of higher education shall endeavor to assure the department of corrections has notifications of bid opportunities with the goal of meeting or exceeding the purchasing target in (a) of this subsection.

NEW SECTION. Sec. 5 By January 1, 2017, institutions of higher education as defined in RCW 28B.10.016 must report to the legislature and the governor on: (1) The amount of savings resulting from use of the higher education provisions of this act; and (2) the manner in which such savings were used to promote student academic success.

Sec. 6 RCW 28B.15.031 and 2011 1st sp.s. c 10 s 2 and 2011 c 274 s 2 are each reenacted and amended to read as follows:

(1) The term "operating fees" as used in this chapter shall include the fees, other than building fees,

charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, technology and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That a minimum of five percent of operating fees shall be retained by the four-year institutions of higher education that increase tuition for resident undergraduate students above assumed tuition increases in the omnibus appropriations act, a minimum of four percent of operating fees shall be retained by four-year institutions of higher education that do not increase tuition for resident undergraduates above assumed increases in the omnibus appropriations act, and a minimum of three and one-half percent of operating fees shall be retained by the community and technical colleges for the purposes of RCW 28B.15.820. At least thirty percent of operating fees required to be retained by the four-year institutions for purposes of RCW 28B.15.820 shall be used only for the purposes of RCW 28B.15.820(10).

(2) In addition to the three and one-half percent of operating fees retained by the institutions under subsection (1) of this section, up to three percent of operating fees charged to students at community and technical colleges shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The percentage to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed three percent of the operating fees collected each year.

(3) Local operating fee accounts shall not be subject to appropriation by the legislature ~~((or))~~ but shall be subject to allotment procedures by budget program and fiscal year under chapter 43.88 RCW.

Sec. 7 RCW 43.88.150 and 2011 1st sp.s. c 50 s 948 are each amended to read as follows:

(1) For those agencies that make expenditures from both appropriated and nonappropriated funds for the same purpose, the governor shall direct such agencies to charge their expenditures in such ratio, as between appropriated and nonappropriated funds, as will conserve appropriated funds. ~~((This subsection does not apply to))~~ For institutions of higher education, as defined in RCW 28B.10.016, ((except during the 2011-2013 fiscal biennium)) this subsection applies only to operating fee accounts.

(2) Unless otherwise provided by law, if state moneys are appropriated for a capital project and matching funds or other contributions are required as a condition of the receipt of the state moneys, the state moneys shall be disbursed in proportion to and only to the extent that the matching funds or other contributions have been received and are available for expenditure.

(3) The office of financial management shall adopt guidelines for the implementation of this section. The guidelines may account for federal matching requirements or other requirements to spend other moneys in a particular manner.

Passed by the House March 7, 2012.

Passed by the Senate February 29, 2012.

Approved by the Governor 03/30/12, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 30, 2012.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2, Third Substitute House Bill 2585 entitled:

"AN ACT Relating to creating efficiencies for institutions of higher education."

Section 2 allows institutions of higher education to implement higher education health care special pay plans without the approval of the State Human Resources Director. Higher education health care special pay plans have existed for many years and the institutions do an excellent job in demonstrating the need for special pay ranges to be competitive with positions of a similar nature in the locality of the institutions. However, review of special pay plans by the State Human Resources Director prior to implementation is a necessary step to assess the impact of special pay ranges to the state's compensation structure. Only the State Human Resources Director can provide this enterprise wide perspective.

For this reason, I am vetoing Section 2 of Third Substitute House Bill 2585.

However, I appreciate the needs of institutions to find efficiencies in this process. Therefore, I am directing the State Human Resources Director to work with institutions of higher education to identify opportunities at the administrative level to streamline the process for reviewing special pay plans.

With the exception of Section 2, Third Substitute House Bill 2585 is approved."