

W A S H I N G T O N
H I G H E R
EDUCATION
C O O R D I N A T I N G B O A R D

June 2005

Minutes of April 5 Meeting

HECB Members Present

Mr. Bob Craves, chair
Ms. Roberta Greene, vice chair
Mr. Gene Colin, secretary
Mr. Jesus Hernandez
Mr. Anthony Rose
Sen. Betti Sheldon
Mr. Herb Simon
Mr. Sam Smith

Board introductions

Roberta Greene, vice chair, opened the meeting and served as chair until Chairman Bob Craves' arrival. Bill Grinstein and Mike Worthy were both out-of-state and excused from the meeting.

Board action on consent agenda items

ACTION: **Gene Colin** moved to approve the minutes of the March 4 board meeting.
Herb Simon seconded the motion, which was passed unanimously.

ACTION: **Gene Colin** made a motion, seconded by **Jesus Hernandez**, to approve the new institutional accountability framework presented to the board in March (**Res. 05-04**). The motion was unanimously passed with one abstention from **Betti Sheldon**.

ACTION: A motion was made by **Gene Colin** and seconded by **Sam Smith** to approve a new Bachelor of Arts in Biological Psychology at Western Washington University (**Res. 05-05**). The motion was unanimously approved.

GEAR UP2 grant

The HECB is partnering with the Office of the Governor, the University of Washington, and the Washington Education Foundation to apply to the U.S. Department of Education for a six-year GEAR UP federal grant that would continue the state's work to encourage at-risk students to attend college. Students in GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) receive a range of supportive services, including mentoring, tutoring during middle and high school, and scholarships. Staff are requesting board approval to assume responsibility for administrative and fiscal oversight related to the grant.

Because of the partnership between the state GEAR UP Project and the Washington Education Foundation, Smith, who sits on the board of the Washington Education Foundation, recused himself from the discussion. (Craves is president and CEO of the Foundation, but was not present at this portion of the meeting.)

GEAR UP has hosted several "Summer Institutes" at the University of Washington, allowing nearly 4,000 students to experience life on a college campus. Hernandez asked if students in eastern Washington have the same opportunity to participate in the GEAR UP program.

Jane Sherman, WSU vice provost, clarified that in addition to the state-run program, some institutions in the area (WSU and CWU for instance) have their own GEAR UP programs for at-risk students in that part of the state.

ACTION: Herb Simon made a motion, seconded by Jesus Hernandez, to adopt staff recommendations on the GEAR UP2 grant (**Res. 05-06**). The motion passed with one abstention (Sam Smith).

Executive Director's Report

Jim Sulton, executive director, introduced Pat Callan, president of the National Center for Public Policy and Higher Education.

Measuring Up 2004 - Washington State report card

Callan gave a brief overview of the national report, and then compared Washington's performance with other states based on several categories:

Preparation	B-	Relatively good compared to other states.
Participation	C	Weak; gap between low- and high-income students continues to widen.
Affordability	F	Poor; colleges are becoming less affordable.
Completion	A-	Good, but success is due in part to the practice of rationing admission to those students who are most likely to succeed.
Benefits	A-	Good; however, Washington relies heavily on the importation of educated workers. There is concern about Washington residents

not having access to sufficient education that would qualify them for higher wage jobs.

(Greene welcomed Chairman Craves to the meeting, and then called for questions.)

Craves asked how completion was tracked for transfer students going from two-year to four-year colleges. Callan said national data systems collect this data from two- and four-year, public and private institutions. There are some issues in Washington related to how Running Start data is sometimes reported by community colleges. Although tracking students is difficult because of privacy concerns, Callan said Washington has better data than the country as a whole.

Craves asked Callan if he had any ideas for improving affordability. Craves discussed the lack of public support for I-884 and asked whether other states were involved with strategies that might work in Washington.” Callan responded to what he views as a three-part problem that must be addressed simultaneously: (1) questioning what government should pay, (2) looking at what colleges and universities should contribute by increasing effectiveness and efficiency, and (3) what is fair to ask students to pay. Callan also spoke about Washington’s success with financial aid programs.

Hernandez commented that other countries have had double-digit gains in participation, while the U.S. remains stagnant, according to *Measuring Up 2004*. He asked if there is anything relevant that could be learned from other countries. Callan said the economic imperative plays a key role and other governments are under pressure; a connection that has not been made in the United States. He said that we need to do a better job of educating more people. Part of the issue is our definition of the problem.

Smith asked about the trend of affordability and tuition increases. Callan said he has observed trends of political backlash (i.e. raising tuition during times of recession). This dilemma occurs when tuition is increased to the point where it places an *unreasonable* burden on the middle class. Protests by those who are most affected lead to cutbacks and freezes when the economic cycle improves -- at a time when people could better afford tuition increases. Callan said the problem is the lack of a consistent funding policy. Callan also said he is a skeptic of the “high tuition, high aid” model.

Sulton said Washington State is still being criticized for having a disintegrated higher education policy, where tuition policy is separate from financial aid policy. Sulton said the board’s strategic master plan attempted to make the same point, however, the fact remains that the HECB is a coordinating body, rather than a governing board. “What should we do?” Sulton asked. Callan acknowledged pressure for higher education boards to respond to institutional needs. Tuition increases, financial aid increases, and subsidies for the middle class need to be balanced. Callan said that Washington has incrementally pushed in the right direction. Still, the country and the states do not know how they will pay for higher education needs.

In summary, Callan observed that Washington State has made little progress in increasing student participation, and that education has become even less affordable. He said the state also lacks a coherent tuition policy. Policy leaders must devise a system of financing higher education that allocates responsibilities among the state, colleges and universities, and families.

State funding, college efficiency/accountability and tuition policies must balance if we are to create a viable higher education funding system in the state.

BCTI closure

Sulton concluded his report to the board by discussing the recent closure of the Business Career Training Institute (BCTI). BCTI currently owes the state a repayment of State Need Grant funds in excess of \$50,000 that were paid for ineligible students attending the school. BCTI has admitted to falsifying enrollment tests to admit students who were not “qualified” to enroll. HECB staff have consulted the office of the State Attorney General, and are exploring whether it would be cost effective to pursue recovery of the funds.

2005-07 operating and capital budgets

Gary Benson, director of fiscal policy, compared the governor’s and the Senate operating budget proposals with the recommendations made by the board at its December meeting. Jim Reed, associate director of fiscal policy, provided similar comparisons to the proposed capital budget recommendations. The House budget had not been released. Summary totals are shown below. (Figures are in millions of dollars.)

	<u>HECB</u>	<u>Governor Gregoire</u>	<u>Senate</u>
Total Enhancements	\$400.0	\$178.1	\$221.0
Total Proposed Budget	\$3,262.2	\$3,026.0	\$3,051.0
	<u>HECB</u>	<u>Governor Gregoire</u>	<u>Senate</u>
Total Capital	\$1,036.9	\$925.5	\$927.7

Promise Scholarship

Gov. Gregoire proposed raising the maximum annual Promise Scholarship to \$1,200 per student. The Senate Higher Education Committee recommended that the program be terminated. The Senate budget proposal recommended that second-year awards be provided to 2004 high school graduates, but that no new awards would be made, starting with the class of 2005. The Senate proposal maintained that terminating the Promise Scholarship would provide \$108 million to expand the State Need Grant, providing more financial aid to low-income families.

Craves asked how the members of the board felt about the possible termination of the Promise Scholarship.

Sulton said the historical concern has been that the Promise Scholarship has never been fully funded. Herb Simon agreed that the program had not provided sufficient “promise,” and as a result, was sometimes questioned in the Legislature. Recognizing that the program, however limited, was established to help individual students, Smith suggested that the board recommend continuation of the Promise Scholarship.

Craves said he supports the idea of rewarding the top 15 percent of each graduating class, and said he would prefer that the program be expanded into a four-year scholarship with a lot more funding. He said the program provides an incentive for students to work harder in high school in order to qualify for the scholarship, and that the existing infrastructure could be expanded.

Anthony Rose agreed that the program is needed, and that it would be unfortunate to take that away from students.

Sheldon said that because middle-income families do not qualify for need-based grants or many scholarships, the Promise Scholarship is worth another look because it is open to all students, including middle-income students.

Simon asked if it will give it more “bang for the buck” if the funding is used to expand the State Need Grant program rather than Promise Scholarship. Sulton explained that expansion of the State Need Grant would serve the neediest students with lower income.

Greene commented that if the Promise Scholarship were terminated, Washington would become a state that provides nothing exceptional for its middle-income students. She agreed with Sheldon that as a state, we need to keep middle-income families in mind. Greene also stressed the importance of Callan’s presentation on affordability, and said the state should work on affordability issues, rather than eliminate the Promise Scholarship program.

Statewide advising system

Neither the governor’s budget nor the Senate proposal included the HECB’s recommendations for a statewide transfer advising system (\$1.6 million) and student-level data system (\$500,000), which is part of the strategic master plan.

Craves asked if the Legislature understood the program and how it could help students. Sulton replied that at every opportunity, staff have advocated and explained the transfer data system to the legislative higher education committees. He said that board and staff will continue to seek support from the governor and the Legislature for the proposal.

In addition, the board agreed with Sheldon’s suggestion that staff and board members schedule meetings with legislators while the Legislature is *not* in session, in order to allow more time and opportunity for more thorough briefings on board initiatives.

Legislative update

Bruce Botka, director of governmental relations and communications, briefed the board on the status of several bills progressing through the legislative process.

Future branch campus developments

Governor Gregoire endorsed HECB recommendation that WSU Vancouver and UW Tacoma become four-year universities, beginning in 2006 and 2007, respectively. The Senate basically agreed, with additional clarification. Transition to four-year status was not specifically addressed for UW Bothell, but is implied in HB 1794’s endorsement of lower-division courses and freshman/sophomore admissions. In the case of WSU Tri-Cities, freshmen and sophomores may

be admitted **only** for a biotechnology degree program, subject to HECB approval. Both UWB and WSU-TC would have approval to offer limited lower division courses linked to specific majors in fields not addressed at local community colleges.

Sheldon asked if transfer students would have the same opportunities as students who begin as freshmen or sophomores at WSUV. Botka replied that under legislative direction, transfer students would retain highest priority. In addition, WSUV maintains a very close relationship with both Clark College and Lower Columbia College.

Hernandez asked who would determine the funding level for the branch campuses – whether they would be funded at the research university level or at the comprehensive level. Botka said it would be a legislative decision with the governor's input.

Confirmation of HECB members

The Senate Higher Education Committee confirmed the appointments of Betti Sheldon, Herb Simon and Mike Worthy. Confirmations are pending for Bill Grinstein, Jesus Hernandez and Sam Smith. The board's student member, Anthony Rose, was not confirmed. His term will expire on June 30.

Craves asked about the status of legislation to extend the term of the student member position. Botka said the Senate Higher Education Committee did not take action on the bill. Currently, legislation specifies student board members will serve for one-year terms.

Foster Care Endowed Scholarship

Botka said the Foster Care Endowed Scholarship, as addressed in HB 1050, will be supported through returned unspent funds, rather than through appropriations.

Craves asked how much funding would be awarded for the foster youth. Director of Student Financial Assistance Becki Collins replied that annual funding for the grant could be as much as \$1.2 million. In addition, Collins said that many foster care youth are also eligible for the State Need Grant. The scholarship would provide funding for foster care youth who were not awarded State Need Grant.

Craves discussed the dilemma of foster youth who must work to support themselves, and are then considered independent and ineligible for financial aid because of their income. Collins explained that there is an income protection allowance for independent students within federal needs guidelines.

Affirmative action in college admissions

Greene asked about the status of legislation to allow consideration of race, ethnicity and national origin in student admission policies. Botka said the bill, which was endorsed by the Senate Higher Education Committee, does not appear to be advancing.

Applied baccalaureate degrees at community and technical colleges

Under pending legislation, three or four colleges selected by the State Board for Community and Technical Colleges would be selected to run pilot projects offering applied baccalaureate degrees, subject to HECB academic program approval.

Smith pointed out that these developments would raise issues with regional accreditation, because two-year institutions that propose to offer baccalaureate degrees must also seek approval by the Northwest Commission on Colleges and Universities. Botka said there has already been quite a bit of discussion about program accreditation needs.

Craves asked whether the proposal would mean that someone in one of those programs would potentially be able to obtain a baccalaureate degree from Bellevue Community College. Botka said there is an agreement between Eastern Washington University and Bellevue Community College to establish an administrative center that may lead to this.

Sulton called for careful study and review of the plan, as such a change could have implications on the role and mission of community and technical colleges as they relate to academic planning. Staff are currently revising HECB guidelines for new academic degree program approval and existing program review. The HECB would be required to approve the applied baccalaureate proposal, as is currently the case with the state's public four-year institutions.

Hernandez asked if the board will study these issues and make recommendations. Sulton said the board would consider the issue, particularly given the potential effect on role and mission.

Sheldon voiced concern regarding the overall direction for the state's higher education system – for example, what the system looks like, what is occurring statewide, and what the board's role should be. Sulton offered to expand on a handout regarding the “size and shape” of higher education that was presented at the board's September 2004 meeting, with a focus on the historical genesis of colleges. (The September handout showed congestion in western Washington and sparse student access in eastern Washington.) Sulton said that a combination of four-year public institutions and university centers, two-year colleges, independent colleges and universities, and for-profit institutions can appear to be haphazard, but is essentially a product of evolution. Sulton said this issue is addressed in the strategic master plan, and that, “We can't evolve forward. As we move from here, we must move conscientiously.”

Enrollment Planning

Gary Benson gave a PowerPoint presentation on the issue of enrollment planning and funding. The 2005 Legislature required the HECB to examine various enrollment alternatives, develop a simulation model, and prepare a report on the findings. More specifically, the HECB was directed to look at adjustments in enrollment levels for the next three biennia, and to consider alternatives in per-student financing.

In addition, The HECB is to explore two options: (1) increase financial aid so that students can graduate with less debt, and (2) replace state funding with a voucher system. Benson presented several key findings:

- In higher education participation, Washington ranks 22nd among all states, above the median in public and private enrollments.
- When considering only four-year institutions, Washington ranks 49th in the nation.
- Washington ranks low in graduate-level participation.

Craves asked how the state could rank 49th in overall participation if Washington is 35th in private participation and 47th in public participation. Benson said that a lot of states rank low in participation at the public institutions, but rank very high in participation at the private institutions. He said that a combination of two relatively low scores in Washington is the reason for a lower total average.

- Bringing Washington up to the 50th percentile in public undergraduate enrollment nationwide would require a 40 percent growth in enrollment.
- Bringing the state up to the 70th percentile would require an 85 percent growth in enrollment.
- Maintaining current trends would require an enrollment growth of 17,000 students between now and 2009-11.
- Growing the state's four-year system to the 50th percentile would require a total of 61,000 new enrollments, and increasing enrollment to the 75th percentile would require another 90,000 students in the four-year system.
- Over the next six years, about 60 percent of the projected growth in the total number of FTE students will be in the Puget Sound region, and 10 percent will originate from southwest Washington.

Hernandez asked Benson to elaborate on the growth percentages presented on the map, and how that growth was derived. Benson said the population growth estimates were derived from the age cohorts that are most likely to pursue higher education. Because current participation is the only indicator being tracked, the presentation examines what the state will look like if the present trend is maintained.

To maintain current participation rates, state funding would have to increase by \$437 million between now and the 2009-11 biennia. Greene asked how this information aligns with Callan's presentation. Callan had said that his study did not make policy recommendations designating the percentages that would be needed from institutions, families, and the state. Benson said that legislative direction implied that we increase state funding levels but do it based on students' contributions.

Greene said this approach is the opposite of where the state should be going. "We are putting a burden on families. As a taxpayer, I would think that the state would be looking to balance or stabilize the percentages, and adhere to that." Benson said that for a long time, the state did have a policy that tuition would be equal to 33 percent of the cost of instruction at the research universities.

Smith mentioned that the current legislative budget is leading toward increasing tuition and reducing financial aid. Sheldon explained that higher education does not have an allotment in the state budget, and that when things get tough, that piece of the pie gets smaller and smaller.

Benson presented slides that showed various tuition increases. One alternative from the model increased tuition by 30 percent, and a second alternative increased tuition by 100 percent to provide funding that could support increased enrollments.

Greene said the numbers in the simulation model create a dangerous conversation.

Hernandez asked for clarification on the model's objective. Benson said the objective is to start to get a feel for higher education parameters, what is the reality of the current system, where should we be going, and what are the tools to get there? Sulton commented that the project is a response to a specific charge from the Legislature.

Board members questioned the purpose and value of the report in relation to their responsibility as a policy-making body. Benson said that the board's opportunity to provide input to the Legislature would not come directly from this report, but from future budget recommendations.

Board members agreed on the need to relay their views to the Legislature, and suggested that the report's cover memo reflect the board's view and philosophy regarding the conclusions.

The meeting was adjourned at 2:30 p.m.



STATE OF WASHINGTON
HIGHER EDUCATION COORDINATING BOARD

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RESOLUTION NO. 05-04

WHEREAS, In its *2004 Strategic Master Plan for Higher Education* (Section 11), the Higher Education Coordinating Board states its intent to “develop and implement a higher education model that measures progress toward state goals;” and

WHEREAS, RCW 28B.276.070(1) directs the Higher Education Coordinating Board to “establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals in higher education;” and

WHEREAS, The board has reviewed the proposed framework or “system,” including plans for a new context section, common and institution-specific measures, and timeline tied to the budget cycle; and

WHEREAS, The board recognizes that targets will be presented for its review in November 2005 and that staff will begin exploring the possibility of new peer lists;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts the new statewide accountability framework.

Adopted:

April 5, 2005

Attest:

Bob Craves, Chair

Gene Colin, Secretary



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RESOLUTION NO. 05-05

WHEREAS, Western Washington University proposes to establish a Bachelor of Arts (BA) in Biological Psychology; and

WHEREAS, Few options are available within the state for students who wish to study Biological Psychology at the baccalaureate level; and

WHEREAS, The program represents an effective collaboration among departments, building on existing expertise, and course offerings to respond to a clearly stated student, employer, and community need; and

WHEREAS, The external reviews attest to the quality of the program and faculty and to the demand for this program; and

WHEREAS, The assessment and diversity initiatives are appropriate for the program; and

WHEREAS, The program would offer students the opportunity to engage in an emerging interdisciplinary field of study;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Western Washington University proposal to establish a Bachelor of Arts (BA) in Biological Psychology.

Adopted:

April 5, 2005

Attest:

Bob Craves, Chair

Gene Colin, Secretary





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RESOLUTION NO. 05-06

WHEREAS, The Office of the Governor, the Higher Education Coordinating Board, the University of Washington, and the Washington Education Foundation are forming a partnership to apply to the U.S. Department of Education for a six-year Washington State GEAR UP grant, for the purpose of improving college participation and completion rates among at-risk youth; and

WHEREAS, The role of the Higher Education Coordinating Board will be to (1) deliver direct services through contractors to at-risk students in multiple locations throughout the state; (2) reserve funds for, and administer, a scholarship program for students participating in these same programs; (3) assume administrative responsibility for the oversight of the activities of all elements of the grant; and (4) act as the state's fiscal agent for purposes of the grant;

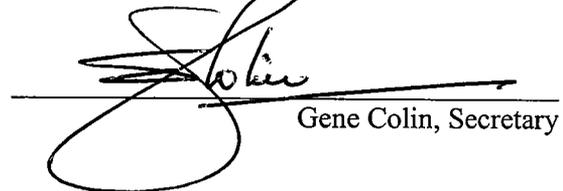
THEREFORE, BE IT RESOLVED, That pending receipt of the grant, the board authorizes the staff of the Higher Education Coordinating Board to carry out these responsibilities in accordance with the laws, rules, and guidelines established by both Washington state and the federal government.

Adopted:

April 5, 2005

Attest:


Roberta Greene, Vice Chair


Gene Colin, Secretary

