

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

PRELIMINARY BOARD MEETING AGENDA

State Investment Board Room

2100 Evergreen Park Drive, SW, Olympia 98504

October 29, 2003

*Approximate
 Times*

Tab

8:30 a.m. Continental Breakfast and Overview of Meeting Agenda
No official business will be conducted.

9:00 a.m. WELCOME AND INTRODUCTIONS

- Bob Craves, HECB Chair

CONSENT AGENDA ITEMS

Adoption of September Meeting Minutes **1**

Resolution 03-35

New Degree Programs for Approval

- **Doctor of Audiology, UW** **2**
Resolution. 03-29
- **Bachelor of Arts in Linguistics, WWU** **3**
Resolution 03-30

Adoption of Permanent Rules – Promise Scholarship **4**
Resolution # 03-31

9:15 a.m. **Work session: Draft Interim Strategic Master Plan** **5**

- Policy committee report
- Staff presentation of draft plan
- Board discussion

12:00 noon Lunch
No official business will be conducted at this time.

1:00 p.m. **Legislative Preview** **6**

1:30 p.m.	Updates on 2003-05 Budget and Revenue	7
	Institutional Supplemental Budget Requests	8
	<i>Resolution 03-32</i>	
	Proposed 2005-07 Operating and Capital Budget Guidelines	9
	<ul style="list-style-type: none"> • Rep. Gary Alexander, Capital Budget Ranking Minority Member • Institutional Comments 	
2:30 p.m.	Update on Grants:	
	<ul style="list-style-type: none"> • Teacher Training Grants 	10
	<i>Resolution # 03-33</i>	
	<ul style="list-style-type: none"> • Child Care Grants 	11
	<i>Resolution # 03-34</i>	
2:45 p.m.	Dollars for Scholars Program / Community Scholarship Matching Grants	12
	<ul style="list-style-type: none"> • Sen. Ken Jacobsen • Rick Millerick, Director for Dollars for Scholars • Sandra Greer, Public Relations Officer 	
3:15 p.m.	<u>DIRECTOR'S REPORT</u>	
	Update on Higher Education Initiatives	
	<ul style="list-style-type: none"> - National Collaborative for Postsecondary Education - Governor's Competitiveness Council - League of Education Voters 	
	PUBLIC COMMENT	
3:30 p.m.	ADJOURNMENT	

If you are a person with disability and require an accommodation for attendance, or need this agenda in an alternative format, please call the HECB at (360) 753-7800 as soon as possible to allow us sufficient time to make arrangements. We also can be reached through our Telecommunication Device for the Deaf at (360) 753-7809.

HECB 2003 Meeting Calendar

Date	Location
Dec. 3, Wed.	South Puget Sound Community College Bldg. 22, Room 200A

Washington State Higher Education Coordinating Board

HECB 2004 Meeting Calendar

Date	Location
Jan 16, Fri	State Investment Board
Feb. 17, Tues.	State Investment Board
March 25, Thurs.	State Investment Board
April 22, Thurs. <i>Board Retreat</i>	TBA
May 20, Thurs.	WSU, Vancouver
July 22, Thurs.	Eastern Washington University
Sept. 23, Thurs.	State Investment Board
Oct. 21, Thurs.	Seattle Central Community College
Dec. 9, Thurs.	Tacoma Community College

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

October 2003

Minutes of September Meeting

HECB Members Present

Mr. Bob Craves, chair
Dr. Gay Selby, vice chair
Mr. Gene Colin
Mr. Jerry Lee
Ms. Roberta Greene
Ms. Ann Ramsay-Jenkins
Mr. Herb Simon
Dr. Sam Smith
Dr. Chang Mook Sohn

Welcome and introductions

Bob Craves introduced the Board's two newest members: Jerry Lee and Sam Smith, and welcomed Ruta Fanning as HECB interim executive director.

Board officers and committees

As directed by Board bylaws, Craves proposed Ann Jenkins as new board secretary. Gay Selby will continue as vice chair and Policy Committee chair, while Roberta Greene and Herb Simon will chair the Financial Aid Committee and the Fiscal Committee, respectively.

***ACTION:** Gene Colin moved to approve Ann Jenkins' appointment as Board secretary, with a second from Roberta Greene. The motion was unanimously approved.*

WSU President V. Lane Rawlins

Pres Rawlins presented Washington State University's 2002-07 strategic plan. The plan consists of four major goals with related strategies and ways to benchmark success on enrollment, student quality, diversity, faculty and staff compensation, and others. Rawlins spoke about the constraints and challenges facing WSU due to budget reductions.

He said there will be no increase in freshmen enrollment (about 900 qualified applicants were turned away this year) and the number of students transferring from the two-year colleges will be reduced next year. Even with a 2 percent faculty salary increase factored into next year's budget, Rawlins said quality would likely suffer.

Rawlins said the state is breaking its social contract by not providing higher education opportunity for all citizens. He said higher education funding should not be discretionary; rather, institutional funding should be connected to performance. Institutions should be held accountable on their output -- e.g., research and the number of degrees produced, etc. -- while upholding quality.

He said the people of Washington must have a say in the master plan before they will accept it. The state should ask citizens to identify their higher education needs, and then address those needs.

Consent agenda items approved

ACTION: *Gene Colin* moved for consideration of all consent agenda items:

- *Minutes of the Board's July meeting*
- *2004 Board meeting calendar*
- *Two new degree programs: BA in Digital Technology and Culture @ WSU and PhD in Digital Arts and Experimental Media @ UW; and*
- *Permanent rules for adoption: changes to the Educational Opportunity Grant and to student residency rules.*

Roberta Greene seconded the motion and all consent agenda items were unanimously approved.

Search for HECB permanent executive director

The HECB has contracted with the state Department of Personnel's Executive Search Services group to conduct the search for a permanent executive director. The Board's Search Committee is made up of Bob Craves, Gay Selby, Roberta Greene, Gene Colin, Chang Mook Sohn, and Sam Smith. Members of the higher education community, government and business are being contacted to assist the committee in the search process.

Appointment of the new executive director is anticipated late this year or early next year.

Director's report

- Status report on Notification of Intent process
Ruta Fanning reported that from July 31 through September 24, 2003, three existing degree programs were granted approval to be offered at an off-campus location in accordance with the Notification of Intent Process:
 - Master of Social Work, EWU @ Everett
 - BA in Interdisciplinary Studies, EWU @ Bellevue Community College north campus
 - BA in Special Education, WWU @ East Snohomish County School Districts.
- HECB agency supplemental budget
Fanning also discussed the proposed 2003-05 HECB agency supplemental budget changes that address technical problems relating to increases in health insurance costs and corrections to high-demand FTE enrollments.

ACTION: Ann Jenkins moved to consider Res. 03-27, approving the agency supplemental budget proposal, with a second from Herb Simon. The motion was unanimously approved.

Institutional responses to the report on branch campuses prepared by the Washington State Institute for Public Policy

Institutional representatives from the branch campuses and the two-year system provided their perspective on the report.

2-year system

- Jan Yoshiwara, SBCTC director for education services, discussed issues of access, quality, collaboration and efficiency, and said they would prefer bringing universities to their campuses, rather than converting 2-year colleges to 4-year schools.
- Pres. Lee Thornton, Columbia Basin College, said competition for resources has caused conflict, and they need to find common ground. He said his community needs a university, and the HECB can help make this happen. Thornton also offered to write a white paper on helping faculties of the 2- and 4-year schools work together, integrate programs and achieve a blended system.

Washington State University

- Chancellor Hal Dengerink, WSU Vancouver, does not believe the issue of transfer needs an over-arching policy. Southwest Washington is the least served area in the state in terms of higher education. Flexibility is needed for growth, and research universities are needed to develop partnerships with local industry.

- Chancellor Rom Markin, WSU Spokane, described the strong concentration of health sciences programs in Spokane, as well as the need for a better product mix and a more balanced portfolio -- including other high-demand programs. He said WSU Spokane would like to participate in doctoral degree production.
- Chancellor Larry James, WSU Tri-Cities, talked about the need for incentives to encourage more collaboration between his campus and Columbia Basin College, as well as the need to offer doctorate degrees to serve the local/federal laboratory.

University of Washington

- Dean Emeritus Fred Campbell said it is critical to develop policies that support the unique character of each branch campus and to allow these institutions the flexibility to evolve in their own way. He remarked that the question of UW branch campuses evolving into 4-year schools or offering doctoral degrees is probably premature. Serving placebound students continues to be the campuses' priority.
- Vice Chancellor Jack Nelson, UW Tacoma, said the schools must have the flexibility to respond to changing demographics and to teach courses the students need.
- Kathleen Drew, UW Bothell director for education programs, talked about the impact on administration, enrollment, transfers, and other aspects of UWB's co-location with Cascadia Community College.

Strategic Master Plan update

Ruta Fanning discussed the process for the 2004 Strategic Master Plan and key issues that have been identified and discussed, including:

- Funding and revenue options
- Enrollment policy and funding
- Tuition and financial aid
- Branch campuses
- College transfer and articulation

Staff will continue to refine the process, and plan to include direction and guidance from the Board and the Legislative Work Group, as well as stakeholders. The work of the National Collaborative on Postsecondary Education and SBCTC's review of its roles and responsibilities will also inform the plan. The process will include development of goals, strategies and accountability/performance measures. A draft interim plan will be presented at the Board's Oct. 29 meeting.

Board comments included:

- Develop a bold plan that everybody can get behind.
- The plan must be a big-picture look; it should be outcomes based, with quantifiable goals.

- To get the support of the Legislature, the plan must be shown as advancing the current situation.

In order to reach Board consensus, it was agreed that a survey template of the Strategic Master Plan will be circulated among the members for their comments and feedback. Only issues that advance the goals will be considered, and the survey will include the issue of governance.

Updates on administration of grants

Reports on the 2001-03 Rural Area Demonstration Grant and the Child Care Grants were provided for Board information. The report on Teacher Training Pilot Program Grants will be sent to the education and higher education committees of the Legislature, the State Board of Education, and the Office of the Superintendent of Public Instruction, pending Board approval.

The report summarizes the outcomes of three programs for 2001-03:

1. University of Washington, Bothell (UWB) Teacher Training Pilot Program Extension: The Teaching Link in collaboration with the Cascadia Community College District
2. Green River Community College (GRCC) Project LINK
3. Western Washington University (WWU) Pathways to Careers in Teaching Phase II.

ACTION: *Gay Selby moved for consideration of the Teacher Training Pilot Program Grants report, with a second from Roberta Greene. Resolution 03-28 was unanimously approved.*

Promise Scholarship satisfactory progress

Education Services Director Becki Collins provided this report.

Satisfactory progress means progression toward a degree or completion of an academic program, which is generally defined as completion of a certain number of credits (relative to credits attempted) within a specific time period. Although all schools that receive federal aid are required to maintain a satisfactory progress standard that prevents aid disbursements to students who fail to maintain the standard, that rule does not apply to students who receive the Promise Scholarship.

Some aid administrators have expressed concern that the Promise Scholarship is exempt from the standards imposed for all other recipients of state-funded student aid. To that end, HECB staff have begun the process of amending Promise Scholarship rules to impose the same satisfactory progress standard on Promise Scholarship recipients.

Permanent rules will be presented for Board approval at its Oct. 29 meeting.

The **meeting was adjourned** at 3:30 p.m.

October 2003

Doctor of Audiology **University of Washington**

Introduction

The University of Washington is seeking Higher Education Coordinating Board approval to establish a Doctor of Audiology (Au.D.) within the Department of Speech and Hearing Sciences. The Au.D. would replace the university's existing Master of Science in Audiology. The change is based on new certification standards established by the national accrediting association and an expanded scope of practice in clinical services provided by audiologists.

Program Need

Nationwide, about 28 million people have a hearing impairment, and that number is expected to increase. In Washington State, approximately 600,000 people – about 10 percent of the population – are affected. In addition, more infants are being identified with hearing loss earlier, and will require life-long services.

Audiologists identify, assess and treat disorders of the auditory, balance, and other neural systems. They dispense hearing aids, consult on the effects of noise on hearing, and provide rehabilitation for hearing and balance disorders. The demand for audiologists is high, and the United States faces a continuing shortage. Existing audiology programs across the country are filled to capacity and consistently turn away many qualified applicants. Graduates of these programs typically are hired within a month or two of completing their degree programs.

Program Description

The mission of the UW's Department of Speech and Hearing Sciences is to promote excellence in education, research and service delivery, and to combine unique strengths in basic and clinical sciences to guide education and research goals. The program of study spans 12 quarters and totals 113 credits. It includes a practicum experience that is equivalent to a minimum of 12 months of full-time, supervised experience. The expanded curriculum for the Au.D. builds on the program of study for the master's program and meets the departmental standards for advanced education in audiology, as well as the new standards that have been established by the national accrediting association. Graduates must acquire knowledge and develop skills in four areas: (1) foundations of practice; (2) prevention and identification; (3) evaluation; and (4) treatment.

The program would serve 10 students per year, for a total of 30 students at any one point in time. These students would be supported by seven existing faculty, four adjunct faculty, and two new faculty positions. Implementation of the Au.D. would not require major additions of space, equipment, or support services.

Assessment and Diversity

The program would be encompassed under the UW's current accreditation with the American Speech-Language-Hearing Association (ASHA). The assessment plan includes a quarterly review of doctoral student progress, annual evaluations of graduation rates, student retention rates, input from employers of graduates, and surveys of graduates regarding preparation for work in the profession.

Assessment of learning outcomes will provide critical information for monitoring an individual's knowledge and skills. Academic and clinical educators will assess students' knowledge and skills throughout the program. Measures will include written and oral assignments, as well as demonstrations of clinical proficiencies. Au.D. graduates must pass a written comprehensive examination and satisfactory internship, and, prior to entering the profession, a national exam.

The Department of Speech and Hearing Sciences has a deep commitment to equity and cultural diversity. The department is committed to ensuring that students are knowledgeable about and able to assess and treat individuals from different cultures. It also is committed to expanding diversity among its students and faculty, and increasing opportunities for students to serve a diverse client population. Some efforts to promote nondiscrimination, equity, and diversity include:

- using informal and professional networks to identify potential students and faculty from underrepresented groups;
- consulting with the UW's Office of Minority Affairs; and
- expanding marketing efforts to increase opportunities for students to serve diverse clients.

Review Participants

External reviewers of the Au.D. proposal included Dr. Arlene Earley Carney, professor of communication disorders at the University of Minnesota, and Dr. Carolyn J. Brown, associate professor of speech pathology and audiology at the University of Iowa. Dr. Carney noted that the UW makes a strong case for the proposed program, and that the school's faculty are outstanding. Dr. Brown reiterated that once the program is in place, it will be one of the best training programs in the country. Washington's other public baccalaureate institutions received a copy of the proposal as well. Both Eastern Washington University and Washington State University shared their support for the proposed Au.D.

Program Costs

The program would be supported through internal reallocation of funds previously used to support the Master of Science in Audiology. At full enrollment, the estimated program costs are \$456,000, or \$15,000 per FTE student.

Staff Analysis

The Doctor of Audiology would be an excellent addition to the UW's health sciences offerings. It responds to students' interests, as well as changes in professional practice. The assessment and diversity plans for the program are exemplary. And, the program costs are reasonable.

Recommendation

The University of Washington proposal to establish a Doctor of Audiology degree program is recommended for approval, effective October 29, 2003.

RESOLUTION NO. 03-29

WHEREAS, The University of Washington has requested to establish a Doctor of Audiology;
and

WHEREAS, There is high demand and student interest for the doctoral-level audiology program;
and

WHEREAS, The program of study meets the national accrediting association standards; and

WHEREAS, The assessment and diversity plans are exemplary; and

WHEREAS, The program costs are reasonable;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the University of Washington proposal to establish a Doctor of Audiology degree program, effective October 29, 2003.

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

October 2003

Bachelor of Arts in Linguistics Western Washington University

Introduction

Western Washington University is seeking Higher Education Coordinating Board approval to establish a Bachelor of Arts in Linguistics. This degree program would replace Western's student-designed major in linguistics, which is not a standard degree with an established curriculum template.

Currently, a WWU student who wishes to earn a BA in Linguistics must work with faculty to design an individual program, which is time consuming for both students and faculty. Under the student-designed option, 86 students are pursuing a BA in Linguistics. The proposed program would formalize the BA in Linguistics, and would be much more efficient for students and faculty alike.

The program would have a broad interdisciplinary character, making it quite different from the Bachelor of Arts in Linguistics offered at the University of Washington.

Program Need

The need for a standard linguistics degree program to respond to students' interests at Western is strong. The current program is one of the most heavily attended general education requirement options on campus. In 2001-02, more than 1,400 students enrolled in introductory linguistics courses. In addition, upper-division courses in advanced linguistics analysis (phonetics, phonology, and syntax) typically enroll 35-40 students per quarter. The need for a linguistics program that could respond to employer demand is strong as well. For example, Microsoft has a need for professionals trained in linguistic analysis who can work with computer programmers to develop and market programs involving language processing, automated translation, artificial intelligence, speech recognition, and other applications. Linguists also are needed to assist migrant workers and the non-English speaking population.

Graduates of the current student-designed major in linguistics have found employment in high technology, the travel industry, and various state and federal agencies – such as the Defense Language Institute. Others have continued their education in graduate school.

Program Description

The proposed linguistics degree program is highly interdisciplinary, involving five departments and 12 faculty members. Students would select coursework in one of five disciplines:

- Modern and Classical Languages;
- Anthropology;
- English;
- Computer Science; or
- Communication Sciences and Disorders.

They would be required to complete at least 55 credits in three areas and present a major project in the senior colloquium:

- Modern and classical languages, 12-15 credits
- Core linguistics courses, 33 credits
- Area of concentration, 8-12 credits

The program would serve about 60 majors, numerous minors, and about 800 lower-division general education requirement option students. Existing resources, including a cadre of distinguished faculty, would support the program. Full-time students would complete the major in two years.

Assessment and Diversity

The WWU proposal identifies the expected student learning outcomes, program goals, and evaluation techniques. Evidence for appropriate student learning outcomes would be gathered through testing in linguistics courses and observations of projects and group and individual presentations. In the proposal, WWU reports that the university expects to attract students of diverse backgrounds, particularly those of Asian and Hispanic backgrounds, as well as older students seeking a career change.

Review Participants

Two external reviewers evaluated the proposal: W.S. Brown, Jr., professor and chair of the Department of Communication Sciences and Disorders at the University of Florida, and Frederick J. Newmeyer, professor of the Department of Linguistics at the University of Washington. Both reviewers noted that the proposed program is academically sound, uniquely interdisciplinary, and highly attractive. The proposal also was shared with the other public baccalaureate institutions for review and comment. The Evergreen State College noted that the need for the BA in Linguistics is clear, and the strength and depth of faculty expertise indicate that the program will be successful.

Program Costs

The current level of funding (2.2 FTE faculty) would maintain the program. The annual cost for the program is about \$110,000 and the direct instructional cost per FTE student is about \$ 2,921.

Staff Analysis

The interdisciplinary program would be a strong addition to Western's undergraduate offerings, and would be popular among students and employers alike. And, it would provide students with excellent preparation for a variety of careers or graduate school.

Recommendation

The Western Washington University proposal to establish a Bachelor of Arts in Linguistics is recommended for approval, effective October 29, 2003.

RESOLUTION NO. 03-30

WHEREAS, Western Washington University has requested approval to establish a Bachelor of Arts in Linguistics; and

WHEREAS, The program will meet the needs of students and employers alike; and

WHEREAS, The program will provide a high quality interdisciplinary program of study supported by an outstanding cadre of faculty; and

WHEREAS, The program will be offered at a reasonable cost;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves Western Washington University's proposal to establish a Bachelor of Arts in Linguistics, effective October 29, 2003.

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

October 2003

Promise Scholarship Program Adoption of Updated Rules

Executive Summary

Overview

The Promise Scholarship helps high-achieving students from low- and middle-income families pay for college. In fiscal year 2004, the program will use about \$6.3 million in state money to help about 7,000 students. Students are eligible to receive up to \$930 in the 2003-2004 academic year.

During the Board's September meeting, HECB staff briefed the Board on proposed changes to program rules. The proposed rules implement a satisfactory progress standard that recipients must meet in order to continue to receive assistance. The Board is permitted to impose this condition on recipients under the program's authorizing statute.

A public hearing is scheduled for October 21, 2003. All comments received during that hearing will be transmitted to the Board for consideration when adopting final rules.

Program Background

The 2002 legislation enacting the Promise Scholarship program in statute gave the HECB permission to devise a satisfactory progress policy for the program. Although the Board's 2002 Promise Scholarship study did not indicate that student withdrawal or severe academic failure was a significant problem, some aid administrators expressed concern over the lack of a satisfactory progress standard for Promise recipients.

According to aid administrators, while the academic failure of Promise recipients is not a severe problem, when it does occur, it is a visible and glaring exception to the standards imposed for all other recipients of state-funded student aid. HECB staff concurred with the aid administrators and recommended implementing a satisfactory progress standard on Promise Scholarship recipients that is consistent with that used for federal student aid programs.

Currently, all schools use federally mandated and approved satisfactory progress policies for recipients of federal and institutional assistance. While the exact conditions of each school's policy can vary (within limits) from school to school, it is always consistently applied to all students within each institution.

To ensure consistency and efficiency, HECB staff recommend relying on each school's approved satisfactory progress policy for use with Promise Scholarship recipients. If adopted, schools will begin monitoring the progress of scholarship recipients with the beginning of the next winter quarter or spring semester.

Summary of Proposed Adoption

To receive a Promise Scholarship payment, eligible recipients must be making satisfactory progress according to the school's approved policy for the receipt of federal aid.

Staff Recommendation

Staff recommends Board adoption of Resolution 03-31.

RESOLUTION NO. 03-31

WHEREAS, The Higher Education Coordinating Board is permitted by RCW 28B.119.010 (9) to establish a satisfactory progress policy for the continued receipt of the Promise Scholarship; and

WHEREAS, The aid administrators have requested that the Board adopt a policy in order to be consistent with the treatment of all other student aid programs; and

WHEREAS, Each school has a satisfactory progress policy that has been approved for the continued receipt of federal student aid; and

WHEREAS, Use of the federal policy as the standard for the Promise Scholarship program would result in the greatest efficiency for schools and ensure consistency for students;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts permanent rules amending WAC 250-80-060 to add a satisfactory progress requirement to the Promise Scholarship program, consistent with the policy used by each school for their federal student aid programs.

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

2004 Strategic Master Plan

The October 29 meeting will include a work session on the 2004 Strategic Master Plan. The Policy Committee met twice in October to discuss a draft interim plan, which is due to the Governor and Legislature on December 15, 2003. The final plan is due in June 2004.

Tentative schedule:

October 29:	Board work session on draft interim plan
November:	Two public meetings on draft interim plan to hear from stakeholders and the public; tentatively scheduled for the east and west sides of the state
December 3:	Board meeting / public and stakeholder comment
Week of December 8-15:	Tentative Board meeting to adopt interim plan
December 15:	Interim plan due to Governor and Legislature

2004 Strategic Master Plan for Higher Education: Draft Interim Plan



**HECB Policy Committee Draft
October 29, 2003**

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

Outline of interim strategic plan

- I. Overview of key recommendations
- II. The higher education mission
- III. Goals for higher education:
 1. Increase opportunities for students to earn degrees
 2. Respond to state's economic needs
- IV. Strategies to help achieve goals
- V. Governance and accountability

I. Overview of key recommendations

The 2004 strategic master plan will support better-educated citizens and a more prosperous state by enhancing opportunities for students and colleges to succeed. The plan would:

- Increase by about 20% each year the total number of students who earn college degrees and complete job training
- Expand opportunities in high-demand fields whose graduates meet the needs of Washington businesses and communities
- Allow institutions to pursue state-supported research and to develop innovative strategies to address regional challenges and meet public expectations
- Improve management by consolidating three state higher education agencies into a strong statewide governing board

II. The higher education mission

“The mission of Washington’s higher education system is to support the economic, cultural and civic vitality of the state through education, research and public service to provide tangible benefits to residents, businesses and communities.”

A vision for higher education

- Washington's higher education system should strengthen the state's economic competitiveness through education and training for Washington residents
- State policies should support efficient graduation and completion, and broad participation in college
- State investments should promote a full range of opportunities, from basic skills instruction to job training to college degrees of all types
- State government, public colleges and universities, and students should all be accountable for performance outcomes

Core values reflected in the interim plan

- All students, regardless of their income, race, ethnicity or personal background, deserve the opportunity to enroll and succeed in college
- Our entire society benefits from a strong higher education system, so everyone should share the responsibility for its quality
- The needs and interests of students should be at the center of higher education decision-making

III. Goals for higher education

Goal 1: Increase opportunities for students to earn degrees

By 2010:

- The number of students who earn bachelor's degrees will increase by 5,500 to reach 30,000 per year
- The number of students who earn associate's degrees will increase by 3,500 to reach 23,500 per year
- The number of students who earn graduate and professional degrees will increase by 2,000 to reach 11,500 per year

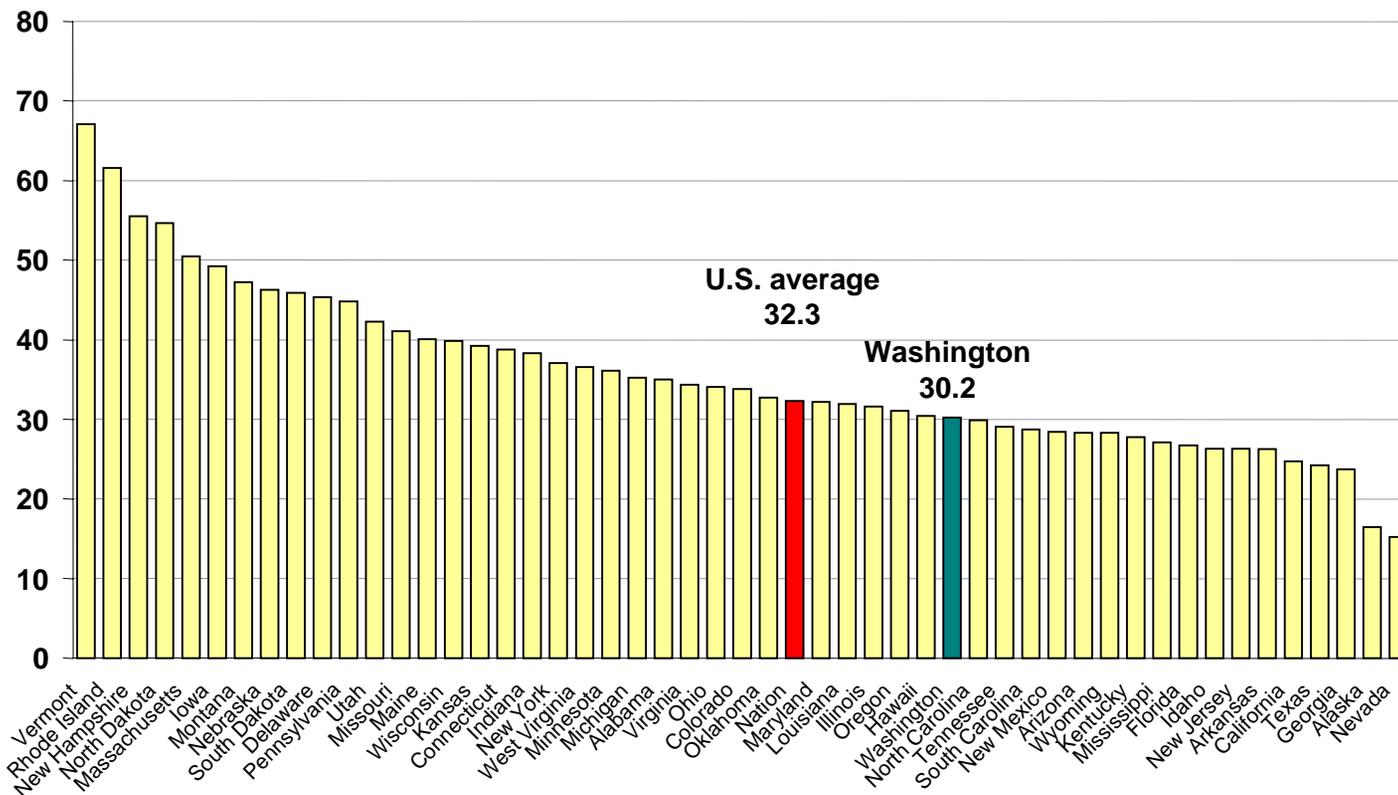
Goal 1:

Meet demand for access and degrees

- **Why do college degrees matter?**
 - Benefits for communities and the state: Lower poverty rates, increased civic participation, greater tax contributions, a stronger economy
 - Benefits for individuals: Higher income, less unemployment, better quality of life
- **Why is an increase of this magnitude needed?**
 - It responds to economic needs, keeps pace with population growth, and addresses important educational and cultural needs

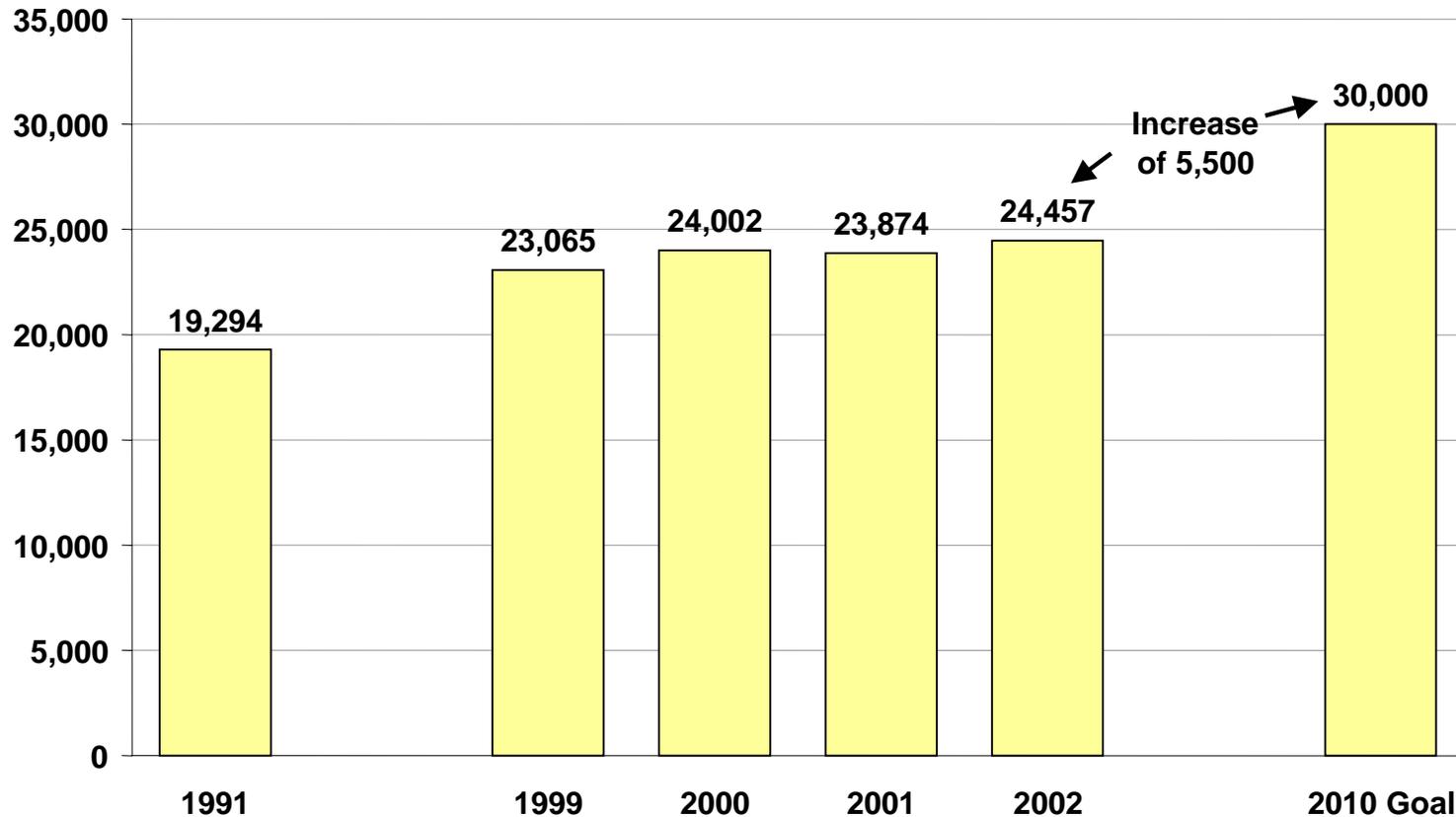
Washington ranks 33rd among the states in the production of bachelor's degrees

Bachelor's degrees earned per 1,000 residents ages 20-29 years old
2000



To reach the national average by 2010 will require an additional 5,500 bachelor's degrees per year

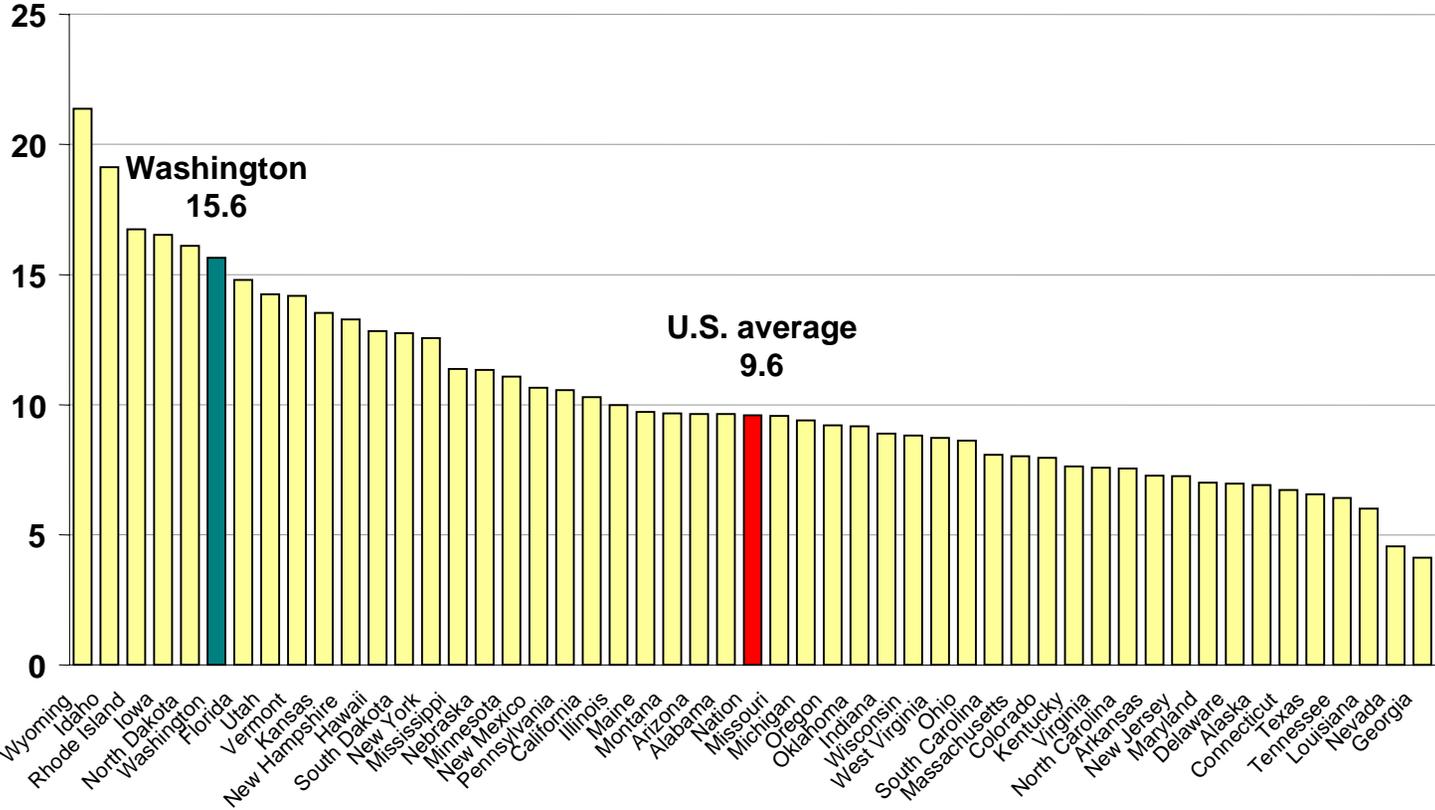
Number of Bachelor's degrees earned in Washington
(public and private institutions)



Source: IPEDS; Goal based on increasing degrees earned from 30.2 to 32.3 per 1,000 residents ages 20-29 and the number of residents aged 20-29 increasing by 18%

Washington ranks 6th among the states in the production of associate's degrees

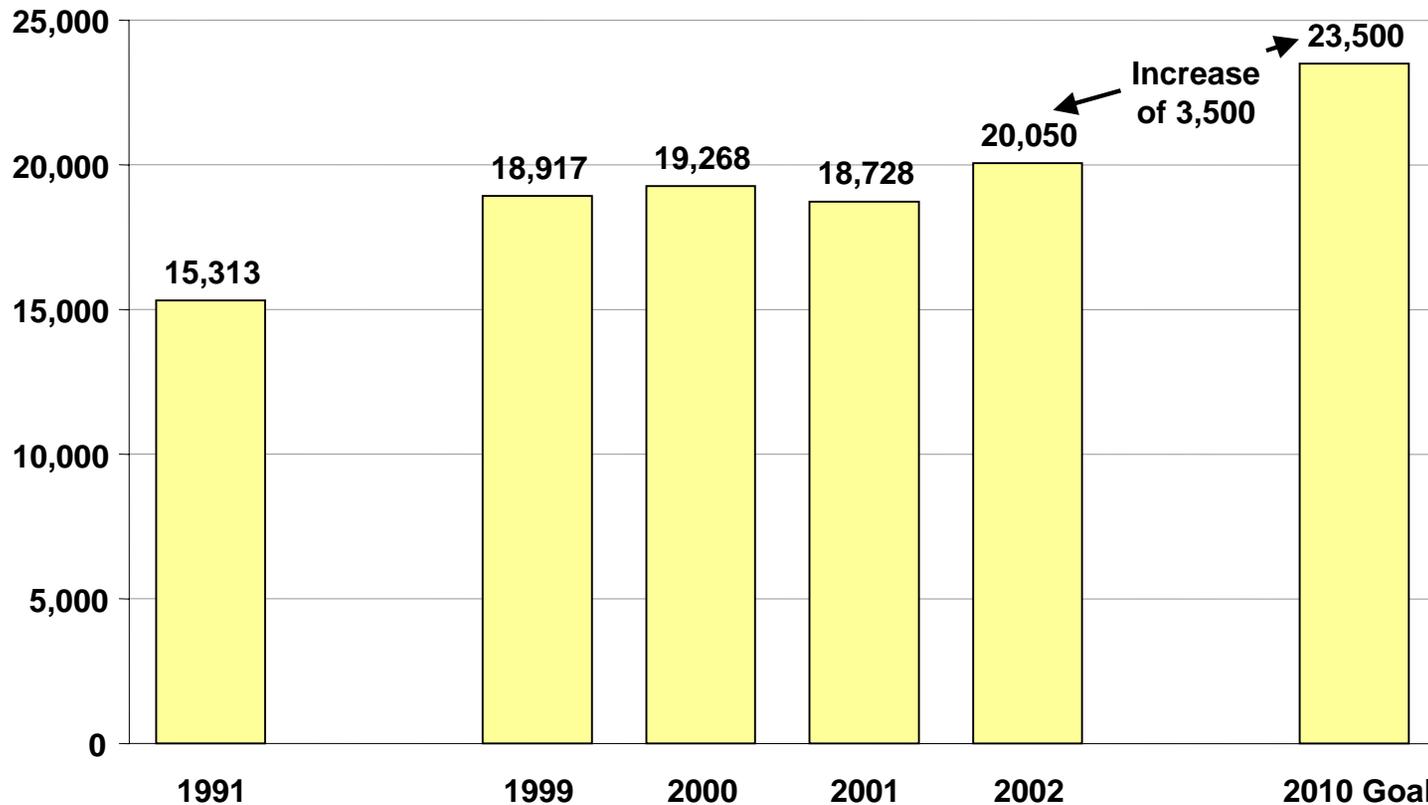
Associate's degrees earned per 1,000 residents ages 20-34 years old
2000



Source: IPEDS and Census

To maintain a strong community college system will require an additional 3,500 associate's degrees per year by 2010

Number of associate's degrees earned in Washington
(public and private institutions)



To maintain the ratio between graduate degrees and bachelor's degrees earned will require an additional 2,000 graduate degrees per year by 2010



Source: IPEDS; Goal based on awarding one graduate degree (master's, doctorate or professional) per 2.6 bachelor's degrees earned

III. Goals for higher education

Goal 2: Respond to the state's economic needs

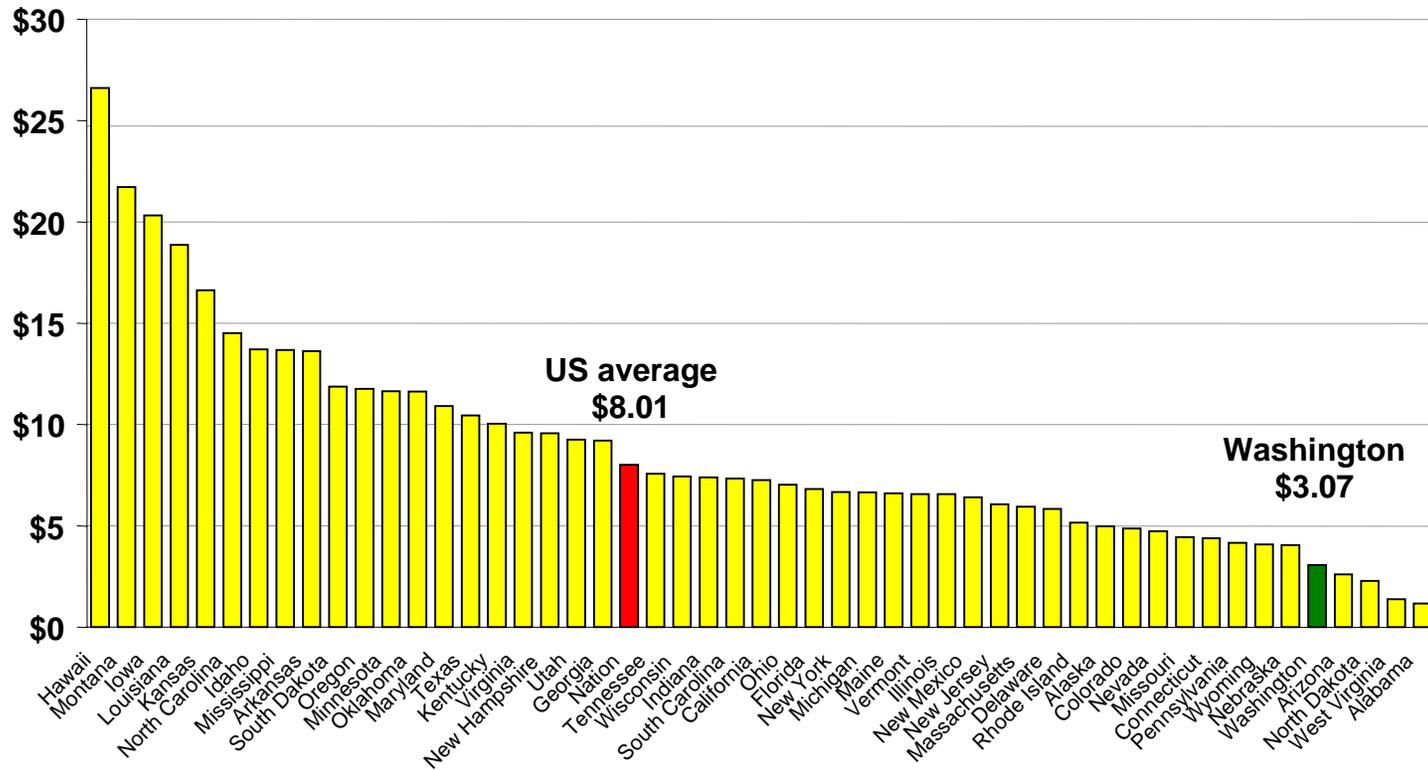
- Increase enrollment opportunity and the number of students who earn degrees in high-demand fields that support state and regional priorities
- Increase state funding for university research linked to state economic development objectives
- Increase the number of students who complete job training programs by 18% to reach 25,000 per year
- Increase from 50% to 80% the proportion of basic skills students who demonstrate skill gains

Goal 2 : Respond to the state's economic needs

- **Why is this goal important?**
 - Washington is not graduating enough students to fill job openings in many high-demand fields
 - If Washington residents don't have the necessary education and training, employers will hire from out of the state, especially for well-paying jobs
 - Students who complete job training earn about 10% more than those who do not complete
 - State funding for research demonstrates the state's commitment to the knowledge-based economy and serves as 'seed money' for new ventures

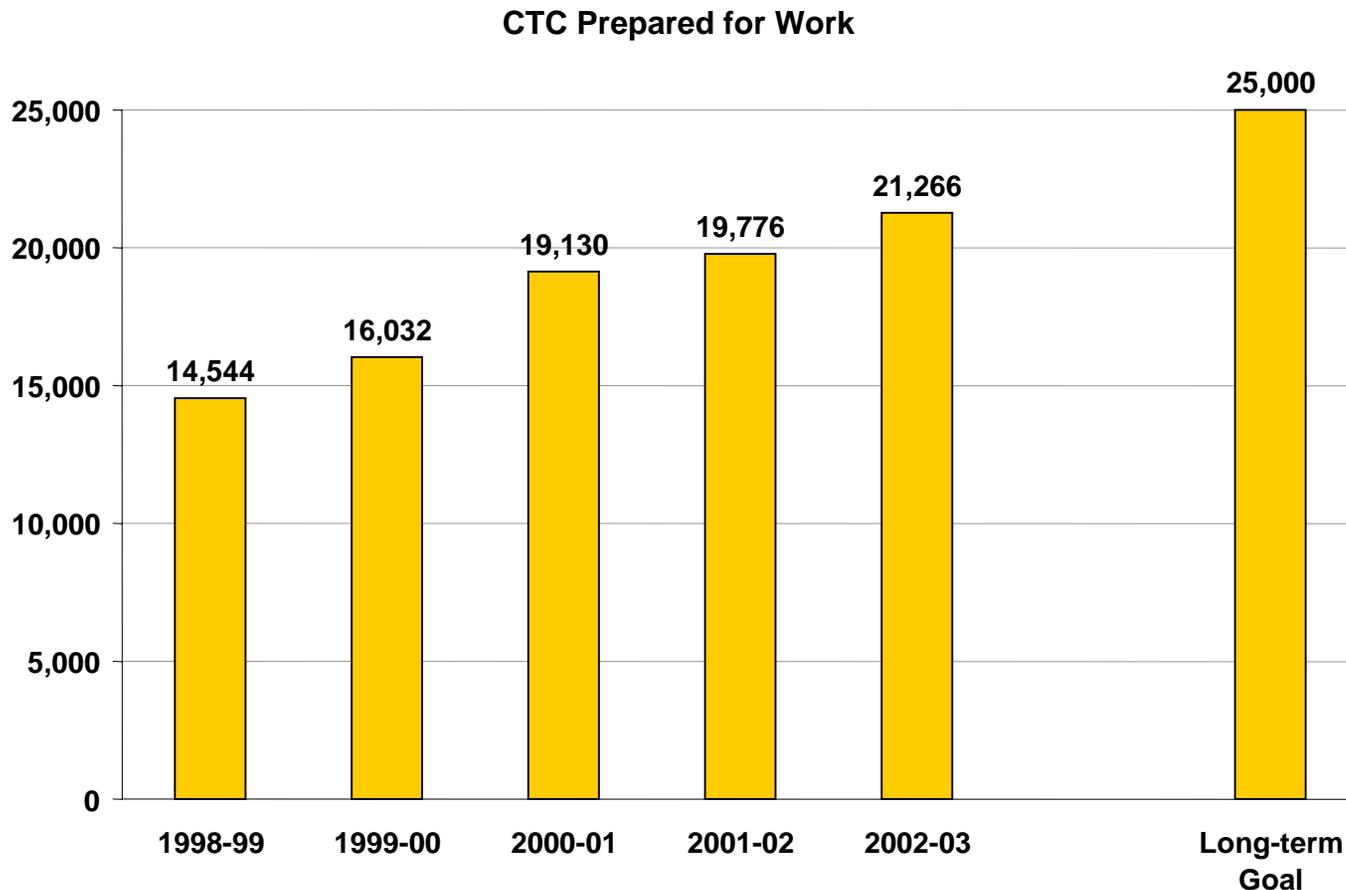
Only four states spend less per person than Washington for higher education research and development

State and local government research and development expenditures per person, 2001



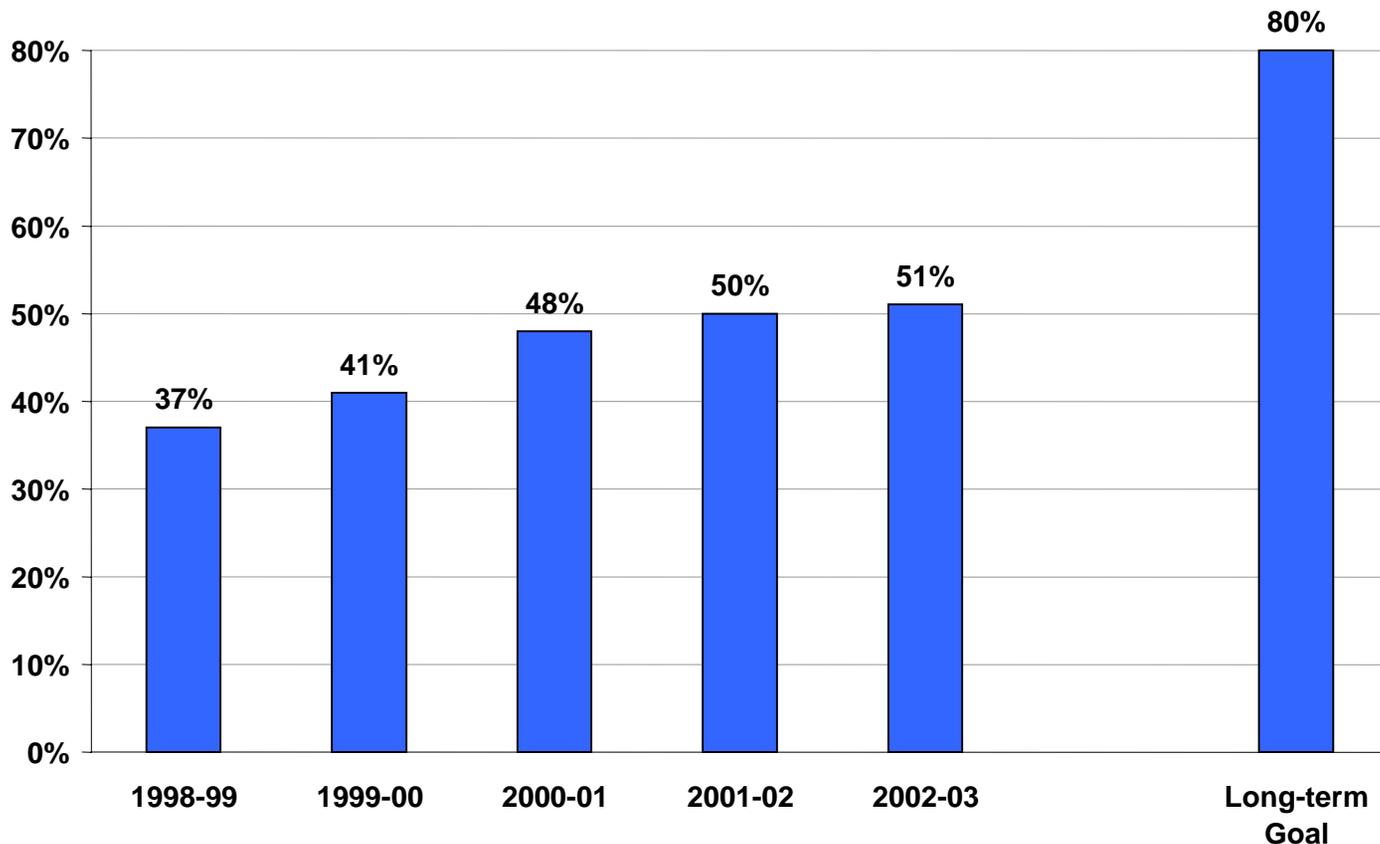
Source: NSF and Census

Job training: The two-year college system has a long-term goal of providing 25,000 students prepared for work each year



The two-year colleges have a long-term goal to significantly increase the success rate for adult basic skills students

Basic skills students who demonstrate substantive skill gain



IV. Strategies to help achieve goals

- A. Increase enrollment
- B. Improve educational efficiency
- C. Promote innovation in service delivery
- D. Address funding, tuition and financial aid
- E. Improve higher education's responsiveness to the state's economic needs

Strategy A:

Increase enrollment by 2010 to give more students the opportunity to earn degrees

State funded FTE enrollments (prior to efficiencies):

To reach bachelor's and graduate degree goals	18,900
To reach associate's degree goal	18,000
To reach workforce training goal	<u>8,100</u>
New enrollments to reach goals	45,000

Note: 33,500 new state-funded FTE are needed by 2010 to maintain 2002 participation rate

Strategy B:

Improve educational efficiency to make the most of limited state resources

- Reduce the need for remedial course work in college among recent high school graduates
- Reduce the number of students who graduate with excess credits
- Reduce the number of credits earned by transfer students that do not apply to their bachelor's degree
- Increase student retention

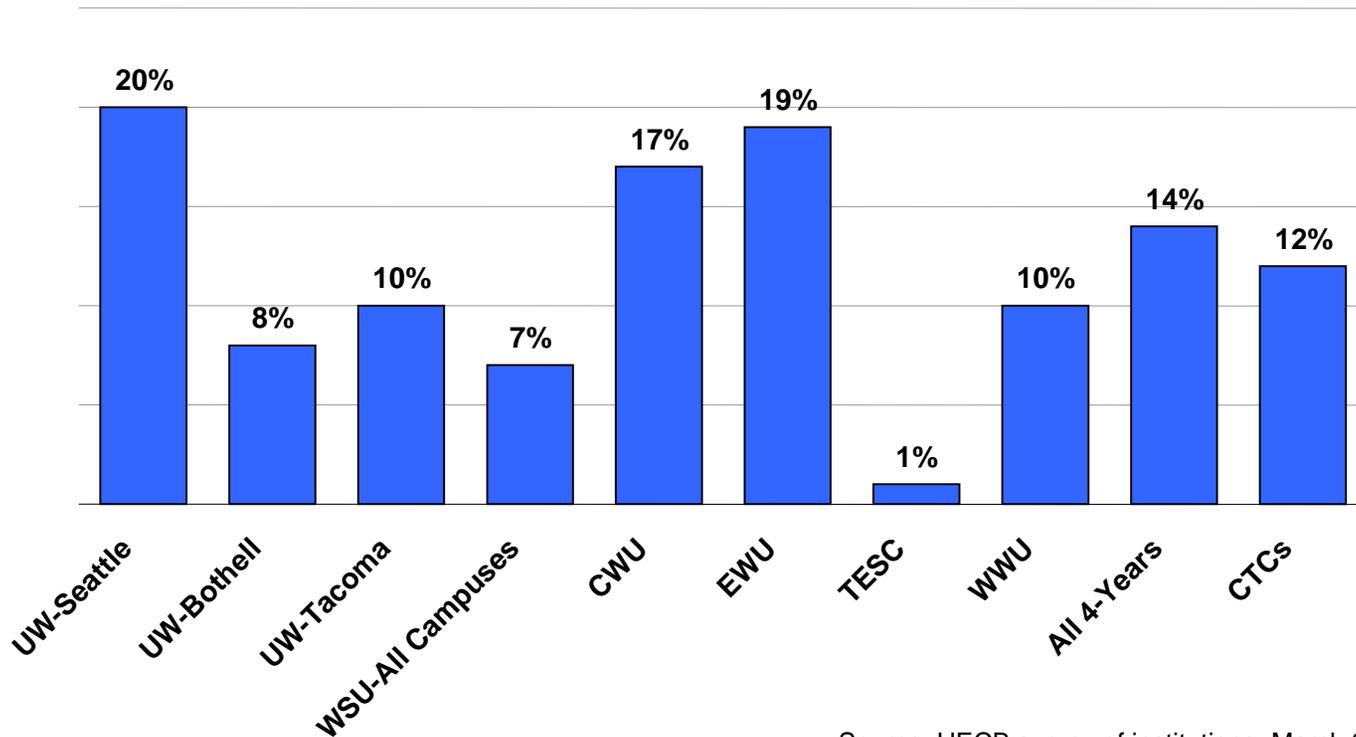
Thousands of high school graduates who go directly to college need remedial instruction before they can do college-level work

- 17,700 students who graduated from Washington high schools in 2001 enrolled directly in two-year and four-year colleges
 - 6,800 required remedial math (39%)
 - 2,800 required remedial English (16%)
 - Totals include 2,100 students who required **both** remedial math and English
 - Of the 10,300 students who enrolled in two-year colleges, 6,200 (60%) required remedial math

Source: Washington State Graduate Follow-up Study, OSPI

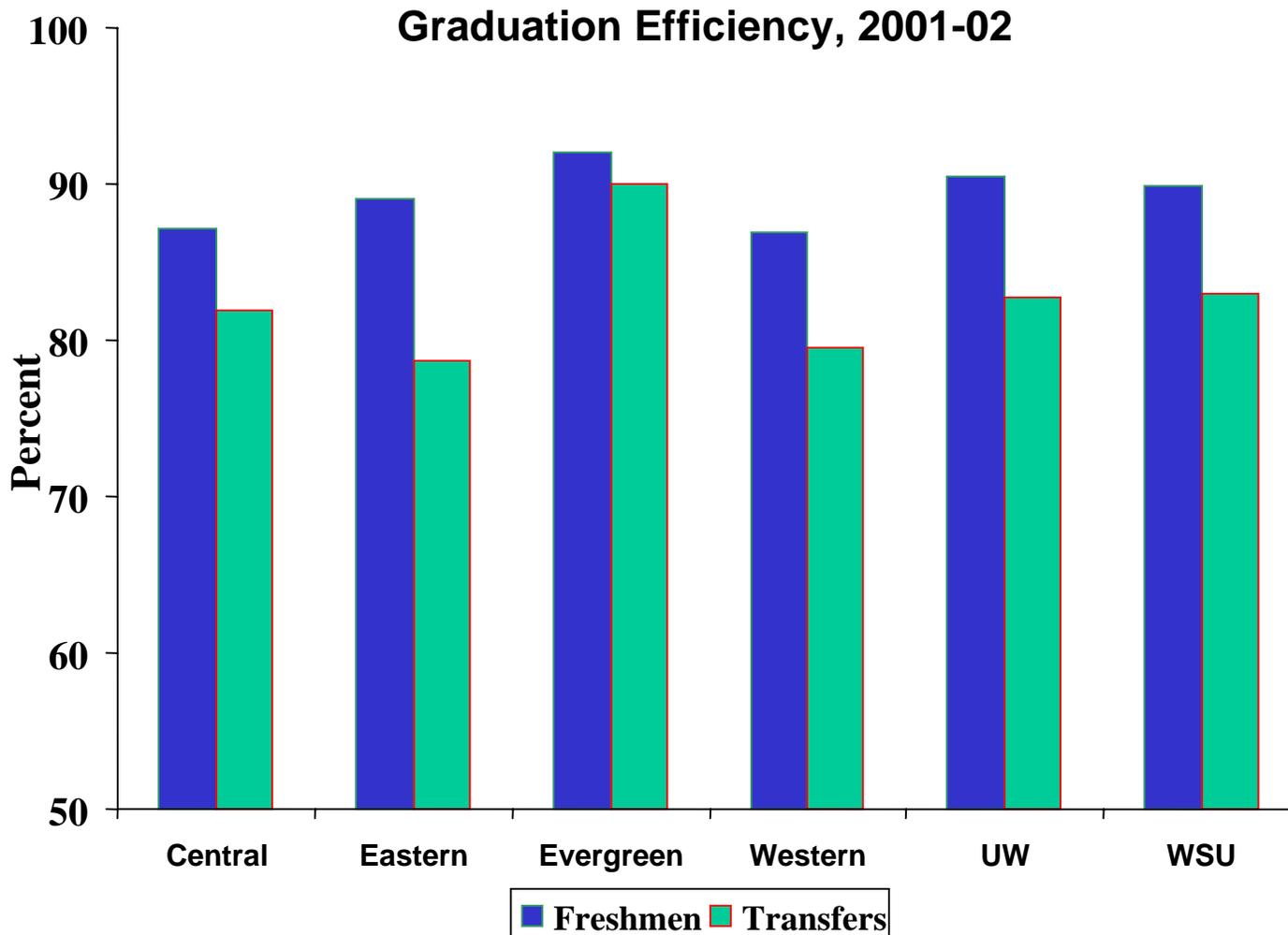
Reducing the number of students who accumulate excess credits would increase the efficiency of public higher education

Percent of graduates who earned more than 125% of the credits required for their degree



Source: HECB survey of institutions, March 2003

Transfer students graduate less efficiently than do students who begin as freshmen at the public four-year institutions



Graduation efficiency reflects the number of credits required for a degree compared with the number attempted by a student. A 100% measure represents 'perfect' efficiency

Source:
HECB 2002
Accountability Update

Strategy C: Promote innovation in service delivery to meet changing regional and state needs

- Identify planning and decision-making models that promote regional collaboration and problem-solving
- As appropriate in each region:
 - Allow branch campuses to offer selected lower-division courses and doctorate degrees, and-or evolve into four-year institutions
 - Allow community colleges to offer selected upper division courses. Also, allow selected colleges to offer four-year degrees and-or evolve into four-year institutions
- Permit comprehensive institutions to offer more bachelor's of applied science degrees
- Allow partnerships of public and private institutions to compete for high-demand enrollment funding

Strategy C:

Promote innovation in service delivery

- **Benefits**

- Colleges and universities will work together on a regional basis to improve student success
- Institutions will have the flexibility they need to respond to community needs
- Branch campuses will evolve to meet the unique needs of their communities and students
- Community colleges will respond to the need for baccalaureate degrees that are not currently offered by four-year universities
- The state will address geographic disparities in students' attendance at four-year universities

Strategy D: Address funding, tuition and financial aid to preserve and enhance educational quality

- Fund new enrollments at the average rates for comparable institutions nationwide to help achieve the state's graduation goals, promote quality and eliminate over-enrollment
- Maintain the purchasing power of all current state financial aid programs to ensure broad student access to college
- Fund State Need Grant to reach HECB service goals (65% of median family income, 100% of tuition) and promote affordability
- Grant institutions unrestricted tuition-setting authority for all students
- Require institutions to supplement State Need Grant aid to offset locally imposed tuition increases

Strategy D:

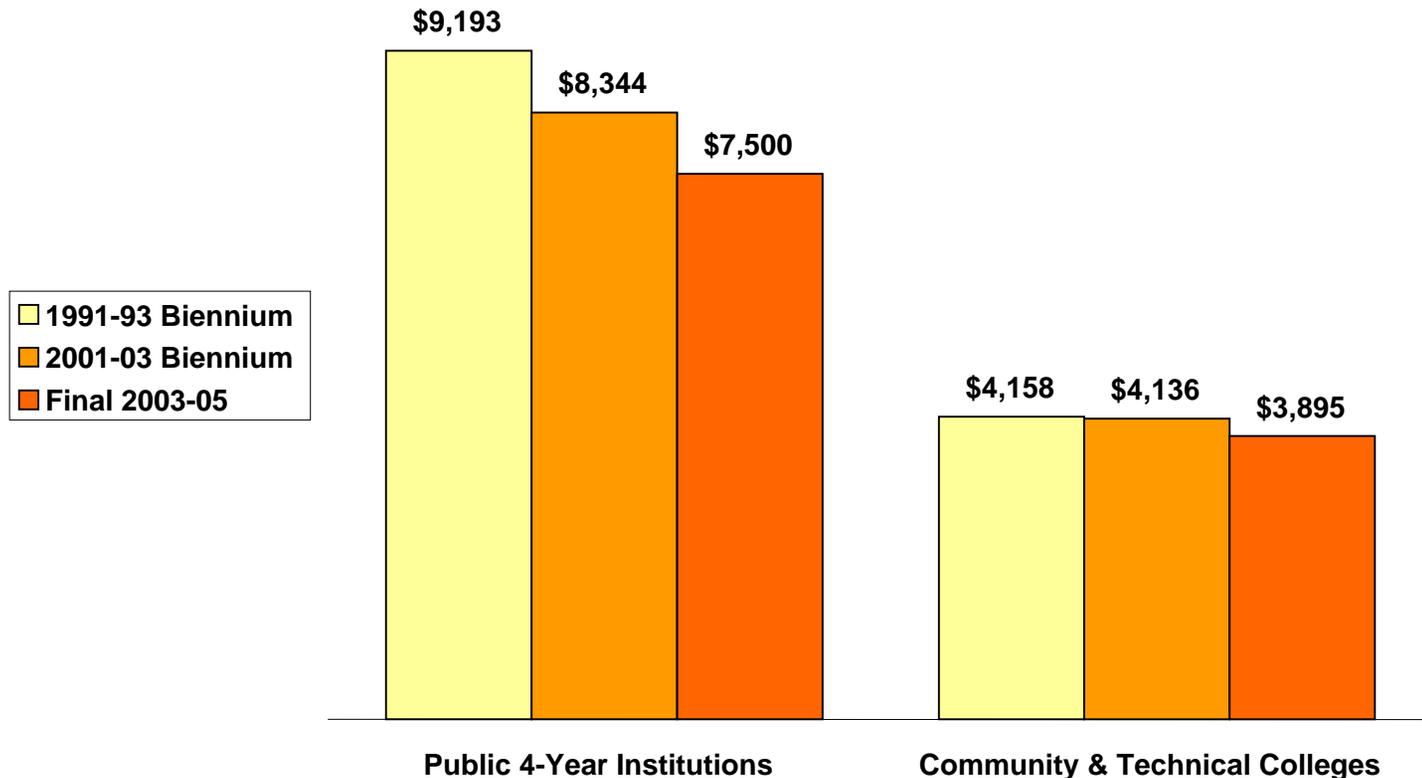
Address funding, financial aid and quality

- **Benefits**

- Colleges will be able to respond to the need for more graduates, while improving quality and offering programs that meet community needs
- The state will be able to preserve and enhance its strong financial aid system
- Hundreds of additional low-income students will be shielded from the negative impact of large tuition increases
- Public colleges will be able to expand relatively costly high-demand courses and programs

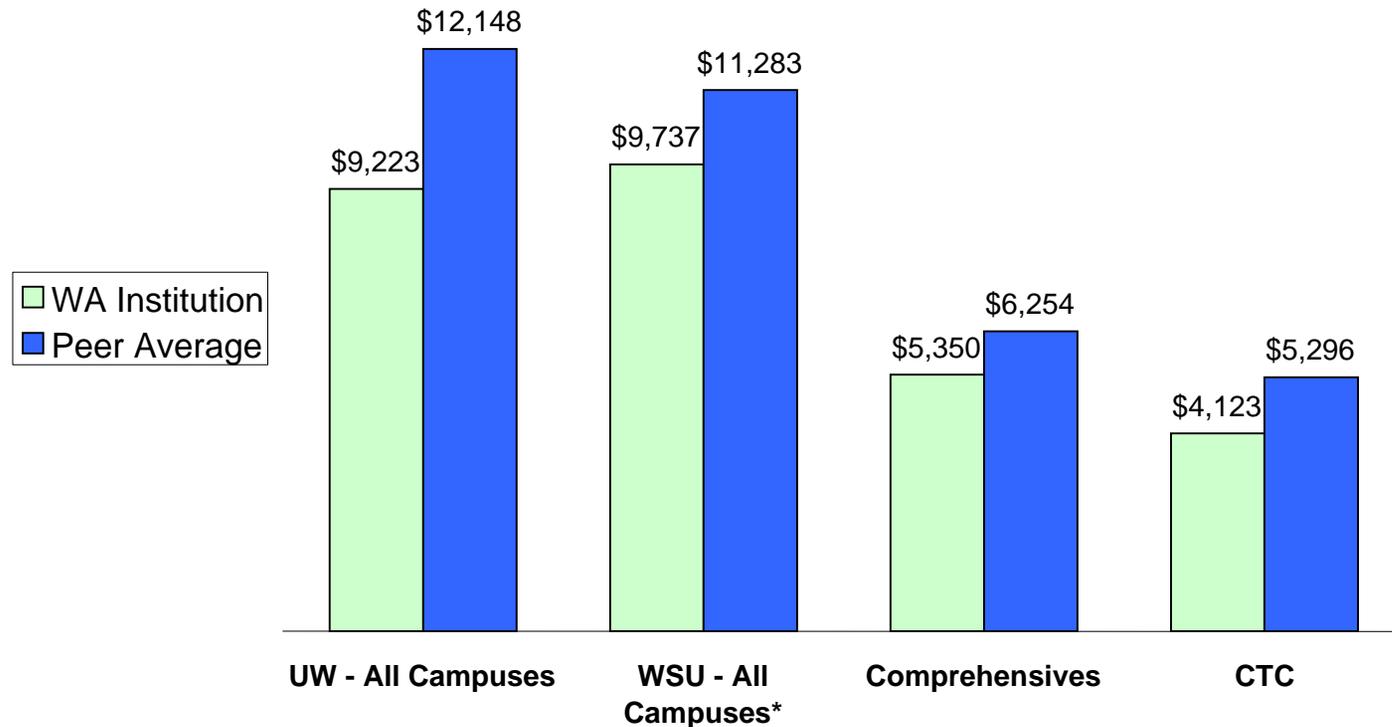
State support per higher education student has declined since the early 1990s and continues to erode in the 2003-05 operating budget

State General Fund Appropriations per Budgeted FTE Student Adjusted for Inflation (2001-03 dollars)



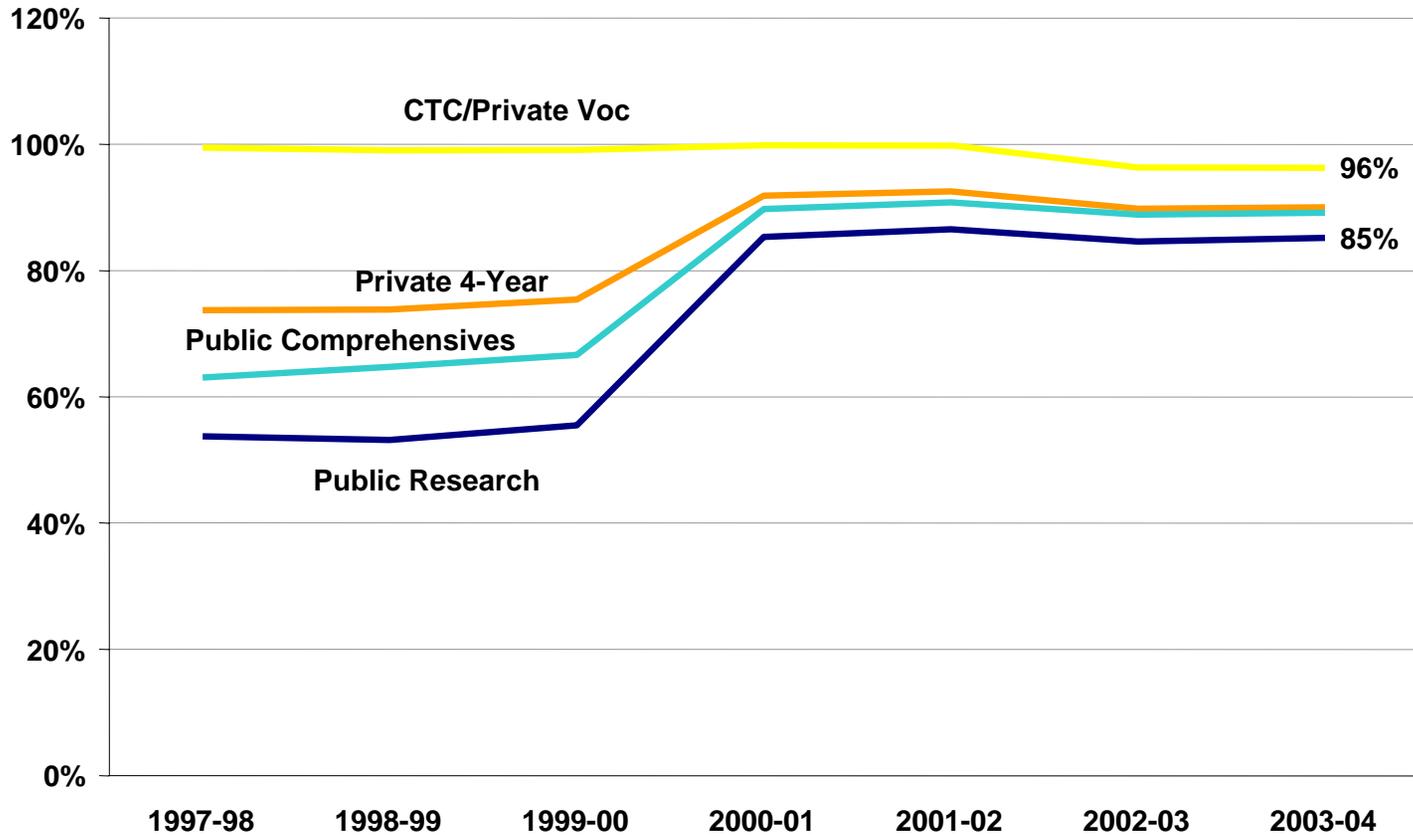
State and local government funding per student in Washington is significantly less than at comparable institutions in other states

State and Local Government Appropriations per FTE Student
FY 2001



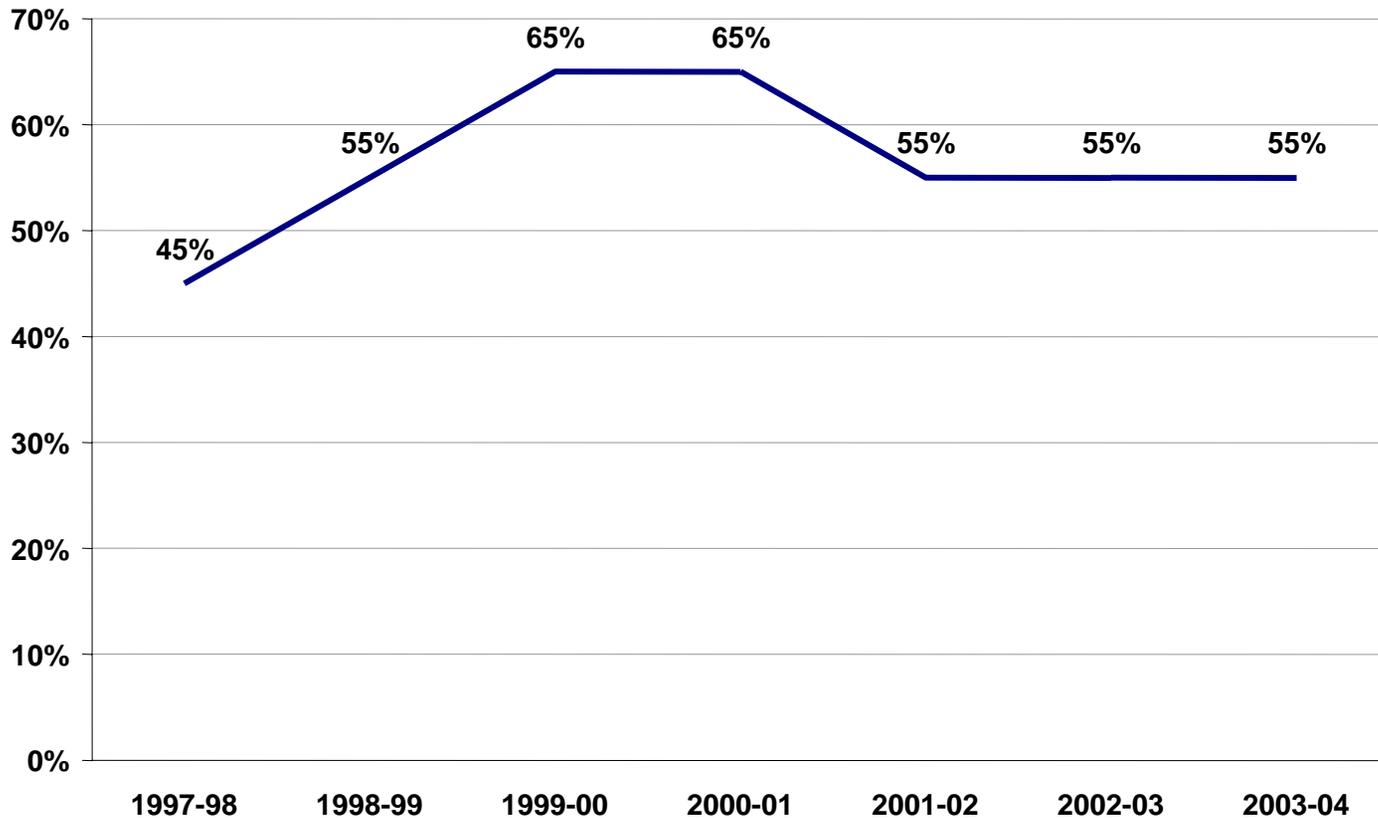
The HECB goal is that the maximum State Need Grant award should equal resident undergraduate tuition at the public institutions

State Need Grant as a percent of resident undergraduate tuition



A second HECB financial aid goal is that State Need Grants should be available to students up to 65% of median family income

Percent of median family income cut-off for State Need Grant eligibility



Strategy E: Improve higher education's responsiveness to the state's economic needs

- Create an ongoing program to identify high-demand fields and recognize higher instructional costs
- Dedicate a portion of all new enrollments for high-demand programs, job training and related initiatives
- Increase state research funding to promote new economic ventures
- Support the SBCTC strategies to increase student success in job training and basic skills
- Develop a new financial aid program to support adults who work full-time and go to college part-time

V. Governance and accountability

- **Role & mission of state higher education boards**
 - The current governance structure does not promote collaboration and poses unnecessary barriers to change
 - The three state higher education boards (HECB, SBCTC, WTECB) should be consolidated into one state governing board
 - The new board should work with K-12 leaders to reinforce and enhance the effectiveness of K-12 reform
 - Local boards of regents and trustees should remain in place

V. Governance and accountability

- **Role & mission of higher education institutions**
 - Examine the state's relationship with its public colleges and universities in order to establish clear goals and expectations
- **Accountability**
 - Use benchmarks and performance indicators to effectively measure results
 - Develop performance contracts for the state and higher education institutions per HB 2111
 - Strengthen and improve the consistency of higher education data systems



October 2003

2004 HECB Legislative Session Overview

BACKGROUND

The Washington Legislature will convene the 2004 session on Monday, January 12. The 60-day regular session will adjourn no later than March 11.

This report provides a brief summary of issues that are expected to receive legislative consideration in 2004. It is a preliminary document for the Higher Education Coordinating Board members to use in considering their legislative priorities for the upcoming session. The HECB is scheduled to adopt its formal legislative agenda for 2004 on December 3, when it meets at South Puget Sound Community College in Olympia.

STATEWIDE HIGHER EDUCATION ISSUES

The 2003 legislative interim period has seen consideration of a wide range of higher education issues. Although specific proposals had not been developed as of late October, any of several ongoing activities could identify issues or lead to legislative proposals for consideration during the 2004 session. In addition, the Legislature has received several supplemental capital budget proposals, which are reviewed briefly below and described in more detail under Tab 8 of this agenda package.

HB 2076 legislative work group – Strategic master plan

A bipartisan legislative work group was created under the terms of HB 2076 to provide guidance for the HECB's 2004 Strategic Plan for Higher Education and to consider options for updating the role and responsibilities of the HECB. The work group provided a report on October 1 that outlined a number of issues for consideration in the HECB strategic master plan. The group is scheduled to meet again December 3, when it plans to focus primarily on the role and responsibilities of the HECB. The legislation directs the work group to submit its complete findings and recommendations to the Legislature by January 2, 2004.

HB 2111 legislative work group – Performance contracts

A second legislative work group was created through HB 2111 to study the feasibility of developing performance contracts between the state and the public colleges and universities. The group has met twice in recent months and plans to continue its discussions on December 3. The work group's findings and recommendations are to be submitted by December 15, 2003, to the Legislature's higher education and fiscal committees.

Washington Competitiveness Council

Governor Locke recently reconvened the Washington Competitiveness Council to continue the work it began in 2001 to identify strategies to build a strong foundation for the state's economic future.

Higher education is at the top of the council's agenda for this second phase of activity. Three subcommittees have been formed to respond to what the council's draft work plan describes as the "urgency of the higher education agenda". The subcommittees will examine 1) research, development and commercialization, 2) higher education access and funding, and 3) workforce training for high-demand fields.

The council's report and recommendations are due in December 2003 and are expected to result in proposals for consideration by the Legislature in 2004.

Supplemental budget requests

Washington State University has requested supplemental funding in the 2003-05 capital budget for three projects:

- \$20 million in state bonds to fund the first phase of the \$45 million Academic Center Building at the Spokane-Riverpoint campus;
- \$3.4 million in state bonds for the university's wastewater reclamation project at the Pullman campus; and
- \$4 million in state bonds to continue the upgrade of the university's communication network.

The State Board for Community and Technical Colleges requests two technical changes to the capital budget, and seeks legislative authorization for local funding of projects at the Pierce College campuses in Puyallup and Fort Steilacoom and at Columbia Basin College in Pasco.

Other supplemental capital and operating budget requests may be submitted to the Legislature and Governor later this fall. Additional proposals will be shared with the Board as they become available.

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

October 2003

2003-05 Biennial Balance Sheet
State General Fund and Emergency Reserve Fund
Dollars in Millions

Beginning Fund Balance	\$416
Current Revenue Forecast (September 2003)	\$22,756
Fund Transfers/Federal Fiscal Relief	<u>\$229</u>
Total Resources	\$23,401
Spending Level	<u>\$22,919</u>
Projected Ending Fund Balance	\$482

Source: House and Senate Fiscal Committees and Office of Financial Management,
September 17, 2003.

Washington State General Fund Budget Expenditures Compared to Revenues Six-Year Outlook

Common Assumptions

- Baseline (carry forward) expenditures with the following policy changes:
 - Higher education: 2005 budgeted participation rates carried forward
 - K-12: fund I-732 COLA
 - K-12: resume phase-in of I-728 class size reductions
 - State employees and vendors: same COLA as teachers
 - Pension contributions: fund State Actuary projection
 - Caseload costs: fund caseloads not funded in 2003-05 budget
 - Aerospace: tax incentives take effect
 - High tech: high tech and rural tax incentives continued

“Most Likely”		
<ul style="list-style-type: none"> • Revenue growth: 5% per year • Health care inflation: 10% per year 		
Cumulative Ending Fund Balance (dollars in millions)		
2003-05	2005-07	2007-09
\$312	(\$756)	(\$2,929)

“Best Case”		
<ul style="list-style-type: none"> • Revenue growth: 6% per year • Health care inflation: 6% per year 		
Cumulative Ending Fund Balance (dollars in millions)		
2003-05	2005-07	2007-09
\$312	(\$25)	(\$244)

“Worst Case”		
<ul style="list-style-type: none"> • Revenue growth: 3% per year • Health care inflation: 12% per year 		
Cumulative Ending Fund Balance (dollars in millions)		
2003-05	2005-07	2007-09
\$312	(\$1,662)	(\$6,186)

Source: Office of Financial Management, October 1, 2003.

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

October 2003

INSTITUTIONAL SUPPLEMENTAL CAPITAL BUDGET REQUESTS

By statute, the Higher Education Coordinating Board (HECB) must review and make recommendations on institutions' supplemental capital budget proposals. Traditionally, the Legislature has used the supplemental capital budget for the following purposes:

- To provide **technical corrections** to the biennial capital budget (e.g., fund-source identification, reappropriation amounts, and project title);
- To make **changes in project scope or purpose** and to add, modify, or clarify special conditions contained as "proviso" in the appropriation language of capital projects;
- To **authorize new capital spending** for projects urgently needed to protect life, safety, and property and to continue state services and programs;
- To authorize **special planning studies** needed to inform capital policy decision-makers in the following year; and
- To a limited degree, **to authorize predesign, design, or construction** funding for new program-based capital projects.

The Governor and Legislature have traditionally avoided the authorization of new program-based projects in supplemental budgets. This is particularly true when General Obligation Bonds are proposed as the basis of project funding or to support a later project phase (e.g., construction). This policy relates both to bonding capacity within the statutory debt limit and the desire to evaluate every two years all capital needs within the context of the state's 10-year capital plan.

Fiscal Context

In 2003, the Legislature adopted a 2003-2005 capital budget of \$759 million for the public universities and colleges. Over \$581 million of the new spending was authorized from the sale of state general obligation bonds. This total spending level and the bond authorization is the largest ever received by higher education.

Part of this additional bond spending level (\$170 million) resulted from the passage of the “Building Washington’s Future Act” (ESSB 5908), the Gardner-Evans “Higher Education Leadership Project” (HELP) proposal. This legislation authorizes the State Finance Committee to issue, subject to legislative appropriation, approximately \$750,000,000 in General Obligation Bonds over three biennia, beginning in 2003-2005, to provide additional capital funding for higher education.

To accommodate this increase in higher education capital spending and to address other state capital needs, the Legislature enacted HB 2242. This legislation added the entire portion of the state property tax to the statutory definition of general fund revenues, thereby changing the “base” of the debt limit calculation and adding additional debt capacity (approximately \$395 million in 2003-2005).

This increase in debt capacity was needed not only to fund capital projects in the 2003-2005 biennium, but to ensure available debt capacity for future capital budgets.

Summary of Requests and Recommendations

As of October 7, 2003, the HECB had received supplemental capital budget requests from the State Board for Community and Technical Colleges (SBCTC) and Washington State University (WSU). These requests and the proposed HECB recommendation are summarized below.

State Board for Community and Technical Colleges

The State Board for Community and Technical Colleges requests two technical changes to the 2003-05 capital budget. These changes correct an error in a fund source for the South Puget Sound Community College Humanities/General Education complex. In addition, they modify the appropriation language for the Everett Monte Cristo project to allow for replacement instead of renovation. (This is due to significant seismic and mechanical system problems uncovered during initial design, making the building uneconomical to renovate.)

Additionally, the State Board for Community and Technical Colleges is seeking authorization for three new alternatively financed (Certificates of Participation) projects. Local funds are used for the debt service for these projects. This debt service is not included in the state’s debt limit calculation. The requested authorizations include:

1. Up to \$5,000,000 plus financing expenses and required reserves to construct an addition to the Pierce College/Ft. Steilacoom Health and Wellness Center.
2. Up to \$8,000,000 plus financing expenses and required reserves to construct a student gym and fitness center at Pierce College/Puyallup.

3. Up to \$8,000,000 plus financing expenses and required reserves to construct a Medical Technology and Science Education addition to the T-Building and establish the Washington Institute of Science Education (WISE) at Columbia Basin College.

HECB staff has reviewed these projects with SBCTC staff and agree that each project provides an important opportunity for meeting student support and learning needs. Board support is recommended.

Washington State University

Washington State University is requesting that three state-funded (bonds) projects be added to its 2003-2005 capital budget. The request includes:

- 1. \$20 million in state bonds to fund the first phase of the \$45 million Academic Center Building at Spokane-Riverpoint.**

Washington State University requested \$32.5 million for this project in the 2003-2005 “regular” budget. The Board recommended funding this request. Project funding was not included in either the Governor’s or Legislature’s budgets.

The design for this project (funded in 2001-2003) was completed in July 2003 with construction scheduled to begin in the 2003-2005 biennium. The project is part of the Riverpoint Campus Master Plan and is closely linked to the Riverpoint Nursing Building. Specifically, the Campus Master Plan calls for the Academic Center Building to provide classroom, library, and support spaces to be used, in part, by the Intercollegiate College of Nursing when the program moves into its new facility at Riverpoint. The Nursing Building was originally scheduled for design in the 2005-2007 biennium, with construction to be funded in the 2007-2009 biennium. The Legislature accelerated this schedule, though, by funding the design of the Nursing Building in the current biennium.

The \$20 million request for the Academic Center in the supplemental budget will allow WSU to complete the site preparation work and the building shell. The final phase of the project then would be completed in the 2005-2007 biennium, concurrent with the construction and completion of the Nursing Building.

- 2. \$3.4 million in state bonds for the first phase of the WSU-Pullman Wastewater Reclamation project.**

The need for the project is based on the declining Pullman Aquifer level and the University’s high rate of water consumption (2.8 million gallons per day). WSU requested \$10.7 million for this project in the 2003-2005 regular budget. The Board supported this request. However, project funding was not included in either the Governor’s or Legislature’s budgets.

WSU completed preliminary design of the facility last biennium. The requested supplemental funds would allow WSU to complete the design and conduct the on-site testing required for final permit approval by the Department of Ecology. WSU will request construction funding for the 2005-2007 biennium.

3. \$4 million in state bonds to continue the multi-biennia upgrade of the University's communication network infrastructure (WSUnet).

A backlog of approximately \$10 million in network upgrades currently exists. WSU sought funding for this project in the 2003-2005 regular budget. The Board and Governor recommended funding this project, but it was not included in the Legislature's capital budget.

Board support of the supplemental request for the Riverpoint Academic Center is recommended. While the Riverpoint Academic Center project is a program-driven request, not typically funded in the supplemental capital budget, the recommendation recognizes the critical relationship of the project to the Nursing Building project and schedule, as well as the Board's earlier recommendation to fund the project in the 2003-2005 regular budget.

It is also recommended that the Board encourage the Governor and Legislature to consider funding the Wastewater Reclamation Project and the improvements to the WSUnet infrastructure if additional debt capacity is available for the 2003-2005 biennium.

RESOLUTION NO. 03-32

WHEREAS, It is the responsibility of the Higher Education Coordinating Board to recommend higher education funding priorities to the Governor and the Legislature for regular biennial as well as supplemental budgets; and

WHEREAS, Washington State University and the State Board for Community and Technical Colleges have requested additional state funds in the fiscal year 2004 supplemental capital budget; and

WHEREAS, The Board's Fiscal Committee reviewed the supplemental capital budget requests during its October 15, 2003 meeting; and

WHEREAS, The Fiscal Committee recommended to the full Board approval of the requests on October 29, 2003;

THEREFORE, BE IT RESOLVED, That the Board adopts the recommendations of the Fiscal Committee with respect to the supplemental capital budget proposals for the 2004 legislative session; and

BE IT FURTHER RESOLVED, That the Board directs staff to forward those recommendations to the Governor and the Legislature.

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

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

October 2003

DRAFT 2005-2007 OPERATING BUDGET GUIDELINES

Purpose of the Operating and Capital Budget Guidelines

State statute (RCW 28B.80. 330(4)) requires the Higher Education Coordinating Board (HECB) to “review, evaluate and make recommendations” on the operating and capital budget requests of the public colleges and universities. The HECB is also required to adopt and distribute budget guidelines in December of each odd-numbered year.

The Board’s budget recommendations are to be based on the following:

- The role and mission statements of the public institutions;
- The state’s higher education goals, objectives, and priorities as identified in the comprehensive master plan; and
- Guidelines that describe the Board’s fiscal priorities.

Integrating the 2005-2007 Operating Budget Priorities and Guidelines with the Strategic Master Plan

The operating budget guidelines complement the long-term goals and strategies identified in the interim Strategic Master Plan to be adopted by the HECB in December 2003. The final Strategic Master Plan is to be adopted by the HECB in June 2004 after legislative review. The interim and final Strategic Master Plans will identify a vision for higher education in Washington State as well as goals to support this vision and strategies to meet the goals.

The operating budget guidelines are for the institutions to propose budget items that support policies that begin implementing in the 2005-2007 biennium the strategies identified in the interim Strategic Master Plan. These budget items are to be tied to performance indicators, as identified in the interim Strategic Master Plan, so that the outcomes of the budget items can be measured.

Forms and Formats

The HECB will continue to use the basic forms and formats for budget requests the Office of Financial Management (OFM) has prescribed. These forms and formats may change as the Governor's Priorities of Government budget discussion approach is implemented in the 2005-2007 biennium. Regardless of the budget presentation format selected by OFM, the HECB continues to recognize the critical importance of adequately funded carry-forward or maintenance budgets for institutions. It is clear that adequate maintenance budgets are essential to the ongoing vitality and quality of Washington's public colleges and universities.

By using the budget presentations defined by OFM, the HECB avoids any duplication of effort by the public institutions. In the past, this approach has allowed the HECB to focus on those items and issues that are most relevant to the Board's fiscal priorities. Depending on the contents of the Strategic Master Plan, the HECB may have specific questions to address to the institutions regarding selected budget-related items within the plan. .

HECB recommendations are designed to complement the information and requests from the institutions by providing an additional system-wide perspective on the needs of public higher education. As such, HECB review and recommendations will provide additional information that is useful to the Governor and Legislature in budget deliberations.

Timing of Budget Development Activities

HECB's review of institutional budget requests is based on submissions formally presented by the institutions in September of each even-numbered year. Over the next few months, HECB staff will meet and discuss these budget requests with institutions and the requests will be presented and discussed at a Board meeting. Final HECB operating budget recommendations will then be developed based on these discussions and the final elements of the Strategic Master Plan.

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

October 2003

SUMMARY OF DRAFT 2005-2007 CAPITAL BUDGET GUIDELINES

The preliminary draft of the 2005-2007 Capital Budget Guidelines includes the Higher Education Coordinating Board's (HECB) proposed capital spending priorities and methodology to be used in ranking and prioritizing institutions' capital budget requests.

Three legislative actions from the 2003 session provide the general policy context for the preliminary guidelines.

- ESSB 5908 - "*Building Washington's Future Act*" (Gardner-Evans Initiative). This legislation provides additional capital funding (\$750 million) for higher education over three biennia to meet preservation and access needs.
- ESHB 2151 - *An Act Pertaining to the Prioritization of Higher Education Capital Project Requests*. This bill requires the HECB to develop common definitions and a methodology for use by the two-year and four-year institutions in preparing integrated priority lists of proposed capital projects for the 2005-2007 biennium.
- ESHB 2076 - *Strategic Master Plan for Higher Education*. This legislation, in part, emphasizes the relationship of the state's goals for higher education to strategic planning and operating and capital budget resource allocation policies and decisions.

Within this general policy context, the preliminary guidelines propose the following HECB priorities for capital spending:

- Address life/safety and immediate repair needs.
- Reduce the backlog of preservation, renewal, and replacement needs.
- Improve the functionality and efficient use of academic spaces (instructional, research, and support).
- Provide additional capacity at community and technical colleges to alleviate critical space deficiencies and overcrowding.

- Complete major new capacity projects at the comprehensive institutions and continue the development of the branch campuses and off-campus centers for higher education.

As required in ESHB 2151, the preliminary guidelines also include common definitions and a methodology to be used in developing prioritized project lists for the two-year and four-year institutions.

- Community and technical colleges: The guidelines propose that the State Board for Community and Technical Colleges continue to use its existing process for prioritizing projects.
- Four-year institutions: The guidelines include a “criterion framework” for the evaluation and ranking of projects. The criteria included in the framework score projects on the basis of state and institutional needs and priorities, as well as factors measuring the condition, quality, and need for space.

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

October 2003

DRAFT 2005-2007 CAPITAL BUDGET GUIDELINES
(preliminary working draft # 4 - for discussion purposes)

Introduction: Policy Context

The purpose of this document is to articulate the Higher Education Coordinating Board's (HECB) fiscal priorities for higher education capital expenditures in the 2005-2007 biennium and to provide a framework for evaluating and prioritizing capital project requests. These priorities and the evaluation/prioritization framework reflect three significant policy initiatives enacted in the 2003 legislative session concerning higher education capital budgeting:

- Building Washington's Future Act (ESSB 5908)
- Prioritization of Higher Education Capital Project Requests (ESHB 2151)
- Strategic Master Plan for Higher Education (ESHB 2076)

1. Building Washington's Future Act (ESSB 5908)

In response to the Gardner-Evans "Higher Education Leadership Project" (HELP) proposal, the Legislature enacted Engrossed Substitute Senate Bill (ESSB) 5908, the "Building Washington's Future Act." This legislation authorizes the State Finance Committee to issue, subject to legislative appropriation, approximately \$750,000,000 in general obligation bonds over three biennia beginning in 2003-2005 to provide additional capital funding for higher education.

The Legislature's intent in adopting ESSB 5908 was that:

“(the) new source of funding not displace funding levels for the capital and operating budgets of the institutions of higher education. It is instead intended that the new funding will allow the institutions, over the next three biennia, to use the current level of capital funding to provide for many of those urgent preservation, replacement, and maintenance needs that have been deferred. This approach is designed to maintain or improve the current infrastructure of our institutions of higher education, and simultaneously to provide new instruction and research capacity... This new source of funding may also be used for major preservation projects that renovate, replace, or modernize facilities to enhance capacity/access

by maintaining or improving the usefulness of existing space for important instruction and research programs.”¹

2. Integrated Prioritization of Higher Education Capital Project Requests (ESHB 2151)

The 2003 Legislature also enacted Engrossed Substitute House Bill 2151, an act pertaining to the prioritization of higher education capital project requests. This bill recognized that clear capital project expenditure priorities would be needed to support significant future investments in higher education facilities. In adopting ESHB 2151, the Legislature stated that:

“... a capital investment in higher education facilities is needed over the next several biennia to adequately preserve, modernize, and expand the capacity of the state's public two-year and four-year colleges and universities. This investment is needed to responsibly preserve and restore existing facilities and to provide additional space for new students. Further, the legislature finds that capital appropriations will need to respond to each of these areas of need in a planned, balanced, and prioritized manner so that access to a quality system of higher education is ensured.

It is the intent of the legislature that a methodology be developed that will guide capital appropriation decisions by rating and individually ranking, in sequential, priority order, all major capital projects proposed by the two-year and four-year public universities and colleges. Further, it is the intent of the legislature that this rating, ranking, and prioritization of capital needs will reflect the state's higher education policies and goals including the comprehensive master plan for higher education as submitted by the higher education coordinating board and as adopted by the legislature.”²

ESHB 2151 requires the public four-year institutions, beginning in the 2005-2007 biennium, to prepare, in consultation with the Higher Education Coordinating Board and the Council of Presidents (COP), a single prioritized individual ranking of institutional capital projects. ESHB 2151 also requires the State Board for Community and Technical Colleges (SBCTC) to continue to submit a single prioritized ranking of proposed community and technical college capital projects.

Additionally, ESHB 2151 directs the HECB, in consultation with the Office of Financial Management (OFM) and the Joint Legislative Audit and Review Committee (JLARC), to develop common definitions that the public four-year institutions and the State Board for Community and Technical Colleges will use in developing the prioritized project ranking. The legislation directs the HECB to disseminate these definitions as well as the criteria framework, categories, and rating system to be used in developing the ranking as part of the HECB's biennial budget guidelines.

¹ Engrossed Substitute Senate Bill 5908.

² Engrossed Substitute House Bill 2151.

3. Statewide Strategic Master Plan For Higher Education (ESHB 2076)

Engrossed Substitute House Bill 2076, enacted in the 2003 legislative session, re-defines in part the scope of the Board's master plan for higher education and emphasizes the relationship of the state's goals for higher education to strategic planning and resource allocation policies and decisions. As stated in the legislation:

The board shall develop a statewide strategic master plan for higher education that proposes a vision and identifies goals and priorities for the system of higher education in Washington State. The board shall also specify strategies for maintaining and expanding access, affordability, quality, efficiency, and accountability among the various institutions of higher education.

The board shall present the vision, goals, priorities, and strategies in the statewide strategic master plan for higher education in a way that provides guidance for institutions, the governor, and the legislature to make further decisions regarding institution-level plans, policies, legislation, and operating and capital funding for higher education.³

The capital budget guidelines complement the long-term goals and strategies identified in the interim Strategic Master Plan to be adopted by the HECB in December 2003. The final Strategic Master Plan is to be adopted by the HECB in June 2004 after legislative review. The interim and final Strategic Master Plans will identify a vision for higher education in Washington State as well as goals to support this vision and strategies to meet the goals.

HECB Priorities for Capital Investments

Within the above policy context, the Board's fiscal priorities for the 2005-2007 higher education capital budget reflect the overall goal of providing students access to a high-quality education system that has adequate, fully functional space for students, faculty, and staff to pursue teaching, learning, research, and related activities.

The Board's capital budget fiscal priorities for the 2005-2007 biennium are similar to the funding priorities recommended by the Board for the 2003-2005 capital budget. Specifically, the Board believes that highest priority should be given to projects which:

- Are needed for life/safety or immediate repairs to facilities, systems, and infrastructure.

³ Engrossed Substitute House Bill 2076.

- Reduce the backlog of preservation, renewal, and replacement needs of higher education facilities, systems, and infrastructure.
- Improve the functionality and efficient use of academic spaces (instructional, research, support), which are essential to the role and mission of the institution.
- Provide additional capacity at community and technical colleges to alleviate critical space deficiencies and overcrowding.
- Allow for the completion of major new capacity projects at the comprehensive institutions and the continued development of the branch campuses and off-campus centers for higher education.
- Provide capacity for delivering high-demand programs.

These investment priorities are closely aligned to the priorities identified by the House Capital Budget Committee's 2002 Interim Work Group on Higher Education Capital Budget and Facilities.⁴ Specifically, the work group identified the following priorities: (1) reduce the preservation backlog; (2) provide new space to increase access at the community and technical colleges; (3) fund renovations and replacements that are critical to preserving access to current instruction space or to the mission of the institution; and (4) address unique access and mission issues as high priorities for capital appropriations.

In addition to these expenditure priorities, the Board recommends high priority be given to identifying ways to shorten the time required to undertake and complete capital projects. Currently, state procedures can result in major projects taking six years to complete. If this length of time could be shortened, the cost of large projects could be reduced by lower inflation impacts on project budgets.

Project Classifications: Common Definitions

State policymakers have made it clear that they want to better understand higher education's capital project needs. The lack of commonly defined categories of project types has been identified as a principal constraint in understanding the different needs of the different sectors and institutions. Consequently, ESHB 2151 directed the HECB to work with the institutions, the Council of Presidents, the State Board for Community and Technical Colleges, staff of the Joint Legislative Audit and Review Committee, and the Office of Financial Management to develop common definitions for the 2005-2007 capital budget submittal.

⁴ The work group was chaired by Representative McIntire and included Representatives Esser, Kenney, and Cox. Additionally, members of the Senate Capital Budget Subcommittee and Senate Higher Education Committee participated on an ad-hoc basis. Work group participants included representatives of the HECB, the Office of Financial Management, the Council of Presidents, the public four- and two-year institutions, the State Board for Community and Technical Colleges, and staff of the Joint Legislative Audit and Review Committee.

Attachment A provides an association of the existing Office of Financial Management project classifications of **Preservation** and **Program** with project types and their corresponding descriptions. OFM has adopted these categories and the Board recommends that the four-year institutions and the State Board for Community and Technical Colleges use these OFM categories in their respective project requests.

Project Ranking Criteria Framework

The Board recognizes that the community and technical colleges have in place an existing system and methodology to evaluate, prioritize, and rank capital projects. This system has been developed over many years and is familiar to state policymakers. Accordingly, the Board feels that the SBCTC should continue to use its existing process for prioritizing projects to arrive at the ranking of community and technical college projects as required by ESHB 2151.

The framework for deriving the integrated prioritized list of capital projects for the four-year institutions recognizes that many considerations lead to the determination of the relative priority of a capital project. In addition to assessments of a facility's physical condition or estimates of space need, other considerations influence the choices made about a project's importance. The role and mission of an institution, its long-term strategic plan, and areas of current program emphasis and priority all shape an institution's biennial capital budget request. In this regard, the proposed ranking methodology, while quantitative, is designed to provide the institutions with the opportunity to exercise discretion and judgment in the ranking of projects.

Minor Works Requests

The Board believes that minor works requests addressing emergency/critical repairs and life/safety and code compliance should be prioritized higher than all major projects. All other minor works requests should be prioritized within the overall ranking of all projects, as directed by ESHB 2151. The Board encourages the institutions to use an approach similar to that used by the SBCTC, which differentiates between the most urgent minor works needs (Category A) and less urgent minor works needs (Category B). Both the Category A and B minor works requests are ranked in the overall project list at levels deemed appropriate relative to the nature and priority of other major projects.

Major Projects

For ranking major projects of the four-year institutions, the HECB is proposing a criterion framework that incorporates multiple factors to arrive at project rankings. Underlying this framework is the recognition that one type of project is not always of greater or lesser importance than another type of project, either to a particular institution or to the system as a whole. Rather, each institution needs to address multiple types of needs in a balanced manner.

The criterion framework shown in Attachment B includes the ranking factors discussed below. As shown in Attachment B, suggested weights are provided for each factor. The weights represent the maximum number of “points” that a project can receive on each factor. With the exception of the first factor (Relationship of Project to State Priorities), the institutions will, in consultation with the COP and the HECB, develop the score ranges for each factor as the framework is tested with preliminary project lists.

The criterion framework for the evaluation and ranking of the projects includes the following factors:

- **Relationship of Project to State Priorities**
The extent to which the project has a clear and direct relationship to the HECB priorities for capital investment as described above.
- **Institutional Priority**
The relative importance of the project within an institution’s overall capital budget request. The institutions will develop a common method for scoring this factor. The method will be equitable to institutions that request fewer major projects than other institutions.
- **Sector/Institutional Initiatives: Areas of Emphasis**
This criterion allows each institution to identify programmatic initiatives that are of high importance to the institution and the state, but are not already being offered or provided by the institution. Projects eligible for this criterion should be evaluated on the basis of addressing specific economic and educational needs of Washington.
- **Program Functionality and Quality**
This criterion provides the institutions the opportunity to rank projects on the basis of program/quality-driven considerations. The institutions will develop a common method to score projects within the four categories of quality shown in Attachment B.
- **Physical Condition of Building System or Infrastructure**
This criterion assesses the physical condition of a building or campus infrastructure. For buildings, the JLARC Facility Condition Index should be used as an initial base score. The base score may be adjusted if institutional-level condition assessment data indicates that a building’s condition warrants the adjustment.
- **Space Shortage**
This criterion assesses the extent to which an existing space shortage exists for space types contained in projects which will add capacity. The determination of space shortage should be based on the space and utilization standards contained in the Facility Evaluation and Planning Guide (FEPG) or other national standards. The determination of classroom and class lab space needs should use the HECB’s average weekly station utilization standards of 22 and 16 hours, respectively.

2005-2007 Capital Budget “Sizing” Estimates

Representatives of the universities and colleges have said that having an estimate of the 2005-2007 higher education capital budget would make it easier to prioritize and rank capital projects. The table below provides a preliminary estimate of the possible range of 2005-2007 higher education capital appropriations. As shown, the factor used to create the low and high estimates is higher education’s assumed percentage share of state bonds, excluding bonds authorized through the “Building Washington’s Future Act” (ESSB 5908). These alternative “base” share assumptions lead to an estimated range of \$749 million to \$844 million.⁵

Estimated 2005-2007 Higher Education Capital Appropriation Levels	
Estimated 2005-2007 Total “Base” General Obligation Bond Authorization	\$950 million
Higher Education Share of Base Bonds	
1991-2005 Share (45%)	\$428 million
2003-2005 Share (35%)	\$333 million
Estimated 2005-2007 “Gardner-Evans” Bond Authorization	
Total Three Biennium Plan (ESSB 5908)	\$750 million
2003-2005 Allocation	\$170 million
Difference	\$580 million
2005-2007 Estimate (50%)	\$290 million
All Other Appropriated Funds	\$126 million
Estimated 2005-2007 Higher Education Capital Budget	
High Estimate	\$844 million
Low Estimate	\$749 million

⁵ These estimates do not assume capital budget appropriations for building maintenance. The 2003-2005 capital budget included \$53 million from the Education Construction Fund to offset a corresponding reduction of maintenance funding in the institutions’ operating budgets.

Process for Developing the Four-Year Rankings

The Board recommends that a process similar to the SBCTC process be implemented to develop the project rankings of the four-year institutions' projects. Specifically, the Board recommends the creation of a project evaluation and ranking panel chaired by the Council of Presidents and composed of representatives of the four-year institutions. A HECB staff member would serve as a facilitator and also provide mediation if agreements on the rankings cannot be reached.

Attachment A

Project Classifications

Preservation: <i>Projects that maintain and preserve existing state facilities and assets, and do not significantly change the program use of a facility.</i>		
Line-Item Request Type	Project Types	Description
Minor Works	<ol style="list-style-type: none"> 1. Health, Safety, and Code Requirements 2. Facility Preservation 3. Infrastructure Preservation 	<ol style="list-style-type: none"> 1) Unanticipated needs or critical repairs needed for occupant/building risk reduction or compliance with codes. 2) Minor repair and system replacement projects needed to sustain/return a building or system to current accepted performance.
Major Line-Item Requests: Single project requests costing more than \$5 million	<ol style="list-style-type: none"> 1. Remodel/Renovate 2. Infrastructure 	Renovation of existing facilities and campus infrastructure needed to correct functional deficiencies of building systems or infrastructure.

Program: <i>Projects that achieve a program goal, such as changing or improving an existing space to meet new program requirements or creating a new facility or asset.</i>		
Line-Item Request Type	Project Types	Description
Minor Works	<ol style="list-style-type: none"> 1. Program 	Minor repairs, system replacements and improvements needed for program delivery requirements.
Major Line-Item Requests	<ol style="list-style-type: none"> 1. Remodel/Renovate/Modernize 2. Infrastructure 3. New Facilities/Additions 4. Acquisition Land 5. Acquisition Facilities 	<ol style="list-style-type: none"> 1) Replacement of deteriorated or dysfunctional facilities or infrastructure needed to enhance program delivery. 2) Construction or acquisition of new facilities or property needed to accommodate program demand or improve program delivery.

Attachment B

Preliminary Four-Year Institution Criterion Framework

Prioritization Criterion	Weight	Score
Relationship of Project to State Priorities	Up to 18	
Emergency or life/safety repairs to facilities and systems		18
Reduction of preservation, renewal, replacement backlog		15-17
Modernization of core academic space and/or space for high demand programs		12-14
Completion of capacity projects at the comprehensive institutions and continued development of the branch campuses and off-campus centers		9-11
Institutional Priority	Up to 18	
Sector/Institutional Initiatives: Areas of Emphasis	Up to 10	
Program Quality	Up to 18	
Nonfunctional or nonexistent		
Operational but seriously deficient		
Operational but marginally deficient/inconvenient		
Operational and adequate		
Physical Condition of Building System (per FCI) or Infrastructure	Up to 18	
Marginal functionality (FCI=5)		
Limited functionality (FCI=4)		
Fair (FCI=3)		
Adequate (FCI=2)		
Superior (FCI=1)		
Space or System Capacity Shortage	Up to 18	
Deficiency for existing student enrollment, faculty, staff activity level		
Deficiency for near-term (1-6 years) growth in student enrollment, faculty, staff activity level		
Deficiency for long-term (6-10 years) growth in student enrollment, faculty, staff activity level		

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

October 2003

ENGROSSED SUBSTITUTE HOUSE BILL 2151

**An act relating to prioritizing proposed capital projects
of higher education institutions**

Summary

The intent of the legislation is to develop a single integrated priority list of the four-year institutions' capital project requests beginning in the 2005-2007 biennium, and for the State Board for Community and Technical Colleges (SBCTC) to continue to submit an integrated priority list for the community and technical colleges.

Specific Provisions of ESHB 2151

- Beginning with the 2005-2007 biennial capital budget submittal, the four-year institutions, in consultation with the Council of Presidents (COP) and the Higher Education Coordinating Board (HECB), will prepare a single prioritized ranking of proposed projects.
- The governing boards of the four-year institutions will approve the single prioritized project list and submit it to the Office of Financial Management (OFM) and the HECB at the same time the institutions submit their biennial capital budget requests.
- The State Board for Community and Technical Colleges will continue to submit a single prioritized ranking of projects proposed by the community and technical colleges.
- The HECB, in consultation with the Joint Legislative Audit Review Committee and OFM, will develop common definitions of project types to be used in preparing the prioritized lists of the four-year and community and technical colleges' proposed projects.
- The HECB will disseminate the common definitions, general methodology and criterion framework to be used in developing the prioritized lists in its biennial budget guidelines.

- The HECB will resolve any disputes or disagreements among the four-year institutions concerning the ranking of projects.
- If one or more of the governing boards of the four-year institutions fails to approve the prioritized four-year project list, or if the four-year institutions do not submit the prioritized list with their budget requests, the HECB will prepare the four-year institution's project list.
- Beginning with the 2005-2007 biennial budget submittal, the HECB will submit its capital budget recommendations and the separate two-year and four-year prioritized project lists.

October 2003

Teacher Training Pilot Program Grants

Background

State law (RCW 28B.80.620) authorizes the Higher Education Coordinating Board (HECB) to administer a competitive grant program to expand or create collaborative teacher training and recruitment programs through Washington public high schools, community colleges, and four-year colleges and universities. The 2003-05 state operating budget (SB 5404) includes a total of \$300,000 for competitive grants to support the teacher training pilot program. The 1999-2001, and 2001-2003 state operating budgets also included \$300,000 for competitive grants. The teacher training pilot program will expire on January 1, 2005.

Grant Proposal Review and Approval Process

In July 1999, the HECB adopted *Resolution 99-27*, which outlined the process to review and approve proposals for the teacher training pilot program. Based on this Board resolution, HECB staff completed the following process for distribution of the 2003-2005 grants:

- **July 25** – HECB staff distributed the Request for Proposal (RFP) to the public two- and four-year colleges and universities and independent four-year colleges and universities. Public colleges and universities could partner with the independent colleges and universities.
- **September 21** – The HECB received 11 proposals – eight from community colleges and three from public four-year institutions – prior to the 5:00 p.m. deadline.
- **September 30** – A review committee, comprised of representatives from K-12 and two- and four-year institutions, the private baccalaureate institutions and HECB staff, reviewed and ranked the proposals. Organizations represented on the review committee included the state Professional Educator Standards Board, the State Community and Technical College System, the Office of the Superintendent of Public Instruction, and the Washington Association of Colleges for Teacher Education.

Review Committee Recommendations

Based on its evaluation of the proposals, the review committee recommends funding the four proposals described below:

Eastern Washington University: Discover the Teacher Within – \$94,500

Eastern Washington University, in partnership with the Spokane Public Schools and Spokane Falls Community College, will do the following: 1) create a college-level, introduction to education course, for high school students interested in a teaching career; and 2) provide mentoring and service learning activities in which EWU education students will work with high school students who have a demonstrated interest in becoming teachers.

Highline Community College: Teacher Cohort Program – \$74,334

Highline Community College, in partnership with the Federal Way School District, will create a weekend distance learning teacher education program targeted to people who are unemployed and teachers' aides. The partnership will: 1) offer to a 30-student cohort a total of 14 courses that meet the requirements for the Associate of Arts transfer degree and pre-admission requirements for entry into Central Washington University's teacher education program at the CWU SeaTac Center; 2) thematically link all of the courses around education topics; and 3) provide several opportunities for service learning and mentoring.

Seattle Community College District: Online/Fast Track Teaching Academy to A.A. Pre-teaching Degree Program Model – \$ 58,235

The Seattle Community College District, in partnership with the University of Washington, Western Washington University, and the Seattle Public Schools, will do the following: 1) develop a 15-month Associate of Arts degree program for high school students, allowing them to enter a four-year teacher education program one year after graduating from high school; 2) produce a high school "Teaching Career Academy" curriculum with online and multi-media features that will enable high school seniors to earn high school and community college credits concurrently; and 3) develop two to three education courses that focus on critical topics in the teaching profession.

Tacoma Community College: Project Teaching/Learning Community – \$ 72,931

Tacoma Community College, in partnership with the Tacoma Public Schools, The Evergreen State College, Chandler-Gilbert Community College, and the Washington State Teachers Recruiting Teachers organization, will create a learning community for a cohort of entering education students to research, read, write, view, and discuss topics related to teaching. Members of the partnership will: 1) restructure and redesign three courses (Freshman Composition, Introduction to Education, and Public Speaking) for integration in the learning community curricula; 2) develop three courses (Electronic Portfolio Development, Diversity in Education, and PowerPoint and Other Presentation Skills) for integration in the learning community curricula; and 3) provide college-level mentoring and field experiences in public schools for prospective teachers.

Next Steps

Following Board approval, HECB staff and the institutional grant recipients will sign interagency agreements. Funds for the first year will become available as soon as the interagency agreements are signed. Funds for the second year will become available by August 31, 2004, provided the Board has received the progress reports due on August 1, 2004.

RESOLUTION NO. 03-33

WHEREAS, The Governor and the Legislature appropriated \$300,000 in the 2003-2005 state operating budget for competitive grants to support the teacher training pilot program; and

WHEREAS, The Higher Education Coordinating Board, through *Resolution 99-27*, has adopted a process for review and approval of the teacher training grant proposals; and

WHEREAS, Board staff and external experts in the field have evaluated the 2003-2005 grant proposals, in accordance with the adopted process, and recommend that the Board fund four teacher training education pilot programs in the 2003-2005 Biennium;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board accepts the recommendations of its review committee and directs staff to award 2003-2005 grants to the following teacher training pilot programs: Eastern Washington University (\$94,500), Highline Community College (\$74,334), Seattle Community College District (\$58,235), and Tacoma Community College (\$72,931).

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

October 2003

2003-2005 Biennium Child Care Grants

The 2003-2005 state operating budget directs the Higher Education Coordinating Board (HECB) to distribute \$150,000 in state funds for competitive child care grants to the state's public four-year colleges and universities. The Legislature provided a separate pool of funds for child care grants to the community and technical colleges. The Board distributed competitive child care grants to the public four-year institutions in the 1999-2001 and 2001-2003 biennia.

Child care grants are designed to promote high-quality, accessible, and affordable child care for students. Following are key requirements of the grant program:

- Grants may be used only to operate a campus child care center or to subsidize the cost of on-site child care for students and faculty. Grants may not be used to build or remodel facilities.
- Applicants must create a partnership between university/college administration and student government.
- Grants must be matched dollar-for-dollar by the university/college administration and/or its student government association (or equivalent). The match may be either in cash or in-kind. Matching funds must complement and augment access to child care for students, and may not supplant existing services or resources.
- The \$150,000 appropriation is to be divided equally over the two fiscal years, with \$75,000 available per fiscal year. The amount of \$50 is available from unexpended grants in previous biennia, bringing total funds available to \$150,050. No single institution may receive more than one-half of the total funds.

Application Process

HECB staff issued a Request for Proposals on August 1, with a deadline for proposals of October 17. Four of the six public four-year institutions submitted proposals. The institutions requested a total of \$232,826 for the two years of the biennium. The institutions' requests were as follows:

- Washington State University \$74,588
- Central Washington University \$75,000
- Eastern Washington University \$ 8,238
- The Evergreen State College \$75,000

A review committee met on October 22 to evaluate the proposals and make funding recommendations. Members of the review committee represented the following organizations:

Washington Association for the Education of Young Children	Mary Garguile
Child Care Action Council	Annie Cubberley
Higher Education Coordinating Board staff	John Fricke Brenda Landers Whitney DalBalcon

Based on its evaluation, the review committee recommends the HECB fund the following proposals.

Central Washington University \$55,697

The review committee recommends that the Board authorize \$55,697 in grant funds (\$27,173 in FY 2004 and \$28,524 in FY 2005) to support Central Washington University's proposal to reopen the evening care program and provide financial assistance to needy student parents. This grant award will fund most of the proposal. The amount requested for supplies, goods and services was reduced to fit within available funding.

The Evergreen State College \$52,512

The review committee recommends that the Board authorize \$52,512 in grant funds (\$26,256 in FY 2004 and \$26,256 in FY 2005) to support The Evergreen State College's proposal to provide staff training and financial assistance to needy students, and to buy furniture, supplies and equipment. This grant award will fund most of the proposal. The amount requested for financial assistance was reduced to fit within available funding.

Washington State University \$33,603

The review committee recommends that the Board authorize \$33,603 in grant funds (\$13,383 in FY 2004 and \$20,220 in FY 2005) to support Washington State University's proposal to expand evening program capacity, provide financial assistance to needy students, advertise to students, and buy supplies. This grant award will fund almost half of the proposal. The amount requested for website development and brochures was reduced to fit within available funding.

Eastern Washington University \$8,238

The review committee recommends that the Board authorize \$8,238 in grant funds (all in FY 2004) to support Eastern Washington University's proposal to provide training for staff and parents. This grant award will fund the entire proposal.

Next Steps

Following Board approval of the review committee's recommendations, HECB staff will execute inter-agency agreements with the four institutions. These interagency agreements will spell out the terms of the grant and the reporting requirements. The HECB interim executive director and the chief financial officer of each grantee will sign these agreements. Funds for the first fiscal year of the biennium then will be made available. Grant funds for the second year of the biennium will be made available as soon as possible after July 2004, upon satisfactory completion by the grantees of first-year progress reports.

RESOLUTION NO. 03-34

WHEREAS, The Legislature and Governor directed the Higher Education Coordinating Board (HECB) to distribute \$150,000 in state funds in the 2003-2005 biennium for competitive child care grants; and

WHEREAS, The child care grants are designed to promote high-quality, accessible, and affordable child care for students attending public baccalaureate institutions; and

WHEREAS, The Higher Education Coordinating Board staff prepared and circulated a Request for Proposals to all of the public baccalaureate institutions, and invited proposals from each institution; and

WHEREAS, The HECB received proposals from four institutions, including Washington State University, Central Washington University, Eastern Washington University, and The Evergreen State College; and

WHEREAS, A review committee, composed of experts in the child care field and HECB staff, evaluated the grant proposals and recommend funding the following grants: Central Washington University - \$55,697, The Evergreen State College - \$52,512, Washington State University - \$33,603, and Eastern Washington University - \$8,238;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the recommendations of the child care review committee and directs the staff to execute inter-agency agreements with each institution and release the state funding.

Adopted:

October 29, 2003

Attest:

Bob Craves, Chair

Ann Ramsay-Jenkins, Secretary

October 2003

Community Scholarship Matching Grant

Program Summary

The Washington State Community Scholarship Matching Grant program provides \$2,000 matching grants to community-based 501(C) (3) organizations that raise at least the same amount for college scholarships through local fundraising initiatives. The matching grant encourages community support for local residents pursuing higher education and is one way the state can help fill the growing gap between the cost of college and the amount that is provided by families and taxpayer-supported financial aid programs.

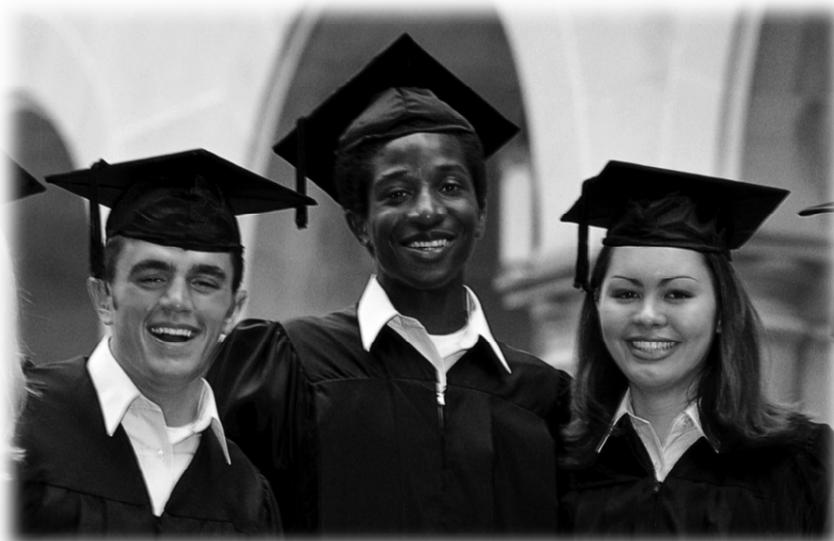
Created in 1989, the program was modestly funded by the Legislature until 1999-00, when the budget appropriation was increased from \$50,000 a year to \$251,000 per year. At that time, HECEB staff began to work with a program advisory committee to create the administrative procedures necessary to carry out the broader purpose of what had become a larger program. In January 2003, the Board adopted administrative rules for the CSMG program (WAC 250-69). During 2003, HECEB staff expect that 123 organizations will receive matching grant funding.

Current budget proviso language gives preference to organizations affiliated with Citizens' Scholarship Foundation – locally known as Washington Dollars for Scholars – and sets certain funding priorities. The first priority is organizations that have not previously received Community Scholarship Matching Grants. The second priority is organizations that have previously received the grants and would like to raise additional money for their scholarship endowment funds. If funds remain, the third priority is organizations that have previously received the grant and would like to raise additional money for student scholarships.

As Dollars for Scholars activity grows in Washington state, fewer non-Dollars for Scholars groups will qualify for the grant. This pattern is beginning to emerge in the partial history provided below.

Year	Number of D/S Recipients	Number of Other Recipients	Total Recipients
1996/1997	7	18	25
1997/1998	6	13	19
1998/1999	4	15	19
1999/2000	23	37	60
2000/2001	100	87	187
2002/2003	73	50	123

*Washington Dollars for Scholars and
Scholarship America*



present

The National Trustees Award

to

Washington State



*“Give a man a fish, and he eats for a day.
Teach a man to fish, and he eats for a lifetime.”*

The National Trustees Award

The National Trustees' Award is awarded to a corporation or organization that has given outstanding support to education primarily through corporate-sponsored scholarship programs and other programs designed to improve access to educational opportunities and encourage educational achievement.

Washington State is the first state government to be recognized with this award.

Washington state has received this award for groundbreaking legislation that has made the state a model in developing community-based scholarship programs. In 1989, the state Legislature established the Community Scholarship Matching Grant program, which now provides approximately \$245,000 per year in \$2,000 matching grants to eligible community scholarship foundations. The state's Higher Education Coordinating Board administers the grant program.

Previous winners have been: Cargill Corporation, Raytheon Corporation, Weyerhaeuser Company Foundation, Target Corporation, General Mills Foundation, Lumina Foundation for Education, Nicor Gas of Illinois, Best Buy Corporation and Bremer Financial Corporation. The state of Washington is the first government entity to win this prestigious award.

**Scholarship America and Dollars for Scholars
Scholarships Awarded in Washington State/ 2002-2003 School Year**

College Name	Total Number of Scholarships	Total Scholarship Value	Dollars for Scholars Scholarships	Scholarship Management Services Scholarships
Apollo College	1	\$300	\$300	\$0
Art Institute of Seattle	15	\$12,900	\$5,150	\$7,750
Ashmead College	6	\$4,300	\$4,300	\$0
Bastyr University	2	\$3,000	\$500	\$2,500
Bates Technical Institute	8	\$4,500	\$4,500	\$0
Bellevue Community College	14	\$9,200	\$6,450	\$2,750
Bellingham Technical College	7	\$7,200	\$4,700	\$2,500
Big Bend Community College	14	\$10,000	\$2,000	\$8,000
Business Computer Training Institute	1	\$200	\$200	\$0
Cascade Summit School of Massage	1	\$500	\$500	\$0
Cascadia Community College	3	\$2,300	\$800	\$1,500
Central Washington University	112	\$113,950	\$72,450	\$41,500
Centralia Beauty College	1	\$400	\$400	\$0
Centralia College	113	\$95,860	\$60,110	\$35,750
Clark College	20	\$18,985	\$6,735	\$12,250
Clover Park Technical College	12	\$11,150	\$5,950	\$5,200
Columbia Basin College	13	\$15,440	\$5,640	\$9,800
Cornish College of the Arts	9	\$9,830	\$1,180	\$8,650
DeVry Institute of Technology	4	\$1,800	\$1,300	\$500
Eastern Washington University	120	\$140,110	\$47,146	\$92,964
Edmonds Community College	8	\$6,360	\$6,360	\$0
Eton Business College	2	\$1,100	\$1,100	\$0
Everett Community College	20	\$13,050	\$10,550	\$2,500
Evergreen State College	29	\$27,490	\$15,090	\$12,400
Gene Juarez Academy of Beauty	2	\$1,100	\$1,100	\$0
Glen Dow Academy of Hair Design	1	\$500	\$500	\$0
Gonzaga University	62	\$85,470	\$20,150	\$65,320
Grays Harbor College	16	\$8,702	\$4,702	\$4,000
Green River Community College	29	\$17,000	\$10,450	\$6,550
Henry Cogswell College	2	\$1,000	\$1,000	\$0
Heritage College	3	\$2,250	\$1,250	\$1,000
Highline Community College	10	\$6,400	\$3,400	\$3,000
Inland Massage Institute	1	\$500	\$500	\$0
International Air Academy	1	\$500	\$0	\$500
ITT Technical Institute: Seattle	1	\$5,000	\$0	\$5,000
ITT Technical Institute: Spokane	5	\$5,775	\$4,775	\$1,000
Lake Washington Technical College	2	\$5,500	\$500	\$5,000
Lower Columbia College	4	\$3,200	\$1,700	\$1,500
Moody Bible Institute	1	\$2,000	\$2,000	\$0
Mount Vernon Beauty School	1	\$900	\$900	\$0

**Scholarship America and Dollars for Scholars
Scholarships Awarded in Washington State/ 2002-2003 School Year**

College Name	Total Number of Scholarships	Total Scholarship Value	Dollars for Scholars Scholarships	Scholarship Management Services Scholarships
North Seattle Community College	3	\$5,500	\$1,500	\$4,000
Northwest College	18	\$18,800	\$5,050	\$13,750
Northwest College of Art	5	\$2,700	\$1,700	\$1,000
Olympic College	17	\$15,285	\$11,285	\$4,000
Pacific Lutheran University	88	\$82,015	\$42,415	\$39,600
Peninsula College	18	\$19,400	\$18,650	\$750
Perry Technical Institute	3	\$4,000	\$1,500	\$2,500
Pierce College - Tacoma	3	\$1,250	\$1,250	\$0
Pierce Community College - Puyallup	39	\$23,600	\$20,100	\$3,500
Pierce College - Lakewood	20	\$13,250	\$12,750	\$500
Pierce College - Fort Steilacoom	3	\$2,500	\$750	\$1,750
Pima Medical Institute	1	\$1,000	\$0	\$1,000
Puget Sound Community College	6	\$3,660	\$3,660	\$0
Renton Technical College	5	\$4,300	\$3,550	\$750
Seattle Central Community College	26	\$26,580	\$21,080	\$5,500
Seattle Pacific University	48	\$48,210	\$19,810	\$28,400
Seattle University	42	\$63,650	\$10,950	\$52,700
Shoreline Community College	11	\$5,375	\$4,500	\$875
Skagit Business College	2	\$1,000	\$1,000	\$0
Skagit Valley College	14	\$19,200	\$14,200	\$5,000
South Puget Sound Community College	33	\$23,953	\$12,150	\$11,803
South Seattle Community College	10	\$5,400	\$5,400	\$0
Spokane Community College	17	\$11,780	\$11,780	\$0
Spokane Falls Community College	49	\$45,675	\$22,785	\$22,890
St. Martin's College	23	\$16,418	\$6,918	\$9,500
Tacoma Community College	80	\$51,750	\$39,950	\$11,800
Trinity Lutheran College	2	\$2,000	\$1,000	\$1,000
University of Puget Sound	40	\$57,795	\$13,245	\$44,550
University of Washington	399	\$517,465	\$170,264	\$347,201
Walla Walla College	4	\$18,447	\$1,100	\$17,347
Walla Walla Community College - Walla Wa	14	\$11,400	\$6,100	\$5,300
Walla Walla Community College - Clarkston	1	\$200	\$200	\$0
Washington Academy of Dental Assistance	1	\$350	\$350	\$0
Washington State University	272	\$314,525	\$153,525	\$161,000
Washington State University - Richland	2	\$4,500	\$0	\$4,500
Washington State University - Tri-Cities	2	\$950	\$200	\$750
Washington State University - Vancouver	1	\$1,000	\$0	\$1,000
Washington State Univ.: College of Pharmaco	2	\$1,500	\$1,500	\$0
Wenatchee Valley College	15	\$8,300	\$7,300	\$1,000
West Coast Training, Inc.	1	\$10,250	\$0	\$10,250

**Scholarship America and Dollars for Scholars
Scholarships Awarded in Washington State/ 2002-2003 School Year**

College Name	Total Number of Scholarships	Total Scholarship Value	Dollars for Scholars Scholarships	Scholarship Management Services Scholarships
Westen Washington University	211	\$217,245	\$120,645	\$96,600
Whatcom Community College	36	\$29,170	\$26,170	\$3,000
Whitman College	35	\$47,907	\$13,407	\$34,500
Whitworth College	60	\$74,274	\$21,324	\$52,950
Yakima Valley Community College	26	\$24,625	\$15,625	\$9,000
Totals	2384	\$2,513,876	\$1,162,976	\$1,350,900



Washington
Dollars for
Scholars

Fact Sheet

"This scholarship means so much to me because it marks the beginning of a new journey."

Ali Bloom
Scholarship Recipient

"Dollars for Scholars is based on a ripe idea - democracy in action. It gives dignity to people because it unites a community to help its own. It infects our young people with a spirit of hope and develops future leaders."

Dr. Irving Fradkin
Founder of
Scholarship America
(parent to Dollars for
Scholars)

Contact Washington Dollars for Scholars

Richard Millerick
Executive Director
1808 Richards Rd. SE #119
Bellevue, WA 98005
800-335-4512
425-643-9913
mail@wadollarsforscholars.org
http://wa.dollarsforscholars.org

9/16/2003

Who Are We?

Dollars for Scholars is a national network of grassroots, volunteer-driven chapters raising money to provide scholarships and academic support to students. We are a program of Scholarship America, the nation's largest private sector scholarship and educational support organization. For six consecutive years, we have been named one of the top 17 non-profits in the U.S. by the Wall Street Journal's *Smart Money* magazine.

Washington Dollars for Scholars is building scholarship resources in our state to help youth achieve their educational goals. We create new chapters and support existing chapters by providing guidance, training, marketing support, new ideas, and new chapter development. We have also established community partnerships, including Washington State's Higher Education Coordinating Board (HECB) that has been providing annual scholarship matching grants since 1990.

Why Are We Needed?

Each year an estimated 8,000 Washington students do not go to college simply because they cannot afford to. With an average household income of \$45,776, most Washington families are hard-pressed to afford the \$11,000-\$30,000 or more per year that attending college can cost.

The ability of young people to reach their full potential should not be limited by a lack of financial resources. Local volunteers working to support and encourage youth in their community are overcoming this barrier through Dollars for Scholars.

More Than Scholarships

A study funded by the Bill & Melinda Gates Foundation found that just 67% of our youth are graduating from high school, compared to 71% nationwide. In addition to scholarships, our chapters offer local students caring connections with supportive adults who offer inspiration, education, and encouragement about options for higher education. Many communities see an increase in the number of students going on to college after a chapter is formed.

Stretching Scholarship Dollars

Dollars for Scholars has created partnerships with over 440 colleges and universities. These Collegiate Partners agree not to reduce their grant aid for students with Dollars for Scholars scholarships, and nearly one-third of them match some or all of each Dollars for Scholars award.

*Call Today to Learn How You Can Help
Turn College Dreams into College Degrees*

Washington Dollars for Scholars At a Glance

Number of Chapters
112

Dollars Raised by Chapters in 2002
\$2,583,900

of Scholarships Awarded in 2002
1,762

First WA Chapter Established
1987 in Kettle Falls

Dollars Raised by All
Chapters Since 1987
\$16,178,528

Total Matching Grants Provided
by Washington State
\$1,226,600

Number of Students Receiving
Scholarships Since 1987
9,093

Number of Collegiate Partners
18



Nicole Frank - Scholarship recipient from the African American Dollars for Scholars chapter

Dollars for Scholars Scholarship Puts Student on Road to Success

by Bill Baker

A Dollars for Scholars scholarship is more than getting money to pay for college. It's about a community showing support for its young people, and encouraging them to reach for their dreams.

Nicole Frank's experience is a great example. She graduated from Franklin High School in Seattle in 1995, and entered the University of Washington that fall. Although her hard-working, single mother was an inspiration to her, Nicole knew her mother could not afford to send her to college. Nicole didn't know how she would manage to pay for college, even though she had worked and saved throughout high school. The UW and federal assistance that she received helped meet much of her financial need. But her Dollars for Scholars scholarship did more than provide the last critically needed assistance—it was the catalyst, the fire, the vote of confidence that ignited her ambitions and gave her the blast of inspiration that put her on the road to a remarkable career at the UW.

Nicole excelled at the UW both inside and outside the classroom. She organized a college readiness program at Seattle's Rainier Beach High School—a school with many low-income students and low college-going rates. She also led a summer math program at the same school.

Last year, Nicole simultaneously earned bachelors degrees in Sociology, Statistics, and Applied Computational Mathematical Sciences. That set the stage for her advanced degree. This year she is beginning work on her PhD. at the University of Pennsylvania on a full-ride fellowship.

"My Dollars for Scholars Scholarship is what really got me going—the real springboard from high school to the UW," Nicole says. "I never dreamed that it would start me down this road."

The recession and the escalating costs of higher education make it more certain than ever that more students like Nicole will be wondering how they will be able to afford college, and more certain than ever that Dollars for Scholars must reach new levels of success in scholarship fundraising.



**Washington
Dollars for
Scholars**

Washington Dollars for Scholars is building scholarship resources in Washington State to help youth achieve their educational goals. We help communities create new scholarship foundations and support existing Dollars for Scholars chapters by providing guidance, training, marketing support, resources, and new ideas. An estimated 8,000 Washington students every year do not go to college simply because they cannot afford to. The ability of young people to reach their full potential should not be limited by a lack of financial resources. Local volunteers working to support and encourage youth in their community are overcoming this barrier through Dollars for Scholars.

1808 Richards Road SE, #119, Bellevue, WA 98005
Phone: 425-643-9913/800-335-4512 Fax: 425-643-9978 E-mail: mail@wadollarsforscholars.org

*The Smallest Good Accomplished
is Greater than
the Most Magnificent Promise.*