

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

# **2004 Strategic Master Plan for Higher Education**

**HECB Meeting**  
**July 22, 2004**  
*Final Draft*

*2004 Strategic Master Plan for Higher Education*

**Introduction**

*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.*

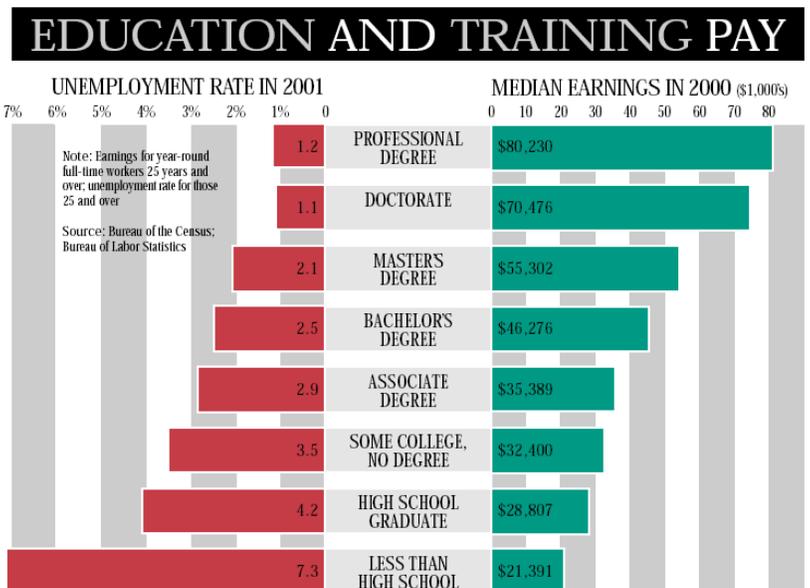
**Overview**

Education is the cornerstone of our democracy. It is as fundamental to our society as the right to vote. In fact, the founders believed that only an *educated* citizenry could achieve the goals of the new nation. Today, we know that a strong education system is the thread that binds the fabric of our society. It is the engine that drives our economy. It is the best hope for a brighter future for every generation. That is as true of the higher education system – the subject of this report – as it is of the K-12 system.

Ideas such as those in the paragraph above are often expressed – and received – as a mild, soothing tonic, pleasant but quickly forgotten when the discussion shifts to “key” issues. But a strong higher education system *is* vital to our collective future. It is impossible to overstate that fact.

Higher education is the gateway to full participation in the economic, social, and cultural benefits of society. As the chart shows, higher education leads to greater earning power and less unemployment. Increased education has a direct correlation to increased health insurance coverage, greater personal savings, and other job benefits. Individual benefits extend beyond the financial. More education and its accompanying earning power generally mean better health and longer, richer lives.

Higher education benefits society as well, both because of the contributions of those who participate and because the higher education endeavor itself enriches the state’s economy.



Individual earning and spending fuel the state's economy. People with a higher education earn more, spend more, and contribute more in economic productivity and tax revenue. On average, someone with a college degree spends 72 percent more annually – and contributes that much more to the state's sales tax base – than someone without. A college graduate is also less likely to require governmental entitlement programs.

College-educated citizens drive the businesses of this state – large and small – not only through employment, but also through the entrepreneurial spirit necessary for economic advancement. Partnerships between industry and colleges and universities on research and development grants and in shared commercial ventures hone the state's competitive edge and bring new products and services to the marketplace.

Ironically, we seem to regularly *under-value* our system. How else to explain that state per-student funding has actually declined when adjusted for inflation during a period when the vast majority of people believe a college education is more important than ever? How else to explain that for every 100 students who enter the ninth grade, only 69 have graduated from high school four years later, and just 34 have graduated from college with a baccalaureate degree six years after that? How else to explain that state support for students in Washington's two-year and four-year colleges has stopped keeping pace with population growth and the demand for academic, job training and basic skills instruction? And finally, how else to explain that the state does not have a comprehensive data system to accurately evaluate the progress and success of its students and colleges?

In the end, the *value* we place on education will determine our collective future. Our commitment to educational opportunity for students, to funding support for our colleges, and to the need for accountability for performance, will determine the strength of our educational system and our societal fabric, the vitality of our economy, and the opportunity available to all who live here.

In this plan, the Higher Education Coordinating Board describes its vision, goals and specific proposals for improving the higher education segment of the state's education system. These elements are described in detail elsewhere in this document, but several overarching points of context have framed and focused this entire report:

**Continuing the status quo is not good enough.** Washington has an excellent higher education system, but its quality cannot be taken for granted. The HECB believes the state system is not funded as well as it should be, and it is not working as effectively as it could for students, institutions and policy makers.

**The state must focus on a limited number of priorities.** Washington must resist the impulse to identify an ever-expanding list of well-intended goals, strategies and new programs. Instead, we must relentlessly *limit* ourselves to only the highest priorities. In this plan, the Board's highest priorities are restricted to two goals: 1) Increase the number of students who complete their studies and earn college degrees, certificates and other credentials of success, and 2) Make the higher education system more responsive to the needs of the state economy.

**Washington must have both a well-funded higher education system and one that is responsive to performance measurement and accountability.** The Board is fully committed to advocating higher state spending for colleges and universities, including increased financial aid for deserving students. It also endorses accountability for performance, because the taxpayers of Washington deserve to know two things: 1) that the state coordinating board is doing its part to build a strong system, and 2) that the public's investment in higher education is being well used.

### **The state of higher education in Washington**

This is a difficult time for the people of Washington. Recession has gripped the state for several years. Washington has endured the loss of tens of thousands of living-wage jobs, the failure of hundreds of small businesses and start-up companies, and a fiscal crisis that will continue to force state government to address monumental revenue losses and budget shortfalls. The rapidly rising costs of “doing the people’s business” – providing education, social services, law enforcement, transportation and health care – are outrunning the capacity of the current state tax system to generate revenue.

If Washington is to maintain, let alone improve, the quality of life for all of its residents, we must find new ways to analyze and solve problems affecting issues of transportation, health care, the environment and social services. Solving those problems requires a commitment to higher education – not only as a foundation for growth, but also to meet the demand for workers who have the knowledge and skills to address these critical issues when they enter the job market.

In Washington, rapidly increasing demand and a demographic surge will produce unprecedented numbers of high school graduates by 2010 and will push the capacity of our public colleges and universities to the brink. Severely restricted state funding – including higher education budget cuts in the 2003-05 biennium and failure to keep pace with inflation in other years – create added pressure. Double-digit tuition increases in recent years have strained family budgets and made it difficult for students to plan and pay for their college careers.

Meanwhile, the productivity of our higher education system – the number of students who earn degrees, certificates and other credentials – is not keeping pace with the state's economic needs. The state is simply not producing enough job-ready graduates, nor is it serving enough students in pre-college programs (especially adult basic education and ESL) that are the gateway to employment and further education for large and growing numbers of residents.

We must recognize that not all of tomorrow’s jobs will require a two-year or four-year degree. Workforce training programs play a significant role in the state’s higher education system, and must be clearly aligned with other post-secondary options for every student leaving high school.

No longer do mounting pressures on the state’s higher education system affect only budget decisions or classroom space. Today, these converging challenges threaten the very promise of higher education for the state’s high school graduates, as well as countless other “non-traditional” students.

Every public college in the state is overenrolled, with the two-year schools supporting about 14,000 more fulltime equivalent students than are funded by the state, and the four-year schools enrolling an additional 4,000 students. Enrollment pressures continue to expand. As of June 2004, all five public universities have halted new freshman admissions, some for the first time ever, and slots for transfer students appear to be limited as well.

A recent national study found that more than 90 percent of high school graduates expect to go to college, and more than 70 percent expect to earn degrees. The glaring reality is that the state is not even close to meeting these expectations – nor will it ever be, unless we take steps now to ensure adequate, predictable funding for higher education as a way of meeting increased demand.

If not addressed, all of the challenges facing higher education will lead to the same ominous outcome: a weakened economy, less opportunity for students, wasted talents and broken dreams. Perhaps the most alarming trend is that higher education is being squeezed out of the longstanding realm of a public benefit, and into the narrower class of a private good. We may be on the right track in recognizing the obstacles ahead, but we are clearly moving in the wrong direction if we neglect to face the problems head-on.

### **Setting a new course based on core values**

Faced with new and growing pressures on higher education as a whole, it is clear that maintaining the status quo will close the door of opportunity for thousands more students, while easily undermining both the quality of our system and the state's competitive global advantage. It is time to chart a new course.

The 2004 Strategic Master Plan for Higher Education is based on four core values:

- All students, regardless of their income, race, ethnicity, gender 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.
- The state's commitment to higher education must be broad enough to meet the needs of all students – whether they are learning English or basic skills, preparing for the workforce, or earning an advanced degree – and it must be focused enough to acknowledge and integrate the ongoing reforms in the K-12 system.

### **Helping students succeed; helping the state prosper**

The 2004 master plan will build on the strengths of the state's current system of higher education, while ensuring access and fostering success for students and creating a stronger connection between postsecondary education and the state's changing economy.

Following the strategies outlined in the plan will lead to greater opportunity for students, more graduates, enhanced funding that is linked to results, a renewed focus on the needs of statewide and regional economies, and more reliable and consistent information about student progress for use by policy makers.



# Goals

For Washington to remain competitive in a changing global economy, we must increase the number of educated and skilled people in Washington. And we must harness the power of higher education to stimulate economic growth and create jobs.

That means increasing the number of students who earn college degrees and complete job training programs every year. It also means increasing the responsiveness of our colleges and universities to the state's economic needs to create more jobs and more opportunity for all Washingtonians.

In this master plan, the Board is setting clear and measurable goals, with a focus on results rather than inputs alone. Although we cannot measure every aspect of higher education's contribution to our society, we can send a clear message that college degrees matter and that education and training are inextricably linked to our future regional and state prosperity.

## **Goal 1: Increase opportunities for students to earn degrees**

It is no longer enough to attend college. Students must succeed – and graduate. When more students earn college degrees, everyone benefits. The students earn higher incomes, enjoy a better quality of life, and are less likely to be unemployed. And a better-educated workforce translates into higher tax revenue, greater civic participation, and a stronger state economy.

That is why the Board is calling for a 12 percent increase in the total number of students who earn college degrees per year by 2010.

Specifically, by 2010:

- The number of students who earn associate's degrees will increase by 1,700 to reach 23,500 per year.
- The number of students who earn bachelor's degrees will increase by 4,100 to reach 30,000 per year.
- The number of students who earn graduate degrees will increase by 1,300 to reach 11,500 per year.

## **Goal 2: Respond to the state's economic needs**

Washington's future competitiveness in the global economy depends on having an educated and skilled workforce. Yet this competitiveness is limited by too few workers with the high-level skills required for jobs in many high-demand fields, and too many workers without the basic workplace skills required to obtain the most desirable jobs and to continually adapt to the changes that will continue to affect our evolving economy.

Washington needs a coordinated strategy to increase the collective economic responsiveness of its colleges and universities.

Specifically,

- The number of students who earn degrees and are prepared for work in high-demand fields will increase by 300 per year to reach a cumulative total of 1,500 by 2010.
- The number of students who complete job training programs will increase by 18 percent to reach 25,000 per year.<sup>1</sup>
- The proportion of basic skills students who demonstrate skill gains will increase from 51 percent to 80 percent.<sup>2</sup>

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<sup>1</sup> This goal is based on a goal adopted by the State Board for Community and Technical Colleges.

<sup>2</sup> This goal is based on a goal adopted by the State Board for Community and Technical Colleges.

*Strategic Master Plan  
Policy Proposals*



# Funding for Student Success

## Overview

The state's current approach to funding higher education is based on the number of students who are enrolled. It does not promote student success well, and does not reward colleges and universities for making progress on state higher education goals.

The Board believes that Washington must fundamentally change the way it does business. In this strategic master plan, the Board has set clear and measurable goals, with a focus on results rather than inputs alone. It is no longer enough for students to attend college. They must succeed too.

Consistent with its emphasis on results, the Board is proposing a new funding incentive that will reward Washington's public colleges and universities for student success. "Student success" can be measured in many ways, from the number of degrees and certificates earned to the completion of adult basic education or English as a Second Language programs. Linking higher education funding to student success will help increase the number of students who earn degrees and are prepared for work in Washington – key goals outlined in the strategic master plan.

The Board recognizes, however, that this incentive program must recognize the differences among the state's public research universities, comprehensive colleges and universities, and community and technical colleges. And it believes that performance contracts negotiated between an individual college or university and the state would be an effective tool in doing that.

The performance contract would spell out the expected level of "student success" from the college or university. If the college or university exceeded that level, it would be rewarded with a bonus. The amount of the bonus would be negotiated in the contract, and would take into account the costs to the college or university of producing additional student successes. The performance contract also would need to address the admission practices and graduation requirements of the college or university to ensure continued access, diversity, and quality.

## Analysis

The state budget currently funds each public college and university for a specified number of full-time enrollments (FTE), and each school manages its enrollment level accordingly. If an institution falls below this level, the Legislature sometimes has reduced funding to that institution. While colleges and universities do not necessarily want to exceed the budgeted FTE enrollment level by a significant amount, they certainly do not want to go under it. In a perverse way, a higher than expected level of student graduations could reduce an institution's student level, and endanger its funding.

Although public colleges and universities monitor results and student successes, they are not as important as meeting enrollment targets from a financial perspective. Thus, graduation rates, time to degree, graduation efficiency, credits earned, and other measures often are secondary considerations.

### *Washington's current funding method*

States generally choose one of two methods to fund their higher education systems: (1) "funding formulas" or (2) "cost-plus" or "incremental budgeting." Both methods are student-driven.

In practice, Washington currently uses "incremental budgeting." The Legislature and Governor begin with the budget from the preceding year and adjust for one-time costs and inflation to create a "base" budget. New items are funded as specific "policy decisions." Common policy enhancements include new enrollments, as well as salary and benefit increases. During a recession, across-the-Board reductions in state funding are a common budget cut.

### *A new bonus that rewards student success*

To implement "funding for student success," the state would accept the current higher education budget, as well as the current number of "successes earned" as a base. This approach protects current base funding for all colleges and universities. Funding for student success would be a policy addition to the higher education budget.

While this proposal does not focus exclusively on reducing time to degree, its focus on increasing the number of degrees should improve graduation rates for all students. As the chart below shows, a significant proportion of students who enroll in Washington's public colleges and universities do not earn their bachelor's degrees within six years, and there is wide variation by race and ethnicity. A results-oriented financial incentive would encourage colleges and universities to closely monitor these students and inspire them to graduate.

<b>First-time, Full-time Students Seeking Bachelor's Degrees: Percentage of Students Who Graduated in Six Years (Enrolled in Fall 1996 – Graduated by August 2002)</b>					
	White	Asian	Hispanic	African American	American Indian
UW-Seattle	71%	71%	68%	54%	46%
WSU	64%	50%	51%	46%	53%
CWU	52%	41%	40%	38%	46%
EWU	50%	36%	43%	35%	46%
TESC	45%	59%	60%	50%	43%
WWU	65%	53%	53%	57%	50%

Source: IPEDS

### *Costs*

The Board's Funding for Student Success proposal will require additional state funding over the current level. The Board believes that Washington's higher education system is in dire need of additional state funding to expand access and maintain quality. But it believes that any additional state funding must be tied to producing measurable results, as outlined in this proposal.

# Allocating Student Enrollments

## Overview

Increasing opportunities for students to earn degrees between now and 2010 requires that the state plan for the enrollment that will be needed to meet that goal. The state will need to provide increased student enrollments, along with the necessary funding for the faculty and courses. In addition, the 2004 Legislature directed the Board to address enrollment allocation as a way of sizing and shaping the future of the state's higher education system.

Key questions include:

- How many additional students will need to enroll?
- Where will these students attend college?
- How much will it cost?

Key issues include the distribution of student enrollment:

- Between public and private colleges and universities;
- Between four-year and two-year colleges and universities;
- Among the four-year colleges and universities; and
- Across urban, suburban, and rural settings.

With limited state resources, it is imperative that the Board's proposal optimize the state higher education system. The Board will make specific enrollment allocation recommendations when it submits its budget recommendations.

## Analysis

Allocating student enrollment to meet the Board's goals requires answering the following questions:

- Step 1: How many degrees will students earn in the public and private sectors?
- Step 2: How many public sector enrollments are needed to meet the public sector goals?
- Step 3: How much of a change is this from current enrollments?
- Step 4: What is the physical capacity of the public colleges and universities?
- Step 5: What is the regional demand for additional student enrollments?
- Step 6: What are the funding needs for the additional student enrollments?

The answer to each question will have ramifications for the others. The Board is in the process of constructing a simulation model to help state policymakers analyze the fiscal impact of various enrollment, tuition, financial aid, state support, and capital facilities alternatives.

The Board has set three specific targets for the number of degrees that students will earn by 2010: 11,500 graduate degrees; 30,000 bachelor's degrees; and 23,500 associate degrees. Students will earn these degrees at public and private colleges and universities.

<b>Overall Number of Degrees to be Earned in 2010 at Public and Private Colleges and Universities</b>	
Graduate Degrees	11,500
Bachelor's Degrees	30,000
Associate Degrees <sup>1</sup>	23,500

In addition, the Board has set a target of 25,000 per year for the number of students who will complete job training programs (“Prepared for Work”) in the community and technical system.<sup>2</sup>

***Step 1: How many degrees will students earn in the public and private sectors?***

A system of higher education that sets goals for degrees earned must include both the public and private sectors. This is the initial step in shaping higher education in Washington State. The Board assumes that the public and private sectors will grow at the same rates between now and 2010, and that their historical shares will remain the same. For example, the Board assumes that the public colleges will continue to produce 57 percent of all graduate degrees, which translates into 6,555 graduate degrees annually in 2010.

<b>Number of Degrees to be Earned in 2010 by the Public and Private Sectors Based on Their Historical Shares</b>				
	Public Share	Public Goal	Private Share	Private Goal
Graduate Degrees (11,500)	57%	6,555	43%	4,945
Bachelor's Degrees (30,000)	76%	22,800	24%	7,200
Associate Degrees (23,500)	93%	21,855	7%	1,645

The target of 25,000 per year for the number of students who will complete job training programs will occur entirely in the public sector.

***Step 2: How many public sector enrollments are needed to meet the public sector goals?***

Determining the number of annual student enrollments (FTE) needed to reach the Board's public sector goals requires comparing the number of students enrolled today with the number of degrees being earned.

Although the number of degrees earned per FTE student varies by institution, the example below uses the average for the four-year public sector. In addition, it does not change the current ratio of degrees earned to enrolled students and does not incorporate any new “efficiencies” in how many students it takes to produce a degree.

<sup>1</sup> Includes both academic “liberal arts” and workforce education “non-liberal arts” associate's degrees.

<sup>2</sup> The goal of “Prepared for Work” is not exclusively a degree goal. It includes certificates and/or a certain number of job training courses, in addition to a share of the associate degrees. Adopted by the State Board for Community and Technical Colleges, this goal is a long-term goal (some year prior to 2010). The State Board for Community and Technical Colleges is expected to update this goal later this year.

<b>Meeting the Goal of Degrees to be Earned by 2010: Student Enrollments (FTE) Needed at the Public Four-year Colleges and Universities</b>			
	Public Degree Goal	Number of Degrees Earned Per 100 Actual FTE Students	Annual FTE Enrollments
Graduate Degrees	6,555	32.8	19,985
Bachelor's Degrees	22,800	26.8	85,075
<b>Total</b>			<b>105,060</b>

To meet the public degree goal of 22,800 bachelor's degrees and 6,555 graduate degrees per year will require 105,000 annual student enrollments (FTE) by 2010.

In the public two-year system, there is an overlap in the associate of arts degree and Prepared for Work goals. Some of the Prepared for Work students earn associate degrees. The associate degree goal of 21,855 needs to be divided between the transfer-oriented liberal arts associate degree and the professional/technical workforce oriented non-liberal arts associate degree. The split is 66 percent liberal arts and 34 percent professional/technical. In addition, the State Board for Community and Technical Colleges provides pre-college and basic skills courses as a part of its mission. These courses make up 24 percent of their student FTEs.

<b>Meeting the Community and Technical College Goals: Student Enrollments (FTE) Needed at the Public Two-year Colleges</b>			
	Goal	Outcomes per 100 Actual FTEs by Course	Annual FTE Enrollments
Associate Degrees – Liberal Arts	14,424	24.2	59,724
Prepared for Work	25,000	41.8	59,828
Basic Skills/Pre-College			37,753
<b>Total</b>			<b>157,305</b>

To produce 14,424 liberal arts associate degrees and 25,000 students who are prepared for work (which includes another 7,431 associate degrees), while maintaining basic skills and pre-college courses, will require 157,000 FTE students.

***Step 3: How much of a change is this from current enrollments?***

Meeting these degree goals will require about 31,000 more students than are currently enrolled in the state's public higher education system, or about 46,000 more enrollment slots than are budgeted for 2004-05. The total number of public FTE students required to meet the strategic master plan goals is about 262,000. During the 2003-04 academic year, about 232,000 FTE students were enrolled. The number of FTE student slots budgeted for the 2004-05 academic year is 216,000.<sup>3</sup>

<sup>3</sup> This includes nearly 3,000 FTE students that were added in the 2004 Supplemental Operating Budget.

<b>Meeting the Goal of Degrees to be Earned by 2010: Additional Student Enrollments (FTE) Needed at the Public Colleges and Universities</b>					
	2003-04 (Actual)	2004-05 (Budgeted)	Goal for 2010	Increase Over 2003-04 (Actual)	Increase Over 2004-05 (Budgeted)
Four-year Colleges and Universities	90,203	87,629	105,060	14,857	17,431
Two-year Colleges	141,605	128,412	157,305	15,700	28,893
<b>Total</b>	<b>231,808</b>	<b>216,041</b>	<b>262,365</b>	<b>30,557</b>	<b>46,324</b>

***Step 4: What is the physical capacity of the public colleges and universities?***

Each college or university has constraints on its capacity based on either physical limitations or its institutional strategic plan. As of 2002, the planned capacity (by 2010) and institutional strategic plans indicate that the four-year colleges and universities in total will have enough classroom and lab space to accommodate 120,000 students – nearly 30,000 more FTE students than were enrolled in 2003-04. This compares favorably to the enrollment growth of 15,000 needed to meet the Board’s goal for the number of degrees earned. Some of these spaces are programmatically unfit and will require modernization. Additionally, enrollment growth at the existing four-year campuses will require creating new instructional support and student-service space. And the location of much of the additional space (eastern Washington) may not match the growth areas of the state (the Puget Sound region).

Planned capacity at the two-year colleges is 92,600 student FTE enrollments by 2010. Actual enrollment in 2003-04 is 141,600, which suggests that the system is already “over-capacity” by about 49,000 students. The two-year system is currently accommodating the extra students in crowded spaces or using other spaces that are neither owned nor leased. Meeting the goals would require providing additional capacity for another 16,000 student FTEs in the two-year system by 2010.

***Step 5: What is the regional demand for additional student enrollments?***

A systematic approach to enrollment allocation will require distributing the enrollment slots among the individual colleges and universities. This allocation must take into account not only the capacity issue described above, but also the geographic and program needs of students and the state’s economy.

***Step 6: What are the funding needs for the additional student enrollments?***

Finally, a systemic approach to enrollment allocation must consider the additional costs at each of the institutions for funding additional students. There are a number of issues to consider when funding additional students, such as whether the funding should be allocated according to the average cost per student, the marginal cost per student, or the funding level of similar colleges and universities in other states (peer averages). In addition, “high-demand” enrollment slots,

which generally are more expensive, have been funded historically at higher amounts than “general” enrollments. Finally, there are funding differences among the sectors (research, comprehensive, and community and technical colleges) and between undergraduate and graduate level enrollments.

### **Next Steps**

The Board will make budget recommendations that implement the policies needed to attain its goals. These will include the students needed to attain the degree goals along with the necessary funding for operating and capital purposes. Board staff is currently constructing a computer simulation model that will allow the sizing, shaping and financing of public higher education.



# Increasing the Number of Degrees in High-demand Fields

## Overview

The ongoing evolution of Washington's economy from one based on manufacturing to one that rewards knowledge, skills and education has been well documented. However, state higher education funding to help Washington residents benefit from growth in knowledge-intensive, high-income sectors has been stagnant at best. Inflation-adjusted per-student funding for the state's colleges and universities has steadily eroded since the early 1990s.

In this environment, it is critical that the state align its limited resources for public higher education with the needs of the economy. Traditional liberal arts education must remain a core component of the state's higher education system because the skills it imparts are central to business and career success. However, the state also must respond to student and employer demands in fields where current or projected job creation outpaces the capacity of the higher education system to produce trained graduates. This means targeting new funds and program development efforts to health care, biotechnology, and other fields that address statewide and regional opportunities and priorities.

The Board has set goals to increase the number of degrees earned and the number of students who are prepared for work. It is reasonable to expect that a portion of this increase would be devoted to high-demand fields. Each year through 2010, the Board proposes to increase the number of students who earn degrees and are prepared for work in high-demand fields by 300 per year for a cumulative total of 1,500. Such a target would require adding about 1,000 FTE students to the higher education system each year.

## Analysis

### *What is "high demand"?*

High-demand programs have two primary elements: (1) instructional programs or fields in which student enrollment applications exceed available slots, and (2) career fields in which employers are unable to find enough skilled graduates to fill available jobs.<sup>4</sup> This definition recognizes both excess student demand for a program and high societal need for graduates in given fields. Satisfying both elements is critical. Fulfilling student demand without subsequent placement with employers will quickly lead to flooding the job market with unemployed graduates. Expanding programs because of employer demand without a queue of students will lead to unused capacity. Plus, a shortage of workers is not necessarily the result of limited instructional capacity but could be symptomatic of the working conditions and/or wages in the occupation – problems that need to be addressed by other means.

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<sup>4</sup> For a discussion of high-demand definitions, see "High-Demand Enrollment Reports, 2001-03, Overview and Executive Summary," Higher Education Coordinating Board, December 2002, and "High Demand – High Need – High Cost Enrollment Allocations, 2001-03," Council of Presidents' Interinstitutional Committee of Academic Officers, November 15, 2002.

### ***Policy and practice in Washington***

In Washington, the Governor and Legislature have provided funds intermittently since 1999 to support the creation of new enrollment slots in high-demand programs, in response to competitive proposals from the public two-year and four-year colleges and universities. Appropriations were made in the 1999-2001 and 2003-05 biennia, while in 2001-03, lawmakers asked the public colleges to submit reports about how they were or were not able to respond to high-demand program needs.

In the 2003-05 operating budget, the Legislature has identified certain fields it believes to be “high-demand.” For the public four-year colleges and universities, these fields include: (1) careers in nursing and other health services, (2) applied science and engineering, (3) teaching and speech pathology, (4) computing and information technology, and (5) viticulture and enology. Other fields also may be considered high-demand if a college or university can provide compelling information about specific regional student and employer demand. For the public two-year college system, “high-demand fields” include: (1) health services, (2) applied science and engineering, (3) viticulture and enology, (4) information technology, and (5) expansion of worker retraining programs.

The Higher Education Coordinating Board is responsible for administering a competitive grant process to allocate high-demand funds among the four-year colleges and universities. The State Board for Community and Technical Colleges has that responsibility for the two-year colleges.

### ***The need for earmarked funding***

High-demand programs are often quite expensive – the cost per student of providing the program can be greater than average. Reallocation of funds within an institution’s current budget is an important, but limited, source of high-demand funds. Colleges and universities regularly shift funding among their various programs. But because high-demand programs are often quite expensive, it is an over-simplification to assume that colleges and universities can shift enrollment allocations on a one-for-one basis from low-cost, low-demand programs to much more expensive high-demand programs.

### **Next Steps**

To help meet the state’s economic needs and respond to employer and student demand, the Board will develop an ongoing method of identifying high-demand fields and programs based on student and employer needs and master plan goals. The Board believes the state would provide greater service to students and employers and greater predictability to the colleges and universities if it facilitated an ongoing dialogue about the changing environment for high-demand programs and fields, rather than responding in a sporadic fashion based on the availability of funding.

House Bill 3103, enacted in 2004, directs the Board to develop a comprehensive and ongoing assessment process to analyze the need for additional degrees and programs. The needs assessment will examine projections of student, employer, and community demand for education and degrees – including liberal arts degrees – on a regional and statewide basis. The process will help identify, on a regional and statewide basis, program areas with high student demand for certain programs, as well as significant employer demand for graduates. It also will be used to estimate the total high-demand program need.

Identifying high-demand fields will require cooperation and information from a number of entities, including public and private four-year colleges and universities; the community and technical college system; private career schools; the Workforce Training and Education Coordinating Board; the Department of Employment Security; local economic development agencies; various committees and commissions that are reviewing particular industries or occupations; and industry and trade associations. This will not be a groundbreaking effort, because all of these groups are represented in current state efforts to develop economic, job and educational forecasts. But this process will require a greater level of coordination and collaboration than has existed in the past. Ideally, the Board would include a list of high-demand programs within its budget recommendations for higher education.

Another issue is how to allocate high-demand funding among the colleges and universities. The Higher Education Coordinating Board and the State Board for Community and Technical Colleges have successfully administered competitive grant programs since 1999. And it is clear that the private sector partners that have helped to review the colleges' proposals and make funding recommendations have found this to be a most effective venture. For those reasons, the Board recommends the current competitive process be continued and refined as suggested above.

The final question is whether private colleges and universities should be allowed to compete for state high-demand funds on an equal footing with the public colleges and universities. During the last session, the Governor decided not to include independent colleges and universities as eligible institutions for high-demand enrollment funding. However, the Governor also expressed a desire for better inclusion of private institutions in statewide efforts to fulfill the educational needs of college and university students.



# Keeping College Tuition Affordable and Predictable

## Overview

Washington, like many states, does not have a long-term state tuition policy for resident undergraduate tuition. As a result, tuition increases generally have followed a cyclical pattern: increasing moderately when state revenue is high, and increasing sharply when state revenue is low. The absence of a tuition policy makes it difficult for students and parents to plan for college costs and for Washington's Guaranteed Education Tuition (GET) Program, the state's prepaid tuition plan, to plan for long-term affordability. This has potentially devastating consequences for thousands of financially needy families who often do not have the financial reserves to respond to unexpected spikes in tuition.

Washington needs a state tuition policy that keeps tuition predictable and affordable for students and families while maintaining the high quality of education at the state's public colleges and universities. Specifically, the Board recommends that the state adopt the following tuition policy for resident undergraduate tuition and fees at Washington public two-year and four-year colleges and universities:

### *Short-term*

- Tuition and fees would not increase by more than 31 percent over any consecutive four-year period (7 percent annual growth compounded over four years);
- Annual tuition increases would be spread as evenly as possible over this four-year period; and,
- No annual increase would exceed 10 percent.

### *Long-term*

The Board will complete a feasibility analysis of alternative tuition policies and make recommendations to the Governor and Legislature for consideration during the 2006 legislative session. The Board believes the state tuition policy must include three components:

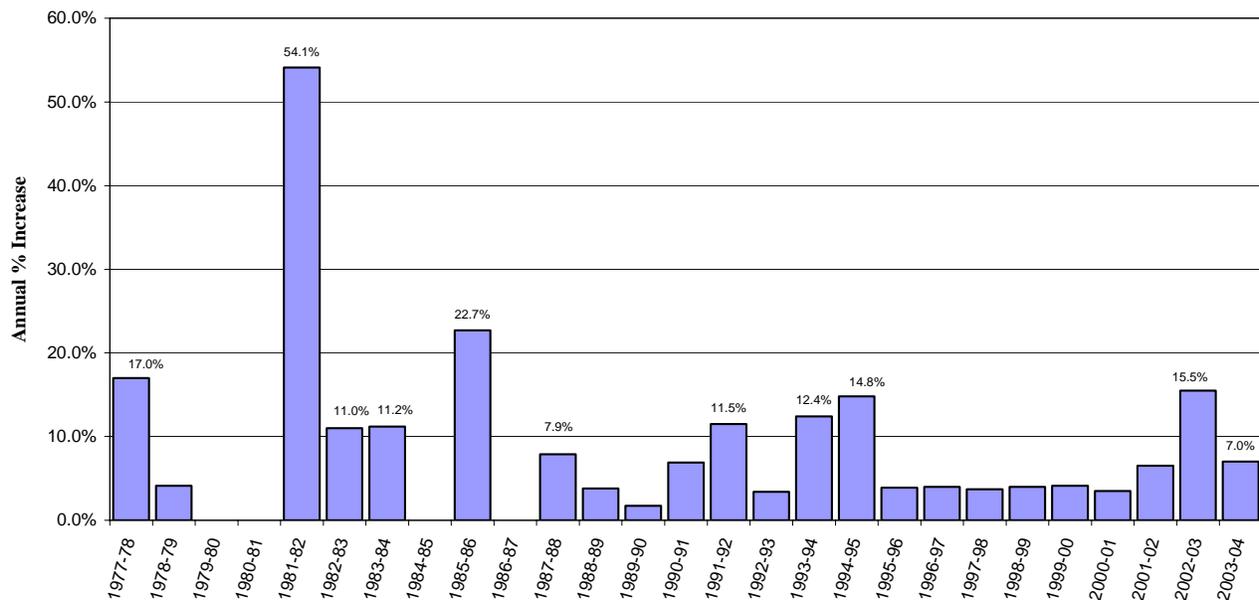
- Annual tuition increases for resident undergraduates would be capped at 7 percent for low-income families;
- Tuition would rise for higher-income families and be linked to families' ability to pay; and,
- The state would uphold its commitment to GET and ensure its long-term sustainability.

Individual public colleges and universities that believed they could not adequately operate within these tuition frameworks would be able to negotiate performance contracts with the Board and the Office of Financial Management, with final approval by the Legislature. Performance contracts would offer greater flexibility in setting tuition while requiring a greater level of institutional accountability. Participating colleges and universities would be required to offset any additional program funding requirements resulting from the tuition increases.

### Analysis

Resident undergraduate tuition rates at Washington research universities have increased an average of 7 percent annually over the past 20 years. While actual increases in any one-year have varied dramatically, the long-term average hovers around 7 percent. Yet, these tuition increases have been neither gradual nor predictable. Significant spikes in tuition have occurred in every recession since the 1970s. This cyclical pattern results in higher tuition hikes during recessions when demand and unemployment are highest and average family incomes are flat or rising only slightly.

**Annual tuition increases have fluctuated since the 1970s**



### *Washington’s historical approach to setting tuition*

From 1977 to 1995, the Legislature and Governor set tuition as a percentage of the cost of instruction. Under this “cost-sharing” approach, the student contributed a portion of the cost and the state provided the remainder. From 1995 to 1999, the Legislature and Governor set specific limits on tuition increases of 4 percent per year. Since 1999, local four-year boards and the State Board for Community and Technical Colleges have been allowed to set specific rates for resident undergraduates up to the following maximum limits:

1999-2000: 4.6 %	2002-03: 16 % (UW, WSU), 14% (CWU, TESC, WWU, EWU),
2000-01: 3.6 %	12% (community and technical colleges)
2001-02: 6.7 %	2003-04: 7%
	2004-05: 7%

### Next Steps

The Board will submit its proposed state tuition policy as part of its 2005-2007 higher education operating budget recommendations to the Legislature and Governor in fall 2004.

# Promoting Opportunity through Student Financial Aid

## Overview

State law declares that “financial need shall not be a barrier to participation in higher education” (RCW 28B.10.786). The Board believes the state must maintain its longstanding commitment to higher education opportunity for all students, regardless of income. To ensure that needy students continue to have the opportunity to attend college and complete degree and job training programs, the state must maintain – and in some cases enhance – its commitment to the spending power of its aid programs. Over 131,000 (30 percent) of Washington’s 435,000 students required some form of need-based financial assistance to help meet their higher education costs in 2002-2003.

Targeted investments in financial aid can play a key role in ensuring continued college opportunity for all Washington students, regardless of income, while helping the state achieve the strategic master plan goals. To address both needs, the Board proposes six priorities for the state’s financial aid programs:

- 1. Fund the State Need Grant program to provide grants equal to 100 percent of tuition to students with family incomes at 65 percent of the state’s median and serve all students eligible for the grant.** This will assure the state’s lowest-income students that the grants will meet the cost of tuition at a public institution, allowing them to enroll and persist in higher education programs and improving their likelihood of earning degrees. It also will provide funding for about 10,000 additional low-income students each year.

*Outcome:* More low-income students will attend college and persist toward degree completion.

- 2. Fund the State Work Study program to maintain its purchasing power and provide students with additional job opportunities in high-demand fields.** This will maintain the state’s commitment to help low- and middle-income students meet college costs and reduce borrowing through career-related work. It also will support the state’s higher education goals by encouraging persistence to degrees and providing students with job experiences in high-demand fields. Employers frequently report that practical experience is a critical element of success on the job. Several studies also conclude that working 15 hours or fewer per week helps students persist toward degrees. Program funding would increase in proportion to growth in enrollments and rising costs, allowing the program to maintain its purchasing power in a growing higher education system. An additional modest investment in a high-demand State Work Study initiative would increase the number of student employment opportunities in identified high-demand fields and increase the number of college graduates trained to work in those fields. Funding levels for this initiative would be linked to increases in high-demand enrollments.

*Outcomes:* More students will graduate with work experience, particularly in high-demand fields. In addition, the program will maintain its capacity to provide Washington students with career-related employment and an alternative to borrowing.

- 3. Increase funding for the Educational Opportunity Grant (EOG) program to help more financially needy transfer students earn bachelor's degrees.** Investing in EOG-eligible transfer students is a cost-effective way to increase the number of placebound students earning bachelor's degrees. Students who receive the grants already hold associate degrees, require about two more years to complete bachelor's degrees, and are ready to benefit from upper-division study. Funding increases would be proportionate to increases in the state bachelor's degree production goals.

*Outcomes:* More students with associate degrees will transfer to four-year colleges and universities and complete their bachelor's degrees. In addition, these students will complete their degrees more efficiently than their upper-division peers.<sup>1</sup>

- 4. Maintain the purchasing power of the Washington Scholars and Washington Award for Vocational Excellence (WAVE) programs.** By keeping these scholarship awards at the value of public tuition and fees, the state encourages academic excellence and motivates its best students to attend college and earn degrees in Washington.

*Outcome:* The state will continue to promote excellence and encourage some of its top students to pursue degrees at Washington colleges and universities.

- 5. Provide consistent funding and predictable awards for the Washington Promise Scholarship to motivate high school students to prepare for college.** Consistent funding and predictable awards for the Promise Scholarship would improve K-12/higher education linkages by motivating students in middle school and high school to study hard and prepare for college. Although the scholarship was intended to provide a "promise" of two years of tuition to top high school students, it has never been funded sufficiently to provide awards equal to community college tuition. The scholarship remains subject to annual budget adjustments and the overall spending power of the awards has eroded by over one-third since the program began.

*Outcome:* The Promise Scholarship will motivate students to prepare for college and take middle school and high school seriously.

- 6. Develop a new financial aid program covering the costs of tuition and books to support adults who work full-time and go to college part-time.** Financial aid for full-time workers to pursue part-time education will improve the knowledge and abilities of Washington's workforce. One in four Washington residents who are 25 years of age or older has a high school diploma, but no post-high school education or training.<sup>2</sup> Many of these workers are currently shut out of higher education opportunities. They do not have the time to take six credits to qualify for financial aid, and they do not have the money to pay for part-time study on their own. Part-time study could help workers in these situations to improve their skills and their economic prospects.

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<sup>1</sup> A December 2000 HECB study found that EOG recipients earn credits faster than their upper-division peers.

<sup>2</sup> 2000 Census data

The Board recommends that the state develop a grant program for low-income, full-time workers who attend college for five credits or less per term. The program would defray the costs of books and tuition, up to the amount charged at public colleges and universities. A competitive pilot program would allow the state to initiate assistance at a few colleges and universities in high-need areas of the state in 2005. An evaluation of the pilot program will provide an assessment of its effectiveness and a framework for broader implementation of the program in the 2007-09 biennium.

*Outcome:* More full-time workers will pursue higher education, earn certificates and degrees, improve their individual earnings, and meet their employers' needs for a trained workforce.



# Planning for Regional Higher Education Needs

## Overview

Washington offers a wide array of higher educational opportunities to its citizens. Residents and communities across the state have sought to share in higher education opportunity by promoting the expansion of these resources. As a result, the state today is dotted with an array of instructional sites, including the research university branch campuses; community and technical college satellites; local centers operated by the regional comprehensive universities; and multi-institutional consortia. In addition, private non-profit and for-profit colleges have expanded or developed new outposts in Washington state.

In general, these developments have responded to changing student demographics, employer demand, community needs, and geographic disparities in students' college attendance. And while these resources are important and needed, they were not always planned or implemented in a systematic and prioritized manner.

The responsiveness of Washington's statewide higher education system would be enhanced by establishing a formal, yet fluid, policy and process which links local, regional and state needs to a resource allocation model which is systematic and establishes clear priorities.

Such policy would, for example, be used to determine if a community college should be authorized to offer upper-division programs, a branch campus be authorized to admit lower-division students, or other types of programs be created to respond to regional needs.

The Board is calling for the collaborative development of a unified resource planning and policy framework to:

- Clearly identify and define the existing array of higher education resources;
- Explain the purpose and relationship of these resources;
- Establish the criteria and authorities by which these resources could change in response to emerging and changing student and regional needs; and
- Use existing and new resources in a coordinated and flexible manner.

## Analysis

### *Linking goals, needs and resources*

The strategic master plan articulates statewide goals and strategies to increase the number of students who earn college degrees and credentials of all kinds, and those who gain pre-college skills in such programs as adult basic education and English as a Second Language. In addition, the plan identifies strategies to improve the economic responsiveness of the state's college and university system. To accomplish these goals, the specific needs of regions will need to be assessed, and regionally appropriate strategies designed.

The task of assessing regional needs is not a new undertaking. The creation 15 years ago of the research university branch campuses in Bothell, Tacoma, Vancouver, the Tri-Cities and Spokane is the most visible example of this regionalism. But they comprise one of many educational alternatives that have been employed to meet student and citizen needs. Furthermore, *additional* alternatives – including the possible evolution of branch campuses and community colleges into four-year universities – are being considered in various regions.

Examples of regional needs assessment and planning activities in higher education include the Spokane Higher Education Leadership Council spearheaded by the local Chamber of Commerce; the Higher Education Coordinating Board's study of rural area needs in Jefferson and Okanogan counties, the WSU Vancouver Multi-campus Systems Review, and the needs assessment for the North Snohomish, Island, and Skagit counties.

The Board should create a "Higher Education Resource Planning and Approval Policy" by integrating its recently revised statutory authority for 1) the development of a comprehensive and ongoing assessment process to analyze the need for higher education programs at the regional and statewide level, 2) the approval of new four-year college degree programs, and 3) the approval of off-campus facility and real estate acquisition. This policy would clearly designate and differentiate the types of educational programs and resources offered by the public institutions. Additionally, the policy would establish the criteria and process by which the state would authorize the creation and evolution of educational resources in response to demonstrated need.

To that end, a *continuum* or *pathway* of educational resources would be recognized in the Board's policy. The points or categories along the pathway represent a progressive approach to providing access and responsiveness to existing needs and for providing a framework to meet emerging or changing needs. The pathway would rely on regional-based needs assessment as conducted by the Board to demonstrate the need for new or different types of programs and institutions.

Conceptually, three points along the pathway could be envisioned:

- 1) Institutions would be authorized by the Board to assess actual need and demand for new programs by providing limited off-campus courses and/or programs at higher education teaching sites. These sites would offer a limited array of courses and/or programs and would not represent a permanent commitment. Institutions providing programs at teaching sites would not be authorized to own facilities. New teaching sites would be based on a preliminary assessment of regional needs. Also, the Board could call for institutional proposals to create new sites pursuant to regional needs assessments conducted by the Board.
- 2) As demand increases at existing teaching sites or other underserved regions, institutions could ask the Board to authorize the creation of higher education centers. A center could be organized as a multi-institution teaching entity or as a single university/college enterprise – similar to branch campuses. The new Board policy would articulate the organizational

characteristics and requirements of the centers. Additionally, the new policy would require that the Board conduct a regional needs assessment – in consultation with the institutions and communities served – prior to authorizing/designating a higher education center. Existing higher education centers and the upper-division/graduate level campuses of the University of Washington and Washington State University would be considered as part of this category.

- 3) Four-year colleges and universities that operate upper-division and graduate-level centers could ask the Board to review the status of a center and recommend that the Legislature reclassify it as a college or university, with authority to provide lower- and upper-division and graduate programs. A center could not be reclassified into a college or university unless it demonstrated sufficient enrollment demand as determined by the Board. A proposed reclassification would be based upon these general criteria and the Board’s regional needs assessment, in consultation with the institutions and communities served.

Community and technical colleges also could request the Board to recommend that the Legislature reclassify a college as a baccalaureate institution, offering upper-division enrollment and bachelor’s degrees. The same rules for conducting a regional needs assessment would apply.

### **Next Steps**

The next step is a phased plan to develop and implement the “Higher Education Resource Planning and Approval Policy.” The plan would establish milestones and assign responsibilities for incremental development and Board approval of the new policy.



# Helping Transfer Students Earn Bachelor's Degrees

## Overview

The lack of a comprehensive state transfer system and policy creates unnecessary barriers for community college transfer students who want to earn bachelor's degrees. Many community college students must wade through a cumbersome process to determine which courses or credits will transfer to a particular four-year college or university. And some transfer students discover – too late – that courses they have taken will not apply toward their bachelor's degrees. The result is wasted time, and wasted money, by the students and taxpayers. The 2004 Legislature called for changes to the existing approach, saying, “current policies and procedures do not provide for efficient transfer of courses, credits, or prerequisites for academic majors.”<sup>1</sup>

To help transfer students earn their bachelor's degrees more efficiently, the Board proposes that the state:

- **Develop a statewide course equivalency and major applicability system.** This new Web-based system would help community college students quickly determine which community college courses met general education and “major” requirements at various Washington four-year colleges and universities, before they registered for courses.
- **Adopt a new state transfer policy based on the “major” a student selects rather than an arbitrary 90-credit requirement.** This new student-centered policy would focus on preparing community college students to transfer directly into their majors when they enroll at four-year colleges and universities.

Over 17,000 students are expected to transfer from community colleges to public and private four-year colleges and universities in 2010 – up from about 14,000 students in 2002-2003. Eliminating barriers for these transfer students will be essential to achieving the Board's goal of increasing the number of students who earn bachelor's degrees by 4,100 to reach 30,000 per year by 2010.

## Analysis

The 2004 Legislature directed the Board to assume a leadership role in working with Washington's colleges and universities to ensure efficient and seamless transfer across the state. Developing a statewide system of course equivalency was a key charge, along with developing transfer associate degrees for specific academic majors, and recommending ways to expand upper-division capacity to accommodate the growing number of transfer students.

### *Developing a statewide course equivalency and major applicability system*

In Washington, every four-year college and university has different general education and “major” requirements, and equivalent courses often have different titles and numbers. Although each college has developed a guide to illustrate course equivalency at its institution, no statewide system of course equivalency exists.

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<sup>1</sup> Substitute House Bill 2382, Sec. 1, as approved by the 2004 Legislature

The Board's proposed statewide system would (1) link all courses at public and private two-year and four-year colleges and universities to one another, and (2) outline how each course maps toward fulfilling "major" requirements. Community college students would be able to automatically determine if specific courses met general education and major requirements at various four-year colleges and universities – before they registered for courses. According to the Education Commission of the States, 26 states have established statewide systems of course equivalency, some of which also outline recommended transfer programs (RTP's) for students.

Once the statewide system was fully operational, the state could explore adding additional features to improve the transfer process for Washington students and institutions. For example, adding electronic transcripts to the system would make it easier for transfer students to submit their courses for credit review, and for four-year colleges and universities to evaluate and process transfer student applications.

### *Adopting a new state transfer policy based on the "major" a student selects*

Current transfer policy requires community college students to complete a minimum of 90 quarter-credits at a four-year college or university in order to earn a bachelor's degree. This policy essentially limits students to transferring only two years of lower-division coursework from a community college, even though most students entering four-year colleges directly from high school complete *more than* two years of lower-division coursework toward their degrees. It also fails to consider that students need to complete varying numbers of lower-division courses, depending on the majors they select.

The Board proposes replacing the current 90-credit requirement with a state policy that ties the number of transferable lower-division credits to major-specific transfer associate degrees. For example, a student who completes an associate of science transfer degree would complete more than 90 credits at the community college, while a student who completes another specialized transfer associate degree might complete fewer than 90 credits. The objective is to ensure that community college transfer students arrive at four-year colleges and universities prepared to enter their chosen majors.

### *Estimated project development costs*

Developing a statewide course equivalency and major applicability system would cost an estimated \$1.1 million for initial implementation, and \$500,000 annually thereafter for maintenance. This estimate is based on costs to develop similar systems in other states.

### **Next Steps**

The Board will convene a work group to begin preliminary work on the development of a statewide course equivalency system and will report to the Legislature in January 2005 on the work group's progress.

The Board will work with colleges and universities to eliminate the current 90-credit state policy by winter 2005. It also will review current transfer associate degrees to ensure that the credits required accurately reflect the course preparation students need to complete their majors. Work groups are currently developing new transfer associate degrees in elementary education, engineering and nursing, and will establish additional transfer degrees each year thereafter.

Finally, the Board will continue to support and work closely with task forces and oversight committees, established by the two-year and four-year colleges, to identify and remove any additional obstacles to successful transfer.



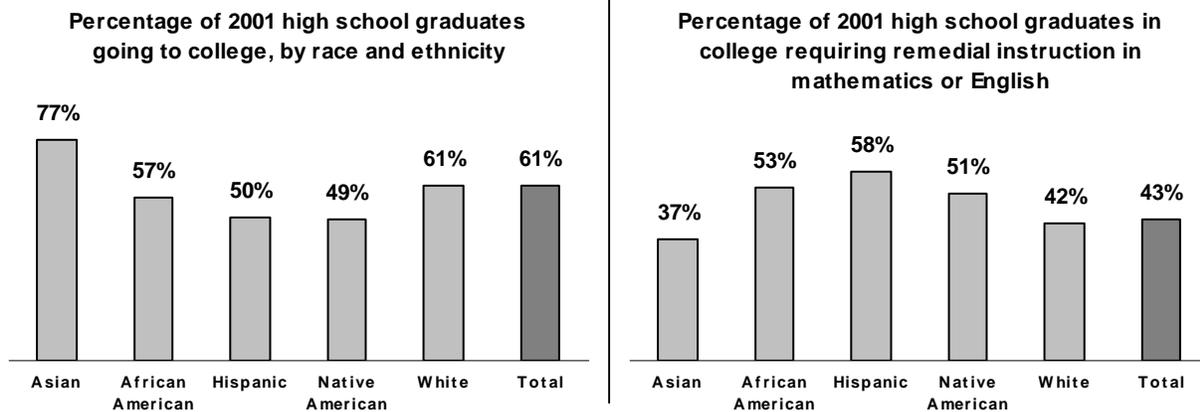
# Helping Students Make the Transition to College

## Overview

In Washington, a lack of clearly articulated educational linkages between high school and college shuts many students out of higher education opportunities and reduces efficiency at the state's colleges and universities. Despite a shared goal of educating Washington residents, each sector within the state's education system works largely in isolation — responding to individual governance structures, funding requirements, missions and goals, and programs and policies — without considering the impact of its decisions on the system as a whole. This lack of coordination and communication between the K-12 and higher education systems has a negative impact on large numbers of students when they try to move from high school to college.

Current curricula and instruction at many of our state's high schools also lack the rigor to prepare students for college study or, many would argue, the workplace. Sixty-one percent of students who graduated from high school in 2001 enrolled in a Washington public two-year or four-year college or university within one year of graduation. Of those students, 43 percent required remedial mathematics or English courses.

The lack of instructional rigor in high schools takes an even greater toll on African American, Hispanic, and Native American students. Students from these groups in the high school class of 2001 were significantly less likely than their White or Asian peers to go on to college within a year of graduation, and more likely to require remedial instruction when they enrolled. Higher education bears much of the cost of this lack of preparation.



Source: Graduate Follow-Up Study, High School Class of 2001. WSU Social and Economic Services Research Center for the Office of the Superintendent of Public Instruction.

The state higher education system must take a leadership role in developing a systemic solution to the problem of poor preparation. The Board proposes to lead collaborative efforts between the state K-12 and higher education systems to accomplish the following key initiatives:

- Develop a comprehensive definition of college readiness;
- Establish statewide student learning outcomes for grades 11 and 12 that are required for success in postsecondary study;
- Expand effective models that promote K-12/higher education collaboration and prepare students for college success; and,
- Communicate with students, families, and schools the requirements of a rigorous high school education that will lead to successful postsecondary study.

These initiatives will help students prepare for higher education with a clear understanding of the knowledge and abilities required for success, and the confidence that their high school coursework will be enough to gain them admission and prepare them for the rigors of college work.

### **Analysis**

The Board envisions an integrated and barrier-free system of education from preschool through the fourth year of college. Washington students would move quickly and easily between educational levels and across sectors. Such a system would ensure adequate teacher preparation and ongoing professional development, timely and meaningful student counseling, continuous improvements in assessment and accountability, and a host of other endeavors. Building this system will take time and effort, and the will and commitment of all of the state's education stakeholders.

The 2004 Legislature directed the Board in House Bill 3103 to work with state education agencies, colleges, universities, and school districts “to improve coordination, articulation, and transitions among the state's systems of education.” This proposal would accomplish that directive.

### ***Developing a comprehensive definition of college readiness***

Current state minimum admission standards are so misaligned with admission practices at the state's public four-year colleges and universities that they mislead students trying to plan for college and are useless to schools trying to shape high school curricula and advise students. Current standards also emphasize “seat time” — expecting students to complete a set of required courses without appropriate concern about the content or instructional quality of those courses.

The Board advocates that a new definition of college readiness replace the state's current minimum admission standards. This definition, developed through collaboration between the K-12 and higher education systems, would emphasize the critical knowledge and abilities that students need for college success. It would align requirements for college success with the learning outcomes emphasized in K-12 reform and move the state away from an outdated emphasis on grades, test scores, and a required set of courses. Finally, it would provide the information that schools must have – information that is missing in the current system – to address curriculum and instruction needs for college preparation.

***Establishing statewide learning outcomes for grades 11 and 12***

Washington will cross a watershed in its school reform efforts with the class of 2008, who must meet 10th grade standards to earn a Certificate of Academic Achievement and graduate from high school. Most students will need to demonstrate mastery of those standards by passing the 10th-grade Washington Assessment of Student Learning.

The higher education and K-12 systems now must work together to develop statewide learning outcomes for the 11th and 12th grades to ensure that students have the knowledge and abilities required for college and the workforce. And the state must ensure that students preparing for study beyond high school — the majority of students — have the information, instruction, and curriculum they will need to bridge the chasm between 10th grade learning outcomes and readiness for postsecondary success. A new definition of college readiness will inform the content of these 11<sup>th</sup> and 12<sup>th</sup> grade learning outcomes.

***Expanding effective models that promote K-12/higher education collaboration and prepare students for college success***

Transitions to Success, a collaborative regional effort between Spokane Public Schools, the Community Colleges of Spokane, and Eastern Washington University, offers a promising model for developing a statewide K-12 to higher education articulation system. Programs that allow high school students to earn college credit — International Baccalaureate, Advanced Placement, Early and Middle College High Schools, and Running Start — have achieved considerable successes. And programs like GEAR UP, TRIO, Washington State Achievers, and Washington Opportunity Scholars have helped motivate and prepare low-income and first-generation students for higher education.

These efforts offer instructive approaches to addressing the need for more rigorous college preparation, but are limited in their ability to reach students. The challenge for Washington is to diffuse these successful efforts throughout the state's educational system so that the instruction and services they offer will be available to all students.

***Communicating the requirements of a rigorous high school education that will lead to successful postsecondary study***

These initiatives will succeed only to the degree that they are understood and accepted by students and their families. The move toward a new articulation system between K-12 and higher education must be transparent, offer frequent and appropriate opportunities for public comment, and be accompanied by a well-orchestrated public information campaign aimed at students, parents and schools.

**Outcomes**

This proposal will result in:

- More students who are ready for postsecondary study.
- The establishment of the critical groundwork to (1) improve instruction, teacher training and development, and guidance counseling; (2) reduce remediation at state colleges and universities; and (3) narrow the achievement gap.

## Next Steps

### *A definition of college readiness*

Defining college readiness will require a broad consensus among administrators and faculty at the state's colleges and universities. And because they have ultimate responsibility for college preparation, the K-12 system also must play a role in developing this definition. The Board will lead a collaborative effort with the goal of developing a draft definition in the key subject areas of mathematics, science, English, social studies, world languages, and the arts by June 2007. The definition will be finalized by December 2007.

In the 1990s, the Board made progress in translating current minimum basic admission standards to core competencies. This effort will build on the findings and the collaborative decision-making model of that work.

### *A collaborative effort on 11th and 12th grade learning outcomes*

The higher education and K-12 systems must work together to ensure that the competencies required for college success are incorporated into learning outcomes for the last two years of high school. The Board will work closely with appropriate K-12 and higher education stakeholders to ensure that these outcomes reflect the knowledge and abilities students need to succeed in postsecondary study.

### *An inventory of effective practices*

The Board will develop an inventory of successful models at the state, regional, and local levels. The inventory will include information about each model's approach, effectiveness, funding sources, costs per student, and potential for replication. The Board will present this inventory to the Legislature and Governor by June 2005, with analysis and options for expanding the reach of these efforts.

### *Communications with students and parents*

Students and parents need to be informed about new requirements as they are implemented. The Superintendent of Public Instruction has been effective in her efforts to inform the public about the importance of school reform and its implementation. The Board will undertake a similar communications effort — involving the news media, electronic and print publications, and information for teachers and counselors.

### *Costs*

The Board will absorb the initial costs of developing a new articulation system. Staff will develop cost estimates for specific projects under this proposal after developing scopes of work. The Board then may seek both state and non-state funding to pay for projects.

# Accountability for Student Success

## Overview

Accountability is the backbone of a successful educational system. In Washington, higher education is decentralized and loosely coupled. But to reach state goals, all of higher education must work together. By redesigning the state's higher education accountability system, the state can identify and address the strengths and weaknesses at the institution, sector, and state levels to better promote student success.

The Board's two goals of (1) increasing opportunities for students to earn degrees and (2) responding to the state's economic needs are fairly easy to measure. However, in addition to meeting these goals, the state and the colleges and universities must ensure that each student is served equitably, each student is able to complete his or her education efficiently, and the end result is effective. These concepts are far more difficult to quantify, and each college or university may adopt different policies and strategies based on its unique student population. Nevertheless, a strong accountability system must ensure that efficiency, equity, and effectiveness are defined in measurable terms, and that statewide and institutional policies are created, modified, or discontinued based on an analysis of accountability results.

Currently, the purpose of higher education accountability is unclear and its performance indicators have little relation to institutional or state goals. The National Collaborative for Postsecondary Education Policy underscored the need for a new state accountability system in Washington, stating in a recent policy audit, "Accountability is not systematically used to help focus institutional attention on a limited number of state priorities."

The Board has begun to redesign Washington's accountability system based on the following principles:

- Priorities of Washington colleges and universities are aligned with state goals as defined in legislation and the 2004 Strategic Master Plan for Higher Education;
- Targets are set for the state and each college and university;
- Annual reports detail both significant achievements and areas to strengthen for the state and each college and university; and
- Based on accountability data, statewide and institutional policies are developed to help students succeed in completing their education efficiently, equitably, and effectively.

## Analysis

The Board's proposal to redesign accountability is consistent with a number of current initiatives, including the work of the National Collaborative for Postsecondary Education Policy, the Governor's Priorities of Government, and House Bill 3103. House Bill 3103, enacted into law earlier this year, directed the Board to "establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals in higher education."<sup>1</sup>

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<sup>1</sup> Substitute House Bill 3103, Sec. 11, as signed into law

The Board believes the revised accountability system must be comprehensive enough to provide a complete picture of student progress and success, while remaining flexible enough to reflect evolving state priorities. The Board also believes that representatives from Washington's colleges and universities must actively participate in developing the new system, if it is to have any impact on improving performance.

### **Next Steps**

The Board has formed an accountability work group, composed of representatives from Washington's public and private colleges and universities. Suggestions from the workgroup, as well as other stakeholders, will be considered in a proposed design to be presented to the Board for consideration and adoption in fall 2004.

# Measuring Student Success with an Improved Data System

## Overview

Detailed data and information about student success is essential to measuring state progress toward the goals in the 2004 Strategic Master Plan for Higher Education. Yet, currently, the data are either inaccessible or insufficient to meet the Board's needs.

To address this challenge, the Board proposes the creation of a statewide student-level database that does the following:

- Includes comprehensive student-level performance data, such as degrees granted, credits taken, student mobility, and post-enrollment employment;
- Includes data about students attending public and private colleges and universities;
- Supports policy analysis and development; and,
- Leverages existing systems to the highest degree possible.

Comprehensive data about all students in Washington's higher education system is essential to evaluating state progress toward strategic master plan goals and identifying and eliminating barriers to student success.

## Analysis

The new statewide student-level database would include data about all students at every stage of college – from submitting the college application and deciding where to enroll to choosing a major and earning a degree. Student-level data from colleges and universities could be linked to data from other state agencies, such as the Department of Employment Security, to answer questions about the return on the state's investment in higher education and economic responsiveness. Data from colleges and universities also could be linked or combined with data from preschool through 12<sup>th</sup> grade, as is now done in Texas.

### *A lack of complete and accessible data*

A few data sources currently exist in Washington, but none are sufficient to meet the Board's needs.

- **Data from Washington public colleges and universities:** Higher Education Coordinating Board staff collect information from the public colleges and universities for various reports and projects. The process is inefficient and time-consuming, and data often are not comparable, as each institution defines information requests slightly differently.
- **National survey data:** Higher Education Coordinating Board staff partially depend upon the Integrated Postsecondary Education Data System (IPEDS) and other national surveys as data sources. However, these data are not available at the student level.

- **Office of Financial Management (OFM):** OFM staff collect and use student-level data to report enrollment and other higher education statistics. However, Board staff do not have access to the raw data. And, the OFM database does not contain information about student outcomes, such as grades or degrees.
- **State Board for Community and Technical Colleges (SBCTC):** SBCTC staff collect detailed student-level information on all students attending Washington community and technical colleges. Higher Education Coordinating Board staff cannot access the data. And information about students who attend private or public four-year institutions is not included in the data.
- **Unit Record for need-based aid recipients:** Higher Education Coordinating Board staff collect student-level data about students who receive need-based aid in Washington. But again, the data are based on only a subset of students attending the state's colleges and do not include information about outcomes, such as grades or degrees.

### *Most states have student-level databases*

In a 2003 review of other state record systems, the National Center for Higher Education Management Systems reported the following:<sup>1</sup>

- Thirty-seven states have established operational student-level databases, which are managed by either a state university system or state higher education coordinating/government board;
- Twelve states include some information on private colleges and universities in their databases; and,
- About one-half of states also link to other state-level databases, including high school records and wage records.

### **Next Steps**

The Board has convened a research advisory group to identify the data needed, determine the most cost-effective way to collect or access it, and develop research priorities and common definitions to maximize its reliability and consistency. The group includes representatives from the following organizations: public and independent colleges and universities, State Board for Community and Technical Colleges, Office of the Superintendent of Public Instruction, Office of Financial Management, Department of Employment Security, and Workforce Training and Education Coordinating Board.

The Board will evaluate various options for developing a statewide student-level database, including costs. The proposed database will be included in the agency's 2005-2007 budget request due in fall 2004.

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<sup>1</sup> Peter T. Ewell, Paula R. Schild, and Karen Paulson, National Center for Higher Education Management Systems, "Following the Mobile Student: Can We Develop the Capacity for a Comprehensive Database to Assess Student Progression?" Lumina Foundation for Education Research Report, April 2003.

# Reducing Barriers for Non-traditional Students

## Overview

Washington's higher education system works well for traditional students—that is, the recent high school graduates who go from high school to college and continuously enroll until they receive a degree. It works less well for “non-traditional” students, although the community and technical colleges, in particular, have made significant advancements in programs and services during the past decade. “Non-traditional” students include, among others, unemployed workers who need retraining in order to get back to work; students of all ages for whom English is a second language; and full-time workers desiring to attend college part-time.

It is imperative that the higher education system recognizes and responds to the education and training needs of non-traditional students. By increasing the skills and knowledge of these students through education and training, we will be increasing their opportunities to better serve themselves and the state's economic needs and development.

## Analysis

The state needs to more closely target its educational initiatives to address the needs of non-traditional students, and to make better connections between educational services and career opportunities.

One critical element in linking educational services and career opportunities is to make better use of economic data, particularly in the area of demographic and job development projections linked to the various levels of educational attainment. At present, the HECB is concerned that existing information sources are inconsistent and subject to varying – and at times conflicting – interpretation. Therefore, it is essential for the HECB to join with the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the state Employment Security Department to resolve any concerns and identify the best sources of data to inform the development and evolution of new or continuing educational services.

A related important element is a comprehensive needs assessment that examines demand for adult basic education services, job training and retraining, English language instruction, and other programs that primarily serve the growing population of non-traditional students. For example, in its report “Opportunity, Education and Washington's Economic Future,”<sup>6</sup> the SBCTC indicates that:

- ◆ “There are 485,000 adults in Washington who lack high school diplomas...” SBCTC correctly points out that increasing workplace literacy requirements will lead to increasing “demand for basic reading, writing, math and computer courses.”
- ◆ “More than 255,000 Washington adults speak limited English and could benefit from English as a second language instruction.”

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<sup>6</sup> SBCTC, *Opportunity, education and Washington's economic future*, May 2004, p. 14.

The WTECB explains in its report, “High Skills, High Wages: Our Agenda for Action,”<sup>7</sup> that “[i]n today’s economic context, there is an increasing need to train and retrain incumbent workers to keep pace with technological advances and to take advantage of high performance practices.”

Finally, it will be important for the state to integrate and coordinate a number of ongoing efforts, including the development of:

- Applied baccalaureate degrees for students who have taken a technical curriculum at community and technical colleges but have not earned four-year degrees. Central Washington University has developed Bachelor of Applied Science degrees in Safety and Health Management and Industrial Technologies, which they expect to submit for approval in the near future. These efforts could be increased to include other majors and other colleges and universities.
- Programs that integrate adult basic skills education, including English as a Second Language, with occupational skills training. The community and technical college system are creating these programs that “combine ESL with vocational training to accelerate student progress and prepare these students for the Washington job market.”<sup>8</sup>
- Comprehensive, non-duplicative, data systems to provide better information about the progress and outcomes of students throughout the higher education system.
- Programs that address the educational needs of current workers who need additional training – and frequently additional credentials – to advance their careers within the same or similar profession.

## Next Steps

To work towards reducing barriers and increasing higher education opportunities for non-traditional students, the HECB in cooperation with the WTECB, SBCTC, and other relevant agencies will establish a relationship of on-going collaboration. The nature of these collaborations will include meetings of the respective boards, board members, agency administrators, and staff.

The partners together will address issues of mutual concern including, but not limited to, workforce development, occupational demand projections and calculations, and college and workforce readiness.

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<sup>7</sup> WTECB, *High skills, high wages: Our agenda for action*, Draft July 2004, p. 6.

<sup>8</sup> SBCTC, *Opportunity, education and Washington’s economic future*, May 2004, p. 15.

## Conclusion

Washington must decide now how its higher education system should evolve in the coming decade and beyond. State leaders must determine the investment they are prepared to make on behalf of the taxpayers, and the returns on investment that should be expected. But before those questions can be addressed, we must decide what kind of state we want to live in, and whether we are willing to make the commitment to turn that vision into reality.

The Higher Education Coordinating Board believes we want these things for our state, our college and university system, and our students. We want to live in a state where:

- The economy is vibrant, flexible, and resilient, businesses clamor for our graduates, and students know there will be a place for their skills and abilities once they finish college;
- Students who study hard and learn well in the K-12 system have the opportunity to go to college without worrying about whether there will be enough room for them;
- Every K-12 graduate is fully prepared for education or work after high school;
- Adequate financial aid for deserving college students is considered a priority, not a luxury;
- Students who can't go away to college are able to realize their dreams closer to home;
- The needs of "non-traditional" students are met by programs and institutions that understand many of them don't want or need a traditional degree; and
- Diversity is a reality, not just a goal.

All of the challenges facing higher education in Washington – and every element of the "vision" described above and elsewhere in this document – first and foremost affect students. The students of today and tomorrow are at the heart of the need for increased funding and greater accountability. More money is needed to address growing demand, and greater accountability will enable us to improve the quality of their instruction, to help them reach their goals in a timely manner, and to maintain a commitment to access and affordability.

The road ahead for higher education offers only one viable option: sharing responsibility and committing ourselves to action now – before today's challenges become tomorrow's crises.

Higher education is an investment -- a long-term investment that requires long-term commitment to produce even longer-lasting benefits. The sooner we act, the greater the rate of improvement we can achieve, and the more likely we are to create the state we envision.

Data, expertise, and experience tell us the steps we need to take to realize that vision. Adequate funding and a high-quality, efficient and accountable higher education system are the tools. Whether we invest in those tools – and how we use them to build our future – is up to each of us, and all of us.



STATE OF WASHINGTON  
HIGHER EDUCATION COORDINATING BOARD

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**RESOLUTION NO. 04-18**

WHEREAS, State law directs the Higher Education Coordinating Board to prepare every four years 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; and

WHEREAS, The HECB submitted its interim master plan in December 2003 to the Legislature and Governor as directed by law, and has conducted extensive public hearings and stakeholder meetings across the state to discuss both the interim plan and subsequent draft versions of the final plan; and

WHEREAS, The Board has taken unprecedented steps to respond and consider a wide range of information in the development of the master plan, including public hearing testimony, legislative input, and suggestions of the state's education community; and

WHEREAS, the final plan reflects the longstanding statutory requirement that the Board's 10 citizen members "represent the broad public interest above the interests of the individual colleges and universities"; and

WHEREAS, the plan presented at the Board's July 22, 2004, meeting will be supplemented later in the year by a comprehensive implementation plan that will describe how the various policy proposals in the plan may be accomplished;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts the draft final master plan as presented during the July 22, 2004, meeting;

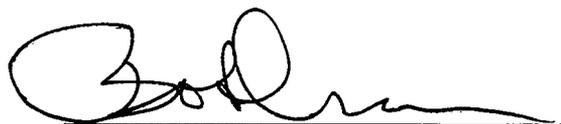
BE IT FURTHER RESOLVED, That the Board directs the HECB staff to refinements that may be necessary to reflect the outcome of the Board's discussion of the master plan at the July 22, 2004, meeting;

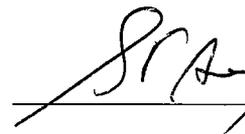
BE IT FURTHER RESOLVED, That the Board extends its thanks to the HECB staff members, higher education administrators, business and community leaders, students and others who have contributed to the 2004 Strategic Master Plan for Higher Education.

Adopted:

July 22, 2004

Attest:

  
Bob Craves, Chair

  
Gay Selby, Vice Chair