



September 2011

Draft Minutes of June 30, 2011 Board Meeting

Board members present

Charley Bingham
Ethelda Burk, Chair
Roberta Greene
Bill Grinstein
Earl Hale, Vice Chair
Paul Ishii
Addison Jacobs
Sam Shaddox
Sam Smith

Welcome and introductions

HECB Chair Ethelda Burke opened the meeting at 9:00 a.m. and asked members of the audience and the Board to introduce themselves. She announced that Rachelle Sharpe, HECB Director for Student Financial Assistance, was sitting in for Executive Director Don Bennett, who was away on medical leave.

Paul Killpatrick, President of Seattle Central Community College, provided welcoming remarks. He said SCCC has about 10,000 students, including 3,000 from more than 50 foreign countries. Large populations of immigrants come to Seattle Central to learn English, most of them from China and Vietnam. Forty-nine percent of students identify as American Indian, Asian, Black, Hispanic/Latino, or “other” ethnicity.

Almost half the students are enrolled in college and university transfer classes, making it Seattle Central’s largest program. The college also has a large professional/technical component. It directs the operations of the Seattle Vocational Institute, which provides short-term job training programs. Additionally, SCCC operates two satellite branches: the Wood Construction Center in the Central District and the Seattle Maritime Academy in the Ballard neighborhood.

Regarding future growth, Killpatrick spoke about trying to emulate the Nevada model – looking 20 years out so college growth is not patchwork--and on building private/public partnerships. (Example: SCCC’s partnership with the Tukwila School District in which HECB Chair Burke serves as Superintendent.) Additionally, Seattle Central is working towards closer involvement with strategic partners and moving away from over-reliance on state funding.

Chair's Opening Remarks

Before proceeding to the day's agenda, Burke offered opening remarks on behalf of all the members, to call attention to the significant challenges facing students and institutions as Washington struggles to maintain access and affordability in higher education.

This year the Legislature approved the largest tuition increases in the state's history for the public institutions and removed most restrictions on future tuition hikes at the four-year institutions for an eight-year period. It did so while cutting higher education budgets 24 percent on average from 2009 levels. Students at the four-year institutions will pay 60 percent or more toward the cost of their education next biennium, while the state share will drop below 40 percent. Just a few years ago, those numbers were reversed.

The Board has consistently warned that over-reliance on tuition as a funding source for higher education will create profound negative consequences among students from the state's most rapidly growing demographic groups. The HECB believes the state, the public higher education institutions, and business leadership must continue to evaluate the true effects of the current funding decisions on the near and longer-term health and economic well being of our society.

Minutes of May Board meeting approved

<p>Action: Earl Hale moved for approval of the minutes of the Board's May meeting. Bill Grinstein seconded the motion, which was unanimously approved.</p>

Impact of 2011 legislative session on Student Access & Completion

Rachelle Sharpe discussed the potential impact of several major bills on student access and success.

E2SHB 1795 grants the four-year institutions tuition-setting flexibility for the next eight years with financial aid set-asides for the last four years. It sets new benchmarks for degree production and establishes new accountability metrics to monitor and improve student achievement, including a student achievement funding initiative. The HECB is assigned to develop an accountability monitoring and reporting system and each institution is required to develop a performance plan with the Office of Financial Management (OFM).

E2SSB 5182 eliminates the Higher Education Coordinating Board and creates a new Council for Higher Education whose duties will involve accountability monitoring. The bill also establishes a new Office of Student Financial Assistance, which will have responsibility for all financial aid programs now administered by the HECB and for the Guaranteed Education Tuition program.

ESHB 2088 creates a new Opportunity Scholarship Fund to provide public/private-funded scholarship accounts for low- and middle-income students.

ESSB 5749 authorizes an assessment of any changes needed to ensure the financial performance of the Guaranteed Education Tuition (GET) program.

Budgetary impact on institutions

Jim Reed, HECB policy coordinator, discussed the impact of the budget on institutions of higher education. The 2011-13 state operating budget provides \$32.2 billion in total General Fund appropriations or about 3.5 percent less than the 2007-09 state General Fund budget (\$33.4 billion). This budget shows a decrease of state support for the public universities and colleges by about 24 percent.

To offset reductions in state support, institutions were allowed flexibility in setting tuition rates. Tuition now accounts for:

- 61% of the research institution budgets.
- 63% of the comprehensive budgets.
- 36% of the CTC budgets.

To mitigate these increased costs to lower income students and families, the 2011-13 higher education budget added \$106 million to the State Need Grant, including \$500,000 for less-than-half-time students, and provided \$15.6 million for State Work Study.

Institutional comment

Sherry Burkey, Western Washington University - Western is reinvesting in hiring new faculty, keeping their programs and not thinking of cutting classes. They are optimistic that new tuition increases would allow them to do more – protect quality and access and refocus on the university's strengths.

Doug Wadden, University of Washington - Investments are going into teaching assistants and faculty; business, engineering and environmental programs; and lower division classes. International students basically subsidize the other students (mostly in STEM degrees) and contribute to diversity.

David Prince, Community & Technical Colleges – The two-year colleges are over-enrolled (16%) and students are taking longer to finish; classes are being cut. The demand is great but the colleges are over-stretched.

Mike Reilly, Council of Presidents – The four-year institutions have physical capacity but not funding capacity. Growth is more aspirational than real.

Impact of financial aid on students

Sharpe provided a brief presentation on the status of state financial aid programs and described typical aid packages received by students.

A student panel from two- and four-year institutions discussed the important role state student financial aid programs play in helping them achieve academic success.

- Gabriel Brier, a journalism student at WSU, is a first generation college student. When she started, she did not have a clear path to higher education. She first enrolled at a community college for her AA degree, before transferring to Washington State University for journalism studies. Brier said financial aid helped her focus on her major and secure internships, which would have been impossible without financial aid.

- Angela Carranza is currently enrolled at Seattle University where she transferred directly from a community college. Her parents are immigrants to this country. Financial aid and State Work Study are helping her go to college.
- Alejandro Cortes, a student at Seattle Central Community College, grew up in foster homes and was involved in gang violence before he found his way to college. He said financial aid became almost his parent, showing him what is possible. He plans to enroll in psychology and law.

Strategic Master Plan work session

A Master Plan Advisory Committee has been formed to review progress since 2008 on three main Strategic Master Plan goals: increase educational attainment, promote economic development and innovation, and monitor and fund higher education for results. The committee will propose next steps for continuing progress on the goals, which will be considered for adoption at the Board's November meeting and forwarded to the Legislature for consideration during the 2012 regular session.

A panel of institutional representatives addressed Goal 3 of the master plan regarding funding performance and results. The discussion focused on the importance of accountability as a lever to foster access and affordability, as well as how to establish a common set of accountability and performance measurements from a broad spectrum of accountability measures now in play.

- *Jim Schmidt, Office of Financial Management.* Performance measures are like barnacles. We never scrape them away. We need to look at what is really meaningful and focus on those.
- *David Prince, State Board for Community & Technical Colleges.* Accountability has three legs: funding, metrics, and continuous improvement. Whatever is measured has to be timely so it can be acted upon. Change must be supported by data. Let us look at metrics that all the sectors can share and hold everyone accountable. The next HECB has to work closely with each institution.
- *Mike Reilly, Council of Presidents.* Where do we make the call between aspiration to what is realistic? Accountability allows institutions to focus on the real work. Transparency is critical to the process. The four-years continue to improve on graduation rates and degree productivity. Reilly likes the broader context of "Compete to Complete." The metrics are disaggregated so issues that need to be worked on are easier to isolate.
- *Andrew Lewis, UW Student Association.* There is definitely a need for stronger state oversight and more transparency from the institutions. Case in point: the UW Regents just approved a 20 percent tuition hike. The students heard about the pending action three days before the Regents' meeting. Students need more lead time and advance information on actions that could potentially impact them.

The next HECB should maintain the goal of providing students with affordable education, as well as academic excellence and access. The state must maintain active interest in system wide higher education issues. It is important that students are not dead-ended and can count on upward mobility through higher education.

Board Discussion

Sam Smith and Bill Grinstein asked who would make sure performance measures are being adhered to. Who would hold the institutions accountable? Roberta Greene asked about consequences.

Addison Jacobs - *Goal 3 is about results. How do we as a total system make results happen and who and how will that be measured? How do we get the collective system to get that wider output over all? Our ability to compete globally requires us to lift the whole boat together.*

Sam Shaddox asked if student debt load could be made part of institutional accountability as a measure of efficiency relative to time-to-degree. He commented that the poor quality of advising through undergraduate programs results in increased time to completion for students, and consequently, higher debt loads. Reilly said the institutions would be reluctant to consider debt load as an accountability measure but thinks it's important to monitor it from the state view.

Earl Hale stated that accountability measures should be policy driven. He said there is no need for 210 performance measures.

Education Committee Information and Action Items

New degree proposal approved: UW, Bachelor of Science in Aerospace Engineering

A Bachelor of Science in Aerospace Engineering will be offered jointly by the University of Washington and the United Arab Emirates University in Abu Dhabi under a 10-year agreement. The agreement would cover costs related to joint research programs, faculty exchanges, and the degree program in question. Staff recommended approval after careful review of the program proposal.

The Board's Education Committee and other Board members approved **Resolution 11-12** at the Committee's June 8 meeting. Board members in attendance were: Sam Smith, Bill Grinstein, Ethelda Burke, Roberta Greene, Jesus Hernandez, and Charley Bingham.

Proposed changes to program approval and review policies approved

The HECB has responsibility for the approval of new degree programs and review of existing programs to ensure programs meet student, employer and community needs, are free of unnecessary program duplication, and ensure wise use of state resources. At the Board's January meeting, staff began the public process on a set of changes to the program approval and review policies. Since that time, the Board has worked closely with the institutions on a range of changes intended to improve responsiveness to the state's needs while also ensuring that program planning and development are better integrated with the Strategic Master Plan for Higher Education and resource planning for the state's higher education system.

Specifically, the changes to program approval would:

- Streamline the process.
- Establish a two-part process, with the first part focusing on the documentation of demand for the program.

- Align initial proposed program requests with the budget process.
- Reduce reporting requirements for contracts to offer programs with community and technical colleges.
- Ease approval requirements for established programs offered at new locations (including online delivery).
- Provide for staff review of moderate extensions of existing programs with a simple annual report to the Board listing approvals.
- Establish a new policy for extensions of programs to locations outside of Washington (including international sites) and
- Establish criteria for reestablishing suspended programs.

The program review changes would remove many of the specific reporting requirements, particularly narrative sections, draw on state systems for monitor program status, and review similar programs across the state on the same schedule.

Action: Bill Grinstein moved for approval of *Resolution 11-13* adopting the proposed changes to the program approval and review policies. **Ethelda Burke** seconded the motion, which was unanimously approved.

HECB endorses Western Governors University, Washington

With the passage of HB 1822 this year, the Legislature opened the door to Western Governors University Washington. Consistent with the legislation, the proposed resolution from the Board's Education Committee, recognizes and endorses online competency-based education as an important part of Washington's higher education system and directs staff to work with WGU to eliminate unnecessary barriers to the delivery of competency-based education and to integrate WGU Washington into Washington's higher education policies and strategies.

Action: Roberta Greene moved for approval of *Resolution 11-14* endorsing Western Governors University Washington. Paul Ishii seconded the motion, which was unanimously approved.

New degree programs approved

The Education Committee reviewed the programs listed in the consent agenda and recommended approval of all five new degree proposals.

Action: Roberta Greene moved for approval of *Resolutions 11-15, 16, 17, 18 and 19* adopting five new degree programs:

1. **CWU MS Computational Science**, *Resolution 11-15*
2. **EWU Ed.S. School Psychology** (Moderate Degree Change),
Resolution 11-16
3. **UW Bothell BS Electrical Engineering** (Change in Approval Conditions),
Resolution 11-17
4. **UW Seattle MS Computational Linguistics** (Moderate Degree Change),
Resolution 11-18

5. **UW Tacoma BA History**, *Resolution 11-19*

Addison Jacobs seconded the motion, which was unanimously approved.

The meeting adjourned at noon.