

PRELIMINARY BOARD MEETING AGENDA
 UW Tacoma, William Phillip Hall, Milgard Assembly Room
October 27, 2009

9:30-12:00
Advisory Council

9:30	Welcome and Introductions <ul style="list-style-type: none"> • Jesus Hernandez, Chair, Higher Education Coordinating Board • Charlie Earl, Executive Director, State Board for Community and Technical Colleges (SBCTC), and Co-chair, HECB Advisory Council • Patricia Spakes, Chancellor, University of Washington, Tacoma 	Tab
9:45	System Design Plan: Preliminary Findings and Recommendations Staff will present preliminary recommendations based on input from the members of the study group and feedback from staffs of the Council of Presidents, the State Board for Community and Technical Colleges, the Independent Colleges of Washington, and other interested parties. The recommendations will be reviewed by the System Design Steering Committee on Nov. 9, and on Nov. 19, the Board will take action on the System Design Plan. There will be opportunity for public comment during the board meeting on Oct. 27. A brief update of the tuition study will also be presented.	1
12:00	Adjourn Advisory Council Meeting	

1:00 – 3:00
Regular Board Meeting

1:00	<u>Convene Regular Board Meeting</u> Jesus Hernandez, Chair <u>Consent Agenda</u> <ul style="list-style-type: none"> • Approval of September 29, 2009 Meeting Minutes 	2
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	<ul style="list-style-type: none"> • Community and Technical College Performance Measures In accordance with RCW 28B.76.270, which charged the Higher Education Coordinating Board with developing an accountability monitoring and reporting system; and a 2009-11 budget proviso, staff will ask the Board to adopt the State Board for Community & Technical Colleges' new performance measurement system called the Student Achievement Initiative. <i>(Resolution 09-24)</i> 	3
	<u>Report of the Executive Director</u> Ann Daley will provide an update on agency activities.	
1:15	<u>Financial Aid Committee</u> Gene Colin, Chair Passport to College Program Update This preliminary update details program accomplishments and recent legislative changes. The full report will be brought to the Board in November and is due to the Legislature December 1.	4
1:45	<u>Education Committee</u> Sam Smith, Chair The Role of Transfer in the Attainment of Bachelor's Degrees at Washington Public Baccalaureate Institutions, Class of 2006 This is an update to a previous study on the graduating class of 2001 completed by the State Board for Community and Technical Colleges.	5
2:00	<u>Fiscal Committee</u> Charley Bingham, Chair <ul style="list-style-type: none"> • 2009-11 Supplemental Budget: Requests and Preliminary Recommendations Staff will provide the Board with an update on the institutions' 2010 supplemental budget submittals. • Preliminary 2011-13 Budget Guidelines & Fiscal Priorities Staff will review with the Board the preliminary 2011-13 operating and capital budget guidelines and fiscal priorities. 	6 7
	<u>Public Comment</u> <i>A sign-in sheet is provided for public comment on any of the items above.</i>	
3:00	<u>Adjournment</u>	

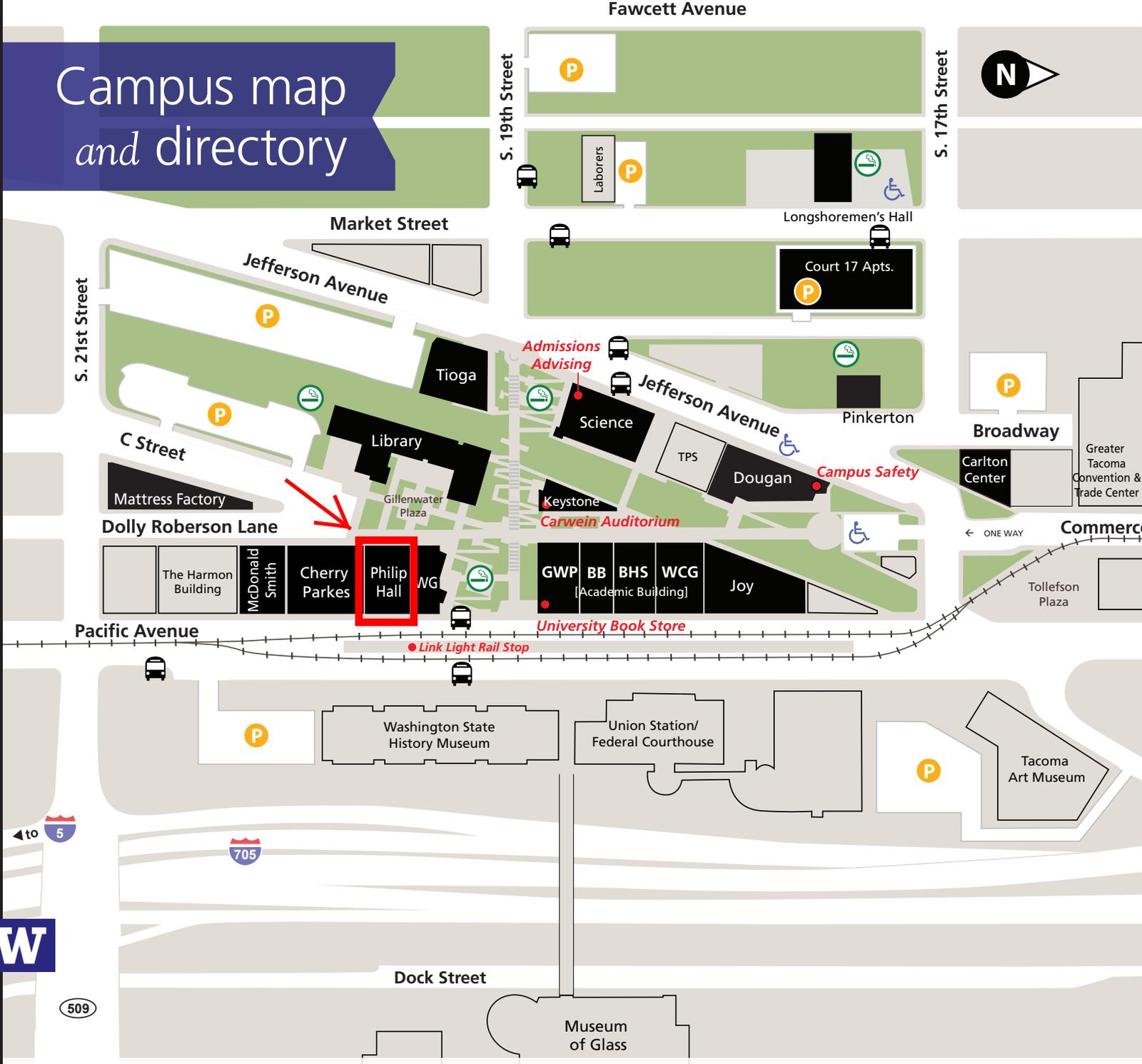
Meeting Accommodations: *Persons who require special accommodation for attendance must call the HECB at 360.753.7800 as soon as possible before the meeting.*

WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

Next Board Meeting

<p>Thursday, November 19 10:00 a.m. – 4:30 p.m. <i>(joint meeting with WTECB, 10-12 noon)</i></p>	<p>Regular Board Meeting The Board is scheduled to take action on the System Design Plan</p>	<p>Renton Technical College Business Technology Bldg. (H103-104)</p>
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Campus map and directory



UNIVERSITY of WASHINGTON | TACOMA

The UW Tacoma campus is located on Pacific Avenue in downtown Tacoma across from the Washington State History Museum and Union Station.

Driving: From I-5 take the I-705/Tacoma City Center exit (exit 133). From I-705 take the South 21st Street exit. Turn left at the traffic light onto 21st Street. Go through the light at Pacific Avenue and you will see parking on the right.

Public Transportation: A number of Pierce Transit and Sound Transit bus routes stop on campus. The free Link light-rail train stops right in front of campus at the 19th Street/Union Station stop.

Parking: There are several pay parking lots on campus. For short-term parking (less than four hours), the lot off 21st at C Street is the best deal. One-hour street parking is available on Pacific and Jefferson avenues. Unrestricted street parking is available on Market Street and Fawcett Avenue. Free parking is also available at the Tacoma Dome Transit Station, where the light-rail line begins.

-  Public Pay Parking
-  Bus stop
-  Disability Reserved Parking
-  UW Tacoma is a non-smoking campus. Please help us maintain a healthy environment by smoking in designated areas only. *WAC 478-136-030*
-  Skateboarding is prohibited on lawns, benches, stairs, hand rails, loading ramps, sculptures and inside buildings. Skateboarders must dismount and walk in areas designated as walk zones during regular class hours. *WAC 516-15-045*

Academic Affairs.....	692-5646.....	GWP 312
Admissions Advising	692-4742	SCI 105
Advancement	692-5753.....	CAR 200
Alumni Relations.....	692-5641	CAR 200
Autism Center	692-4711	CP 134
Book Store.....	692-5784	GWP 001
Business, Milgard School of.....	692-5630.....	DOU 401
Career Development and Education ..	692-4421	MAT 106
Carwein Auditorium .....	.....	KEY 102
Cashier	692-4669	MAT 354
Chancellor	692-5646	GWP 312
Communication Services	692-5753	CAR 200
Computer Labs .....	.....	WG 108
.....	.....	CP 005
Computer Services.....	.....	WG 220
Conference Services.....	692-4676.....	WPH 206
Continuing Studies	692-4618.....	CAR 400
Copy Center	692-5787	MAT 053
Counseling Center.....	692-4522	MAT 253
Disability Support Services.....	692-4522.....	MAT 253
Diversity Resource Center.....	692-4776	WCG 102
Education	692-4430	WCG 324
Enrollment Services	692-4400	GWP 102
Equity and Diversity.....	692-4861	GWP 326
Facilities Services	692-5700.....	MAT 004
Finance Office.....	692-5660.....	MAT 354
Financial Aid	692-4400.....	GWP 102
Fitness Center.....	692-4807	WCG 012
General Education Center.....	692-4740	SCI 102
Human Resources	692-5669.....	MAT 354
Institute of Technology.....	692-5860	PNK 210
Institutional Research and Planning	692-5668.....	GWP 308
Interdisciplinary Arts and Sciences ..	692-4450	WCG 424
International Programs.....	692-5880	WCG 223
KeyBank Professional Dev. Ctr.	692-4618	CAR 400
Ledger (student newspaper).....	692-4428	MAT 151
Library	692-4440.....	LIB 100
Mailroom/Deliveries	692-5787	MAT 053
Media Services	692-4419	MDS 101
Milgard School of Business.....	692-5630	DOU 401
Multimedia Lab.....	692-5743.....	CP 005
New Student Programs	692-4868.....	MAT 106

Nursing.....	692-4470	CP 326
Ombudsman.....	692-4476	CAR 201
Parent and Family Affairs.....	692-4868.....	MAT 106
Public Relations.....	692-4881	CAR 200
Registrar	692-4400	GWP 102
Recreation Center	692-4811	LSH 101
Safety & Security.....	692-4416	DOU 180
Social Work	692-5820.....	WCG 203
Student Activities Board	692-4684.....	MAT 104
Student Affairs.....	692-4501	MAT 206
Student Counseling Center.....	692-4522	MAT 253
Student Government (ASUWT).....	692-5601	MAT 107
Student Health and Wellness	692-4522	MAT 253
Student Involvement.....	692-4481	MAT 103
Student Services.....	692-4421	MAT 106
Tacoma Room.....	.....	GWP 320
Tahoma West (arts magazine)	692-5604	MAT 152
Teaching and Learning Center.....	692-4417	KEY 202
Urban Studies	692-5880	WCG 223
Veterans Affairs	692-4400.....	GWP 102

Mailing address for all offices:

University of Washington Tacoma
 1900 Commerce Street
 Tacoma, WA 98402-3100
 253-692-4400 or 800-736-7750
www.tacoma.washington.edu

Key to buildings:

ADMC	Academic Building (GWP-WCG).....	1754 Pacific
BB	Birmingham Block Building	
BHS	Birmingham Hay & Seed Building	
CAR	Carlton Center.....	1551 Broadway
CP	Cherry Parkes Building	1922 Pacific
	Court 17	1717 Market
DOU	Dougan Building	1721 Jefferson
GWP	Garretson Woodruff Pratt Building	1754 Pacific
KEY	Keystone Building	
LIB	Library	
LSH	Longshoremen's Hall	1710 Market
MAT	Mattress Factory	1953 C Street
MDS	McDonald Smith Building.....	1932 Pacific
PNK	Pinkerton Building.....	1702 Broadway
SCI	Science Building.....	1745 Jefferson
TIO	Tioga Building.....	1901 Jefferson
WCG	West Coast Grocery Building	
WG	Walsh Gardner Building	1908 Pacific
WPH	William W. Philip Hall	1918 Pacific



October 2009

Preliminary Findings and Recommendations: System Design Plan

The System Design Plan recommendations would focus on four key elements:

- A set of guiding principles
- A near-term enrollment growth strategy focusing on how to increase degree production without requiring major new capital investment
- HECB and locally-initiated processes for developing and evaluating proposals for major, new system expansion
- A Fund for Innovation to encourage competitive grants to institutions to foster innovation, pilot programs, collaboration and system-wide productivity

Taken together, these elements comprise the System Design Plan, which frames a new process for expanding the state higher education system grounded on the concept of *expand on demand*.

The proposed system design report and recommendations are built upon the foundation of work began with the 2008 Strategic Master Plan. The Plan proposes a strategic and realistic approach to the achievement of long term goals to raise educational attainment levels among Washingtonians.

The Discussion Outline of the preliminary recommendations was reviewed by the System Design Study Group on October 19. Opportunity for further public input and comment will be provide at the meeting on October 27.

DISCUSSION OUTLINE FOR SYSTEM DESIGN PLAN RECOMMENDATIONS: Statewide Plan for Moving the Blue Arrow

The Foundation

1. 2008 Strategic Master Plan Goals
 - Increase degree and certificate attainment by 40 percent by 2018
 - Focus on diversity
 - Set higher expectations for all K-12 students
 - Create a system of support for lifelong learning
 - Make college affordable and accessible
 - Promote economic growth and innovation by focusing on skills and knowledge needed for 21st century
 - Emphasize accountability for results
2. Key Recommendations from Implementation Plan (2009)
 - Preserve the progress we have made by maintaining levels of support for higher education
 - Build a larger “pipeline” to postsecondary education that captures more students from our K-12 schools and more working-age adults
 - Expand on demand by targeting growth and tailoring institutional plans to respond to specific demographic, regional and workforce needs
 - Develop an evaluation process that aligns system expansion (new sites or campuses and mission changes) with student demand and state goals.
 -
3. Mission of our Institutions
 - List things each sector should be doing
 - Include e-learning from a statewide perspective
4. Revisit economic needs assessment



SYSTEM DESIGN
PLAN

The Problems (Issues)

1. Significant budget reductions in the 2009-11 biennium (with even deeper cuts likely to be discussed in the 2010 legislative session) have set back institutional capacity for growth and program diversity.
2. To meet the goals of the Strategic Master Plan, we need to increase degree and certificate production at all levels (2010 - 2030). Additional degrees needed, by level, are provided in the table below. Note that the growth expected from population growth alone (assuming sustained participation rates, which may be a big assumption) achieves only one third of the goal. Therefore, achievement of the goal, which helps us reach the 75th percentile of the Global Challenge States, will require significant investment in policies that will increase participation rates across the state. The growth in the chart below represents a 40% increase over degree production in 2009, an aggressive goal that is entirely consistent with the Obama Administration's goal of a 60% increase in U.S. baccalaureate degree production.

Level	Population Growth	Policy Growth	Total
Mid-level	5,100	5,200	10,300
Baccalaureate	2,600	7,900	11,400
Graduate	1,600	7,700	9,300
TOTAL	9,300	20,800	31,000

3. There are regional inequities in access to post-secondary education, particularly at the baccalaureate and graduate levels. (For example, Snohomish County, Kitsap County, Pierce County and the peninsula)
4. The fastest growing portions of the state population are ethnic and racial groups and low-income families that have been traditionally under-served by the higher education system.
5. Grow college-awareness among first-generation, low- income, and students from traditionally underrepresented groups.
6. Encourage more high school graduates, community college graduates, and returning adults to define their educational goals and to enter institutions of higher education that provide them optimal opportunities to succeed.
7. Washington's economy relies on a well-educated and technically skilled workforce. We have developed this workforce by relying, in part, on our ability to draw specialized talent to the state. Going forward, we need to sustain our innovation capacity by educating more of our own citizens through certificate and degree levels, enhancing

investment in the expansion of high demand programs, and leveraging the research capacity of our research institutions.

8. Long-term degree production targets exceed the current capacity of the system (public and private)
9. We need to develop a mechanism to engage the private, independent colleges (including fully online programs and institutions) more fully into the planning and delivery of higher education.
10. More high school students today, *not* fewer, are graduating from high school unprepared for college-level work.
11. Declining levels of baccalaureate and graduate degree attainment will result in real losses for Washington—lower median annual household income, a greater percent of the population living in poverty, a higher percent using state or federal welfare, fewer taxes paid to the state, greater reliance on state human and social services, less research and innovation to fuel Washington’s economy.

The Strengths We Build Upon:

1. Washington’s higher education system is highly efficient.
2. Washington’s higher education sectors all rank at or near the top in national comparisons of degree productivity relative to enrollments, as well as to funding per FTE.
3. Robust dual credit programs (Running Start, College in the High School, AP, IB) enrich high school and lower the time-to-degree for a number of students. In Running Start alone, nearly 18,000 students are earning high school and college credit simultaneously.
4. Washington’s Community and Technical College system :
 - a. Provided 16,000 transfer students last year
 - b. Retrains 15,000 workers annually for a changing economy
 - c. Effectively prepares more students for college level work
 - d. Hosts baccalaureate and graduate degrees at 24 local community and technical college campuses around the state through partnerships with public and private universities
 - e. Provides applied bachelors degrees at 7 institutions
 - f. Provides literacy and basic skills to those who did not complete high school and to immigrants

5. Washington's six public baccalaureates:
 - a. Produced over 22,000 bachelors degrees last year,
 - b. Produced over 3,200 high demand degrees
 - c. Produced 6,500 graduate degrees
 - d. Overall, since 2000 increased 6-year graduation rates by nearly nine points to over 70%, one of the best in the nation.
6. Research activity at WSU and UW in FY07, including commercialization, resulted in
 - a. Almost \$1 billion in R&D expenditures
 - b. \$2.1 billion in additional total sales
 - c. \$200 million in state and local sales and B&O tax revenue, and
 - d. Supported 16,000 jobs in the state's economy
7. Independent colleges and universities award more than one fourth of the bachelor's degrees and almost half of the masters and professional degrees.
8. eLearning continues to grow at all levels, with improvements in direct instruction and student services expanding opportunities for Washington's placebound, hard-to-reach, and working adults to access higher education and achieve their educational goals
9. ICW produced over 6000 baccalaureate degrees last year.
 - a. Over 1700 of these degrees were in STEM fields and the health sciences.
 - b. Over 2700 were graduate degrees.
 - c. The four-year graduation rate has increased by 11 percent since 2000.

Characteristics of the Delivery System Today

1. The public baccalaureate system is relatively small compared to other states, but provides a broad array of choice (from TESC interdisciplinary approach to flagship research university).
2. Five branch campuses and 10 university centers and 40 teaching sites collocated on community and technical college campuses provide additional access to baccalaureate programs.
3. CTC system (34 community and technical colleges) is highly effective at providing transfer education, workforce preparation, applied bachelor's degrees and basic skills, and is geographically well distributed across the state
4. Ten private, non-profit universities provide additional access to a diversity of quality baccalaureate, master's, and professional programs located across the state, offering

over 175 programs in more than 25 sites across the state, including on military bases, community college campuses, and business parks.

5. Washington's two major research universities award 35% of all undergraduate degrees.
6. The public universities award 92% of all doctoral degrees in the state.
7. Regional-comprehensive universities award nearly 60% of all teaching credentials at the undergraduate level and a quarter of all master's degrees.
8. Private universities award one-fourth of bachelor's degrees and one-half of master's and professional degrees.
9. Washington's community and technical colleges provide two out of every five bachelor's degree graduates through transfer.
10. Washington's private career colleges comprise a small, but fast-growing, portion of the higher education system that provide baccalaureate degrees especially attuned for adult learners and using technology as part of its delivery mechanism.
11. Washington's higher education system, both 2- and 4-year, has already agreed upon a core of performance measures that track students' progress and success in higher education.
12. Washington's higher education community has embraced the use of performance agreements to measure productivity through the SBCTC Student Achievement Initiative and through efforts currently underway with the 4-year sector.

Key Elements of the Proposed Recommendations

- I. Guiding Principles for System Expansion and Optimization
- II. Enrollment growth strategy for near term (not requiring major new capital investment)
- III. Blue Arrow Fund for Innovation in outreach, access and completion, alternative program models
- IV. Rules for Expansion
 1. Concept of Expand on Demand: Includes expansion handled through current "normal" processes as well as major new capital expenditures for new campuses, centers, partnerships and collaborations (Attachment A)
 2. Diagram of HECB- and locally-initiated processes to encourage increases in educational attainment (Attachments B and C)

I. Guiding Principles for System Expansion and Optimization

1. The interests and needs of current and future students should be one of the primary considerations in deciding whether and how to expand or revise higher education services.
2. Investments in higher education should advance the state's economic vitality, innovation and job growth, including meeting the high demand needs of the state.
3. Washington should restore and further invest in its higher education system to preserve and build upon its excellence and productivity and optimize opportunities for future generations.
4. Major new investments in expansion to meet the HECB *Strategic Master Plan* degree goals should first leverage existing missions, institutions, partnerships, collaborations, and educational delivery models.
5. Washington should place an early emphasis on policies that will raise educational attainment in underserved populations and underserved regions of the state.
6. Incentives for innovation in outreach, access and completion, and alternative program delivery should be developed.
7. Washington should invest in online and hybrid instructional delivery to transform higher education so that it is better positioned to meet changing technological, cultural and economic forces, improve the efficiency and quality of higher education, and provide greater access for all students, particularly for placebound and hard-to-reach student populations.

II. Enrollment Growth Strategies, Near Term (not requiring major new capital investment)

1. ***Expand the "Pipelines"*** by:
 - a. Investing early in key strategies to increase the supply of motivated and prepared high school graduates to enter college directly after high school:
 - Expand existing programs that are proven effective (GEAR-UP, College Bound, drop-out prevention, dual credit, *Navigation 101*, mentoring programs like "Compass 2 College," etc.)
 - Encourage innovative and collaborative new efforts to encourage students to consider all options for college

- Among new entrants to higher education, encourage more academically prepared, especially low income, students to directly enter baccalaureate institutions
 - Increase utilization of independent non-profit colleges, through increased freshman, transfer, and graduate students
- b. Increasing transfer rates of associate degree holders
 - Preserve CTC transfer opportunities at the baccalaureates
 - Encourage more transfer students to enroll in independent colleges and universities through transfer-friendly policies
 - Develop financial aid programs to encourage transfer students to continue to the baccalaureate
 - c. Strengthening and expanding re-entry programs for working-age adults
 - Expand existing programs that work (Opportunity Grants, I-Best, etc)
 - Explore options for flexible scheduling and convenient class locations
 - Consider financial aid for part-time students
 - Provide outreach to former students to encourage them to return and complete their programs
 - Explore ways to scaffold portions of programs so that students can return to upgrade skills and earn degrees
 - Develop employer partnerships, such as the Lifelong Learning Accounts (LiLAs) currently piloted by the WETCB
 - Consider ways to award credit for prior learning through portfolios assessments and other ways to demonstrate competence
2. ***Expand baccalaureate capacity*** through concurrent and multiple strategies that fully utilize existing and planned capacity in current missions, institutions and partnerships.
- a. Grow Vancouver, Tacoma, Bothell and Tri-Cities campuses to planned capacity levels and focus on expanding program diversity
 - b. Expand capacity for freshmen and transfer students, with an emphasis at comprehensive universities and TESC, branch campuses, university centers, and community and technical colleges
 - c. Provide additional service in underserved regions (for example Kitsap, Clallam, Snohomish, Pierce) by rapid expansion of program diversity at existing university centers and sites
 - d. Provide additional access for hard-to-reach and placebound populations through online programs and course offerings
 - e. Expand applied baccalaureate degrees at universities, university centers and community and technical colleges.
 - SBCTC and HECB to develop statewide assessment of need for additional degrees
 - HECB and SBCTC to develop process for determining institutional interest in offering applied baccalaureates among 2- and 4-year institutions

- SBCTC and HECB approve programs for CTC offerings; HECB approves programs from public four-year institutions
3. *Expand graduate capacity* by:
 - a. Undertaking an expanded state role in supporting high cost graduate and doctoral programs at main campuses of UW and WSU in order to leverage research and commercialization activity
 - b. Incorporate statewide economic needs assessment to target graduate programs for expansion
 - c. Identifying 2030 goals for undergraduate/graduate enrollment mix at the University of Washington and Washington State University
 - d. Expanding graduate education at comprehensives and branch campuses
 - e. Providing financial aid and support for students pursuing graduate education

III. Rules for Expansion to New Sites or New Missions

1. Expansion to new sites or new missions requiring substantial new capital expenditures must be predicated on the concept that capacity follows demand.
2. A matrix (Attachment A) categorizes institutional types and characteristics, including estimated costs to replicate.
 - Note: Both University Centers and CTC BAS degrees provide baccalaureate degrees located on CTC campuses. Both should be eligible for capital if they meet the FTE threshold.
3. A diagram (Attachments B and C) of two paths (HECB-initiated and locally-driven) describes the process for developing and evaluating proposals for growth
 - Responds to state and regional economic development, workforce and innovation needs
 - Funds outcomes for innovation and reallocation

IV. The Blue Arrow Fund for Innovation

1. Develop a new process for competitive grants to universities and community and technical colleges to foster innovation, pilot programs, collaboration and system-wide productivity, (see Attachments B and C) such as:
 - Access and completion efforts targeted to underrepresented population groups
 - Partnerships between institutions, foundations and K-12 school districts to increase the number of college-ready high school graduates who transition directly to college
 - Expansion of hybrid and online courses, open courseware, and other uses of technology and online services to improve educational outcomes
 - Accelerated programs and alternative scheduling, such as three-year baccalaureate degrees
 - Other innovations to improve educational attainment
2. Process would be administered by the HECB and would seek to leverage federal dollars for innovation (Access and Completion Fund; FIPSE)

V. Funding

Many worthy policy objectives have been sacrificed in unplanned responses to the boom-and-bust cycle that characterizes higher education finance in Washington. To achieve the HEC Board's enrollment goals, we need a stable and predictable higher education finance system.

Our finance system should:

- Allow students at an early age to plan with confidence for their college educations
- Encourage student choice among the state's public and private colleges
- Insulate students' access to quality and diverse educational opportunities from the financial vagaries of the state's revenue base
- Strike an appropriate level of shared financial responsibility from available funding sources, including tuition paid by students and their families, financial aid and state appropriations
- Monitor and fund higher education to support system performance and sustainability
- Adopt a state-level strategy for investing in productivity enhancement

EXPAND ON DEMAND

(Cost depends on program and partner mix)

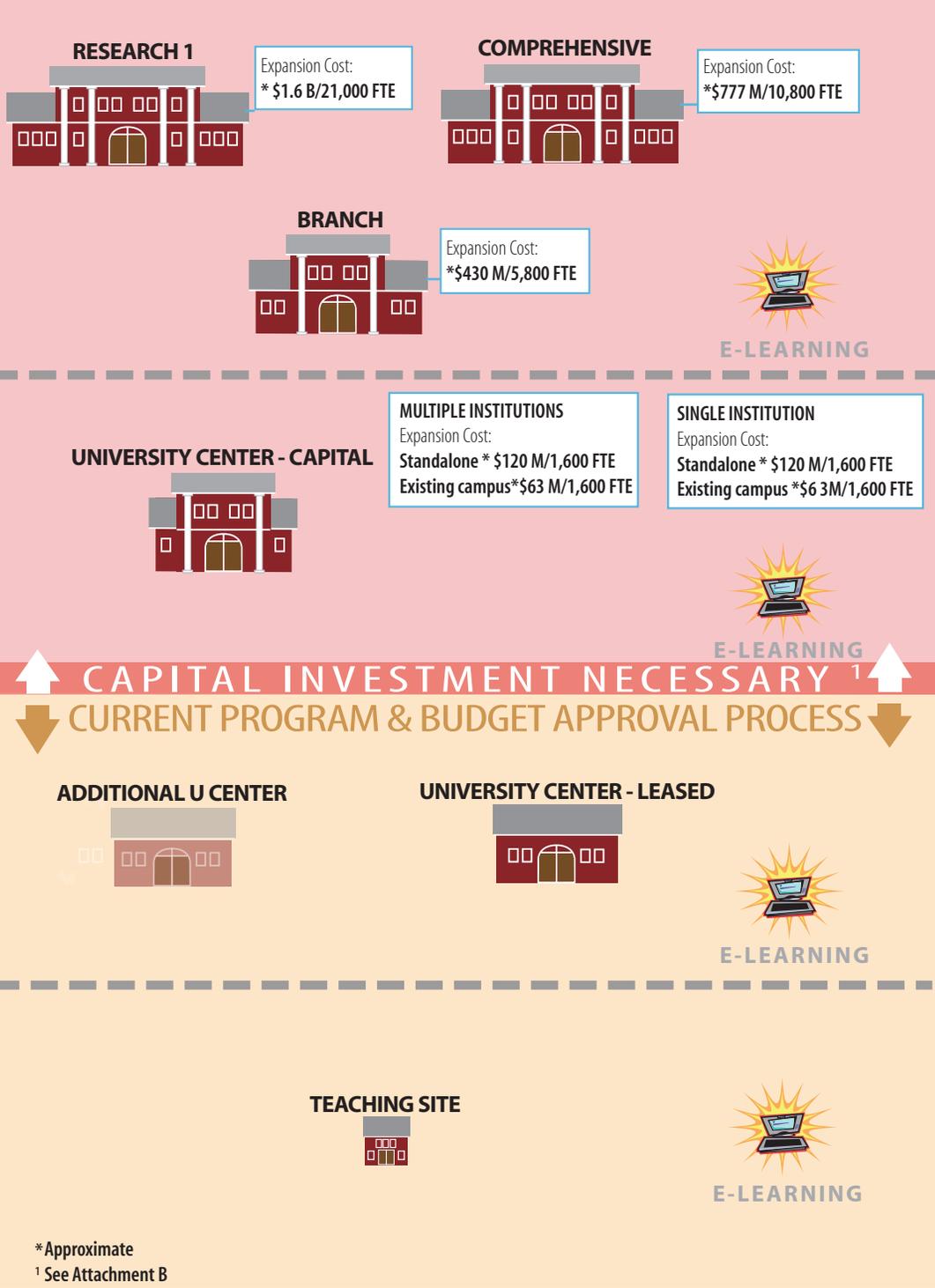
CHARACTERISTICS

SYSTEM CAMPUSES (University, College, Branch Campus)	AUTHORIZATION	Legislature (Authorization & Funding) & HECB (Program Approval)
	NATURE	Permanent
	PROVIDER	Single or New Institution
	FOCUS	Statewide
	OFFERINGS	Array of Certificates, Degrees
	SUSTAINED STUDENT DEMAND	Branch: ≥800 FTE; Comprehensive ≥4,000 FTE; Research ≥15,000 FTE
	FUNDING	New State Dollars
	CAPITAL	New State Capital Dollars

UNIVERSITY CENTER (with Capital Investment)	AUTHORIZATION	Legislature (Funding) & HECB (Program Approval)
	NATURE	Transitional/Permanent
	PROVIDER	Single or Multiple Institutions
	FOCUS	Regional
	OFFERINGS	Array or Courses, Programs, Certificates, Degrees
	SUSTAINED STUDENT DEMAND	≥300 FTE
	FUNDING	New State Dollars
	CAPITAL	New State Capital Dollars

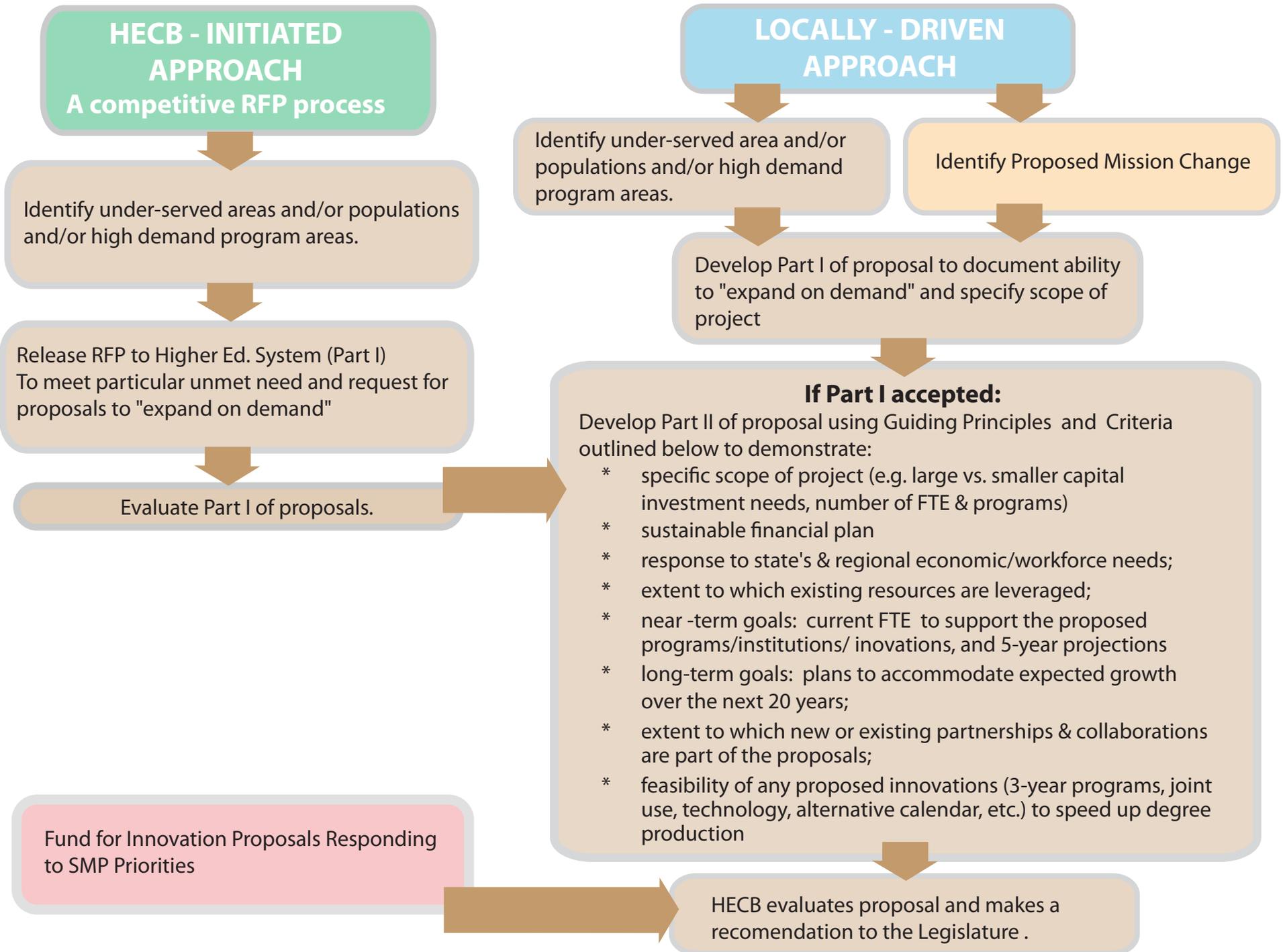
UNIVERSITY CENTER (Leased or Existing)	AUTHORIZATION	HECB (Program Approval)
	NATURE	Transitional/Permanent
	PROVIDER	Single or Multiple Institutions
	FOCUS	Regional
	OFFERINGS	Array of Courses, Programs, Certificates, Degrees
	SUSTAINED STUDENT DEMAND	150-300 FTE
	FUNDING	New State Dollars
	CAPITAL	No New State Capital Dollars

TEACHING SITE E-LEARNING	AUTHORIZATION	HECB (Program Approval)
	NATURE	Temporary/Pilot
	PROVIDER	Single Institution
	FOCUS	Local
	OFFERINGS	Limited Courses, Programs, Certificates, Degrees
	SUSTAINED STUDENT DEMAND	≤ 150 FTE
	FUNDING	Reallocation/Limited New State Dollars
	CAPITAL	No New State Capital Dollars



*Approximate
¹ See Attachment B

Increasing Washington's Higher Educational Attainment Levels: Process for Reviewing Proposals for Major Expansion



EXPAND ON DEMAND

Process for Reviewing Proposals for Major Expansion Requiring Capital Investments

CHARACTERISTICS	
SYSTEM CAMPUSES (University, College, Branch Campus)	<p>AUTHORIZATION Legislature (Authorization & Funding) & HECB (Program Approval)</p> <p>NATURE Permanent</p> <p>PROVIDER Single or New Institution</p> <p>FOCUS Statewide</p> <p>OFFERINGS Array of Certificates, Degrees</p> <p>SUSTAINED STUDENT DEMAND Branch: ≥800 FTE; Comprehensive ≥4,000 FTE; Research ≥15,000 FTE</p> <p>FUNDING New State Dollars</p> <p>CAPITAL New State Capital Dollars</p>
UNIVERSITY CENTER (with Capital Investment)	<p>AUTHORIZATION Legislature (Funding) & HECB (Program Approval)</p> <p>NATURE Transitional/Permanent</p> <p>PROVIDER Single or Multiple Institutions</p> <p>FOCUS Regional</p> <p>OFFERINGS Array or Courses, Programs, Certificates, Degrees</p> <p>SUSTAINED STUDENT DEMAND ≥300 FTE</p> <p>FUNDING New State Dollars</p> <p>CAPITAL New State Capital Dollars</p>

RESEARCH 1



Expansion Cost:
*\$1.6 B/21,000 FTE

COMPREHENSIVE



Expansion Cost:
*\$777 M/10,800 FTE

BRANCH



Expansion Cost:
*\$430 M/5,800 FTE

UNIVERSITY CENTER - CAPITAL



MULTIPLE INSTITUTIONS

Expansion Cost:
Standalone * \$120 M/1,600 FTE
Existing campus*\$63 M/1,600 FTE

SINGLE INSTITUTION

Expansion Cost:
Standalone * \$120 M/1,600 FTE
Existing campus *\$63 M/1,600 FTE

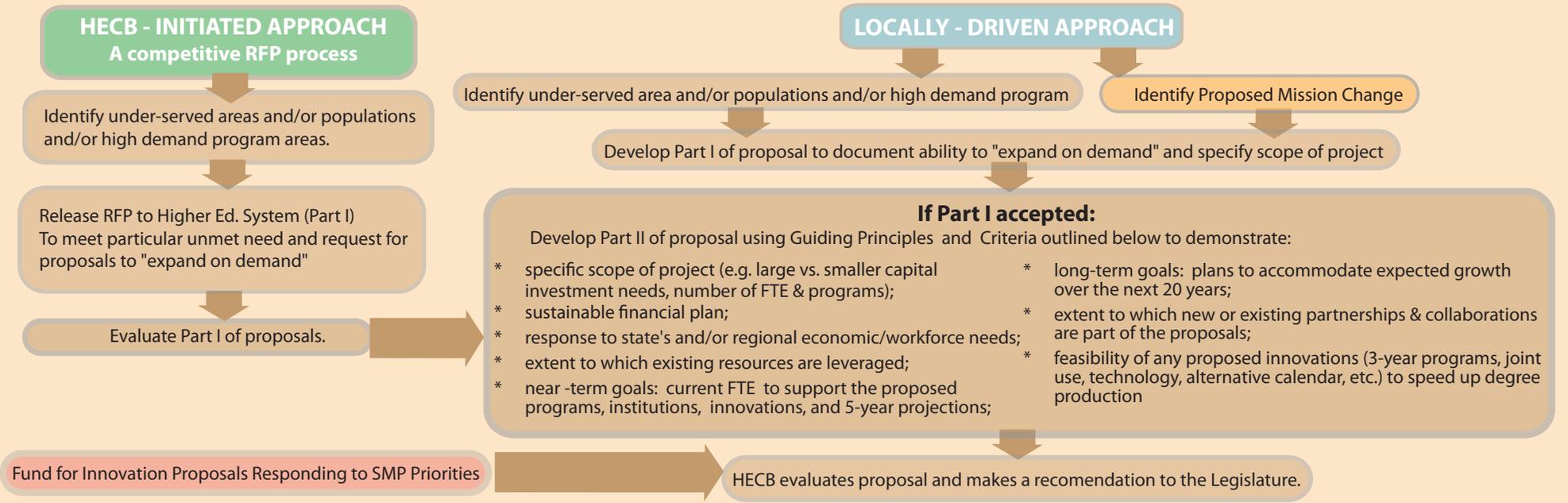


E-LEARNING



E-LEARNING

CAPITAL INVESTMENT NECESSARY



October 2009

Draft Minutes of September 29, 2009 Board Meeting

Advisory Council Meeting

Board members present

Jesus Hernandez
Charley Bingham
Bill Grinstein
Roberta Greene
Andre Helm
Nita Rinehart

Advisory Council members present

Charlie Earl, SBCTC
Eleni Papadakis, WTECB
Sheila Fox, SBE
Phyllis Wise, research institutions
Catherine Riordan, regional universities
Jim Fridley, four-year faculty
Sandra Schroeder, two-year faculty

Welcome and Introductions

Chairman Jesus Hernandez opened the meeting at 8:30 a.m. and asked the Board, the members of the Advisory Council, and the audience to introduce themselves.

Provost Isiaah Crawford welcomed the Board and Council to the Seattle University campus. Founded in 1891, Seattle University is a Jesuit Catholic university ranked among the top 10 universities in the West that offer a full range of masters and undergraduate programs.

Dr. Crawford described a five-year comprehensive plan integrating academic excellence with Jesuit leadership vision. The plan will transform the university with new scholarships for students, academic programs and professorships, and new construction, including: a fitness complex, an arts center, an admissions and alumni building, and the Lemieux Library and McGoldrick Learning Commons, scheduled for completion next fall.

Tuition Policies, Financial Aid, and College Participation

Donald E. Heller, professor of education and director of the Center for Study of Higher Education at Pennsylvania University, focused his presentation on the interplay of tuition and financial aid policies and their impact on college participation. He said the cost of higher education in our state has risen this decade but is still affordable compared to other four-year, public universities nationwide.

Five decades of research on the impact of tuition on financial aid attendance and persistence show:

- Rising prices do affect student decisions to attend and persist. The strongest effect comes at the lowest income levels.
- As students go up the income ladder there is greater price flexibility.

- Ninety-eight percent of upper-income students participate in postsecondary education but among lower-income students the percentage is less than half that and, over three decades, this gap has not been closed.

Heller discussed some of the options and important questions for consideration in evaluating financing policy, including:

- ✓ Focusing not just on cost, but on price and post-college outcomes;
- ✓ Recognizing that price influences access, choice, *and* persistence;
- ✓ Linking aid to financial need at different price points;
- ✓ Recognizing that almost all policies are subject to change, and are only as enforceable as the parties that agree to them; and
- ✓ Considering the equity/efficiency trade-off.

Increasing Education Attainment: Goals, Metrics, & Strategic Finance

Dennis Jones, president of the National Center for Higher Education Management Systems (NCHEMS) and Jane Wellman, executive director of the Delta Cost Project, discussed the use of attainment goals as a basis for refining state strategic plans for postsecondary education in which access and attainment can be improved, quality protected, and costs contained.

They provided information about the national education attainment goal and the additional degree production required of Washington institutions if the state is to meet future social and workforce needs and contribute its share to achieving the national goal. They argued that achieving this goal will require attention to closing achievement gaps along the educational pipeline, increasing rates of degree production for all students, and new efforts to reach adult non-degree completers. It also will require a realistic strategic financing plan to accomplish it, including increases in productivity and cost containment, along with increases in state funds.

Jones said President Obama has set high expectations – by 2020 the U.S. will have the highest proportion of college graduates in the world. However, there are few resources and states need to figure out how to do it. *“To talk about rationalizing funding for higher education sounds fanciful, daunting, foolish. However, the job ahead is to get the strategy ready for when times turn around. That moment may not come for a year or two or three, but the places that will get this right are the ones who will have done the planning,”* Wellman said.

Short-term actions they recommend for the HECB:

- Set attainment goals including targets for different providers
- Create a coherent and sustainable financing plan

Among long-term goals for the HECB, Wellman recommends refocusing institutional missions as necessary, undertaking a policy audit with an eye toward eliminating unnecessary bureaucracy, and adopting a state-level strategy for investing in productivity enhancement.

Regular Board Meeting

Washington State Economic and Revenue Forecast

The executive director of the Washington Economic & Revenue Forecast Council, Dr. Arun Raha, said the national recession appears to have bottomed out. He cited a number of key economic indicators that point to better times ahead. Among others, a synchronized global recovery is unfolding, inter-bank lending has returned to normal, the manufacturing sector is seeing a rebound, and home prices in Seattle appear to be leveling off.

Since Washington is the nation's most trade-dependent state, it is hoped our ties to the international economy will help us begin to recover more quickly. *But*, Raha said, *"it won't start to feel like a recovery until mid-2010, and after that it will take some time to begin realizing the benefits of the recovery in terms of increased tax revenues."*

Specifically, Raha concluded that state revenues will lag the economic recovery; collections in FY11 are expected to be USD 300 million less than in FY08; and revenues in the 2009-11 biennium are expected to be one percent below their 2007-09 level.

Tuition Policy Study

The Board reviewed a draft state-level tuition policy formulated by study representatives from the public baccalaureate institutions, the State Board for Community and Technical Colleges, the Council of Presidents, students from the Washington Student Association, and staff from the Office of Financial Management and the Legislature. Engrossed Substitute House Bill 2344 (ESHB 2344) directed the HECB to evaluate tuition flexibility options for the state's public baccalaureate institutions.

The report included an examination of the relationship between tuition levels, expected family contribution, and income levels of Washington families. It shows that in times of economic recession, Washington's tuition rates tend to rise sharply in response to state budget shortfalls. These tuition increases are largely unpredictable, grow faster than the median family income, and play havoc with family budgets.

The report recommends the state allow institutions greater flexibility to set undergraduate tuition according to their location and role and mission. In addition, the report recommends the state adopt a general policy of funding at least 55 percent of instructional costs while holding tuition to no more than 45 percent of instructional costs. (Following the most recent round of cuts to public higher education, four of Washington's public baccalaureate institutions now receive less than 50 percent of state appropriations for instructional costs.)

Public Comment

WWU Provost Catherine Riordan and UW Executive Vice Provost Doug Wadden expressed opposition to the cost sharing part of the proposal. They stated that the proposal could effectively limit their school's ability to balance their budgets and, at the same time, provide quality education to their students. Riordan said institutions need more flexibility, not prescriptive rules. While she agreed with the policy goal of requiring the state to pay the bigger

portion of the costs, stating it in the report as an actual number (55/45) made it more like a regulation than a goal. Furthermore, shifting to new metrics for computing the state cost creates confusion. Wadden was concerned that the proposed cost sharing policy would further hinder the University of Washington in its goal to compete with its peer research universities.

Mike Bogatay, speaking for the Washington Student Association, expressed concerns that tuition flexibility would result in tuition increases outpacing financial aid. But in a note he sent to the HECB after the meeting, Bogatay said WSA strongly supports the current draft tuition report recommendations. “We hope the Board will support the staff’s recommendations in the approval of the final report...,” he wrote.

Consent Agenda Items Approved

Action: Charley Bingham moved for approval of the Board’s July meeting minutes. **Roberta Greene** seconded the motion, which was unanimously approved.

Action: Roberta Greene moved for approval of all new degree program proposals, including eight options within the University of Washington Bothell Bachelor of Arts in Interdisciplinary Studies degree program. **Bill Grinstein** seconded the motion, which was unanimously approved.

The new degree programs are:

Resolution 09-16: Bachelor of Arts in Environmental Studies

Resolution 09-17: Bachelor of Arts in Interdisciplinary Arts

Resolution 09-18: Bachelor of Arts in American Studies

Bachelor of Arts in Global Studies

Bachelor of Arts in Society, Ethics, and Human Behavior

Bachelor of Arts in Culture, Literature, and the Arts

Bachelor of Arts in Science, Technology, and Society

Bachelor of Arts in Community Psychology

Resolution 09-19: Master of Education in Educational Leadership, UW Bothell

Resolution 09-20: Master of Pharmaceutical Bioengineering, UW

Resolution 09-21: Master of Science and Doctor of Philosophy in Biological and Agricultural Engineering, WSU

Action: Bill Grinstein moved for approval *Resolution 09-22*, rules revisions to the Degree-Granting Institutions Act. **Charley Bingham** seconded the motion, which was unanimously approved.

Proposed Revisions to Minimum College Admission Standards

The HECB is required by state law to establish minimum college admission standards for all Washington public baccalaureate institutions. The HECB adopted the current minimum standards for freshman admission in May 2007.

Based on feedback from high schools and institutions during implementation, the proposed revisions are intended to encourage students to enroll in challenging coursework throughout their high school careers.

Modify the CADR requirements to encourage students to take three CADR courses in the freshmen year but require 3 CADR courses each year in grades 10-12 as long as the students complete all other state and institutional admission requirements.

Modify the Algebra based science requirement to decouple the algebra requirement from specific subject requirements so that any laboratory science can meet the requirement for an algebra-based science. Students would still need one laboratory course in Biology, Chemistry, or Physics but that course would not necessarily need to be algebra-based.

Action: **Roberta Greene** moved for approval of the proposed revisions to the Minimum College Admission Standards, *Resolution 09-23*. **Nita Rinehart** seconded the motion, which was unanimously approved.

Executive Director's Report

- Ann Daley reported on the progress of the new System Design Plan, a requirement of the 2009 Legislature. The process of creating a new Plan to manage the future development of the state's four-year higher education sector has attracted a great deal of interest among the institutions and their stakeholders, Daley said. As a result, great care has been taken to keep the process open and flexible throughout, with numerous points of review, discussions, and public meetings.

A very preliminary draft is being shared with the plan workgroup. Following the October 19 meeting of the group where a set of recommendations will be developed, the Plan will be presented to the Board and the Advisory Council on October 27 for discussion. The Board will be asked to adopt the recommendations on November 19, for submission to the Governor and the Legislature by December 1, 2009.

- Daley also provided information regarding federal legislation. Congressman Miller's legislation would require all student loans to be made through the government's Direct Student Loan program rather than through private lenders. The "Race to the Top" is a competitive grant program for implementation of education reform in specific areas, and is part of the \$4.35 billion American Recovery and Reinvestment Act (ARRA).

- In Washing State, FAFSA applications continue to be up by about 22 percent over last year, with applications from Washington students having increased by about 32 percent. Many financial aid directors reported that funding for State Need Grant and State Work Study will not be sufficient to meet the needs of all eligible students.

Guaranteed Education Tuition (GET) Update

Enrollment for 2009-10 has started, and indications are strong that the program will hit 1,000 new enrollments, keeping pace with last year, which was a record enrollment year. The program has over one hundred thousand contracts to date, and growing daily. Despite, or as a result of, the economic recession, GET continues to grow because it is “still a really good deal.” It’s guaranteed by the state, it’s flexible, and it’s portable.

The meeting adjourned at 3:30 p.m.

October 2009

DRAFT: Community and Technical College Performance Measures

Background

In 2004, the Legislature enacted House Bill 3103 (codified as RCW 28B.76.270), which charged the Higher Education Coordinating Board (HECB) with developing an accountability monitoring and reporting system. The HECB is further charged with adopting biennial performance targets for each public four-year institution and for the community and technical college system. Finally, the HECB is directed to review results annually and to report results to the Governor and the Legislature on a biennial basis. The State Board for Community and Technical Colleges (SBCTC) is directed in the statute to set biennial performance targets for each college or district, as appropriate.

In 2006, the HECB, in collaboration with the Office of Financial Management (OFM), the Council of Presidents (COP), and the State Board for Community and Technical Colleges, developed an accountability framework that includes performance measures for the four-year system and the two-year system. Both the HECB and OFM adopted performance targets on the defined performance measures. The 2007-09 biennial budget incorporated the performance measures and targets from the accountability framework, and directed the HECB and OFM to review and revise the performance targets in light of the increased per student funding authorized in 2007-09.

The four-year system measures and targets were not incorporated in the 2009-11 budget in part due to adoption of performance agreement legislation in 2008 which was assumed could lead to revised measures and targets. A 2009-11 budget proviso requires the SBCTC, HECB, and OFM by September 1, 2009, to “review and to the extent necessary revise current 2009-11 performance measures and targets” based on the resources made available through the budgets. The three agencies are further directed to “develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system’s contributions to achievement of the state’s higher education master plan goals.” (ESHB 1244, section 605(7))

Current Framework

The current accountability framework provides four performance measures for the community and technical college system. Associate degree production is one measure. The other three were developed by the SBCTC to reflect each of the three mission areas – academic transfer, workforce development, and basic skills development. Specifically, these measures are:

- Transfer Ready – defined as completing at least 45 credits in core courses with at least a 2.0 GPA.
- Prepared for work – defined as completing a professional or technical certificate or degree program and achieving industry skill standards.
- Basic Skills – defined as gaining at least one competency level on a test after taking an Adult Basic Education or English as a Second Language course.

The accountability framework also includes a measure for the transfer rate from two-year to four-year institutions. This measure was not intended as a performance measure of the two-year colleges, but rather as a gauge of the system as a whole, including both the two-year and four-year sectors.

However, this intention has not always been well understood, and the targets for the transfer rate currently in place were developed by the SBCTC and may appear to some accountability report readers as though they are perceived as performance measures of the two-year system. This interpretation is understandable but is not consistent with the intention of the accountability framework or the description of the measure in the original reports discussing the issue. The transfer measure will be retained as a system measure in the accountability framework for future reports.

Student Achievement Initiative

The SBCTC developed a document called Strategic Directions, which outlines principles to guide mission implementation and long range planning for the two-year system. With the Strategic Directions statement as a foundation, the SBCTC developed a proposal known as the Student Achievement Initiative. It is a process by which individual colleges are able to earn incremental additional funding as their students achieve certain outcomes described as “momentum points” on the path toward completion of programs that require at least one year of college and completion of a certificate or degree program.

The 2007-09 state budget included \$4 million for the two-year system to serve TRIO-eligible students with a focus on retention and completion rates. This proviso funding became the seed money with which the Student Achievement Initiative was launched. The 2009-11 budget provided \$3.5 million for support of the Student Achievement Initiative. An additional \$1.6 million has been added to the rewards by foundations interested in the national implications for the measures. The SBCTC has begun transitioning its accountability monitoring and reporting to use the Student Achievement Initiative indicators, rather than the mission-related indicators used in the past. In 2008, the SBCTC modified indicators used in the Government Management and

Accountability Performance (GMAP) program to include these new Student Achievement Initiative measures as indicators of “foundations of success” in the “economic vitality” dashboard. The SBCTC has requested that the HECB revise the accountability framework to include the Student Achievement indicators to replace the existing mission-based indicators. The student achievement indicators (listed below) represent a system of measurement and accountability that spans the mission areas rather than presenting a single indicator for each mission area.

There are four categories of Achievement measures:

- Building towards college-level skills:
 - basic skills gains,
 - passing precollege writing or math
- First year retention:
 - earning 15 college-level quarter credits
 - earning 30 college-level quarter credits
- Completing college-level math (passing math courses required for either technical or academic associate degrees)
- Completions (degrees, certificates, apprenticeship training)

While these measures differ somewhat from the current measures, they are the key measures in a continuous improvement system being implemented by the SBCTC and cover the same broad concerns. Table 1 provides a crosswalk to give a sense of how the measures compare.

Table 1: Current and Proposed Measures

Current Measure	Proposed Student Achievement Measures	Notes
Transfer Ready	Earning 15 college-level credits Earning 30 college-level credits Completing College-Level Math	The three proposed achievement measures break out key components of the “transfer ready” measure. Perhaps most important is the completion of college ready math. In addition, the revised measure tracks two key “momentum points” that are solid predictors of degree or certificate completion.
Associate Degrees Completed Prepared for Work	Completions	The proposed completions measure includes two current measures, combining the Associate Degree Completion and Prepared for Work measures. The current Prepared for Work measure also includes non-credential earners who completed individualized plans or at least one year of college level workforce education. The proposed Student Achievement completions measure includes degrees, long-term certificates, and apprenticeship completers. In addition, it

		counts students who complete a short-term certificate, if they have already completed at least a year of college. These short-term certificate earners were found to show gains in employment outcomes and earnings in the SBCTC “tipping point” analysis. In 2008, short-term certificate earners with a year of college accounted for 2,727 completions out of a total of 23,447 completions for the year, 12% of the total completions reported.
Basic Skills	Basic Skills Gains Passing pre-college math or writing.	The current Basic Skills measure includes the number of students who improved their basic skills by one competency level. The proposed measures provide a cumulative look at skills gains (basic skills gains) as well as a more specific indicator looking at pre-college math and writing.

Proposed Targets

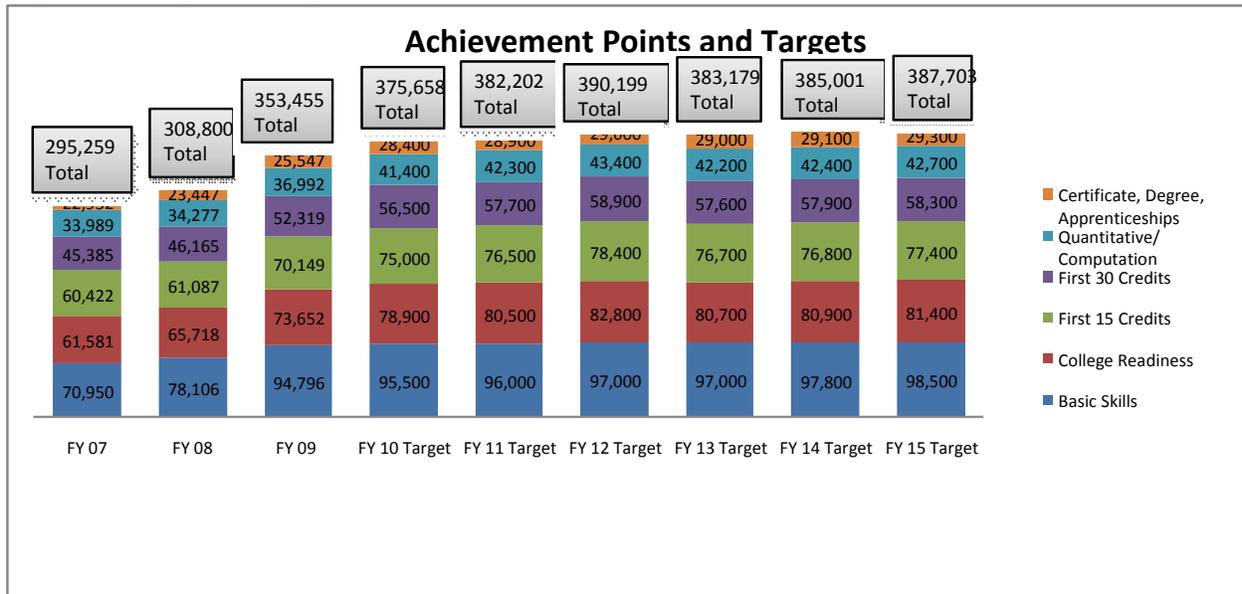
The Student Achievement Initiative measures incremental gains students make, where each gain increases a student’s likelihood for completion. All students, regardless of program, are measured for gains that prepare them for college-level work and their success in achieving first-year college milestones or college completion. The gains are translated into point gains, which colleges earn when they enroll more students and improve practices to advance students along their educational pathways. To see where the point gains are derived, we compare the one-year change in the number of students (headcount) to the one-year change in achievement points. For example, in Table 2 below we see that the one-year percent change in students (headcount) from FY 08 to FY 09 was 2 percent, while the total point change was 14 percent, substantially more than the change that could be attributed to simply enrolling more students. The percentage change in completions was also much higher than the proportional change in enrollment. The number of students seeking to meet first year college milestones was unchanged, yet all three milestones were reached by substantially more students. Point gains increased faster than student enrollments, which suggests colleges are becoming more effective at advancing their students.

Table 2: One-Year Change FY08 to FY 09 in Percent of Students by Milestone Start and Point Gain End

	Total Headcount Growth	Basic Skills	Pre College	Started Year less than 15 Cr	Started Year Less than 30 Credits	Started No College Math	Completions
One-Year Change in Students	4%	15%	7%	3%	3%	4%	4%
One-Year Change in Points Earned	14%	21%	12%	15%	13%	8%	9%

The proposed targets (Figure 1) reflect anticipated changes in the enrollment over the projection period as well as performance improvements in all six indicators over time. The overall target drops from a peak of 390,199 points in FY12 to a total of 387,703 in FY15. This change is primarily due to an expected decline in enrollment associated with an anticipated economic recovery resulting in falling enrollments in the worker retraining program. The worker retraining program is expected to peak at 16,000 students in FY11 and contract to 5,000 students in FY15 (slightly below the 2007 level of 6,100). One way to assess the improvement in effectiveness with a changing population is to analyze the number of points earned per FTE. During the projection period, we found continuous improvement in the number of points earned per FTE. In the base year, 2007, approximately 2 points were earned per FTE student. Based on the projected enrollments and target for points earned in 2015 the SBCTC expects approximately 2.5 points per FTE system wide in 2015. This change represents an increase in effectiveness of 19 percent between 2007 and 2015.

Figure 1: Proposed Targets



Analysis and Recommendation

Overall, the proposed new measures represent an improvement in our ability to track progress and encourage improvement in the performance of the Community and Technical College System. Key to this change is the establishment of indicators at various steps in a student's development. The indicators were selected based upon research by the State Board for Community and Technical Colleges, in conjunction with the Community College Research Center. The indicators span mission areas and include not only outcome based measures but also process measures at key milestones. This allows institutions to select an improvement strategy that focuses on the areas where they see the greatest need for improvement. For example, some institutions serve much larger numbers of basic skills students. Improving the outcomes for those students will "count" toward their accountability targets. In addition, those skill gains may help students move on to college level work.

The completions measure in the proposed framework is similar to the measure used for the *Master Plan* goal; however, neither the student achievement indicators nor the current indicators precisely match the primary outcome measure of the *Master Plan*. The *Master Plan* goal at the mid-level is based upon completed associate degrees, long terms certificates (one year or longer), and apprenticeship completions. The completions measure in the student achievement initiative includes all of these elements, but it also includes students who have completed at least a year of college and a short-term certificate. The various categories of completers can easily be disaggregated in the reporting of actual results but they are not disaggregated in the current projections and goals.

Inclusion of the student achievement indicators into the accountability framework would allow for simplification in reporting by the SBCTC and the individual community and technical colleges. The metrics would match those used within the system accountability framework and those used in the GMAP process. This would provide for greater consistency in reporting and should make the reporting process less onerous for the CTCs and the SBCTC. The SBCTC has secured further assistance from the Community College Research Center to conduct an ongoing independent evaluation of the Student Achievement Initiative over the next five years.

Based on a review of the proposed indicators, staff believe the SBCTC has established goals that will lead to continuous improvement in the performance of the system and foster improvement at all level, leading to more students completing degrees and certificates. Staff recommend approval of the proposed change in the accountability framework at the mid-level and the targets proposed by the SBCTC.

RESOLUTION NO. 09-24

WHEREAS, In 2004, the Legislature enacted House Bill 3103 (codified as RCW 28B.76.270) which charged the Higher Education Coordinating Board with developing an accountability monitoring and reporting system; and

WHEREAS, In 2006, the HECB, in collaboration with the Office of Financial Management (OFM), the Council of Presidents (COP), and the State Board for Community and Technical Colleges (SBCTC), developed an accountability framework that includes performance measures for the four-year system and the two-year system; and

WHEREAS, A 2009-11 budget proviso requires the SBCTC, HECB, and OFM to “review and to the extent necessary revise current 2009-11 performance measures and targets” based on the resources made available through the budgets, and the three agencies are further directed to “develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system’s contributions to achievement of the state’s higher education master plan goals”; and

WHEREAS, The SBCTC has developed a new performance measurement system, the Student Achievement Initiative, which measures six “momentum points” that represent key steps in students’ progress toward achieving certificates or degrees, where the gains increase a student’s likelihood for completion; and

WHEREAS, The SBCTC has requested that the HECB and OFM adopt the student achievement initiative measures in place of the existing measures included in the accountability framework; and

WHEREAS, The proposed new measures represent an improvement in the state’s ability to track progress and encourage improvement in the performance of the Community and Technical College System and the SBCTC has established goals that will lead to continuous improvement in the performance of the system and foster improvement at all levels – leading to more students completing degrees and certificates; and

THEREFORE BE IT RESOLVED, That the Higher Education Coordinating Board adopts the revised measures and targets contained in the attached document.

Adopted: October 27, 2009

Attest:

Jesús Hernandez, Chair

Roberta Greene, Secretary

Passport to College Pilot Program

Higher Education Coordinating Board
October 27, 2009

Think you can't
go to college?

Think again.

The state of Washington has created the **Passport to College Promise** just for foster youth like you.

This new program is designed to encourage foster youth to prepare for and succeed in college.



This is *your*
Passport to College.

Purpose of Passport

Created in 2007 as a six-year pilot (RCW 28B.117)

- To encourage current and former foster care youth to prepare for, attend, and successfully complete higher education
- To provide current and former foster care youth with the educational planning, information, institutional support, and direct financial resources necessary for them to succeed in higher education

Complete evaluation and recommendations due by WISPP
December 2012

Primary Components

- Pre-college outreach to underage foster youth to promote educational aspiration and preparation
 - DSHS “SETuP” program
- Leverage and enhance student support services offered by colleges
 - Agree to the “viable plan” tenets
- Provide student aid fund
 - Need-based with reasonable amount of self-help required

National & WA Foster Data

- Nationally, half of youth from foster care complete high school (compared to 70% of general population)
- Only 20% of high school graduates from foster care enroll in college nationally (compared to 60% of general population)
- In Washington State, less than one-third complete high school or a GED
- About 42% participate in postsecondary education in WA, yet less than 2% attain degrees*

*Northwest Foster Care Alumni Study, sponsored by Casey Family Programs (CFP) in 2005.

Supplemental Education Transition Planning (SETuP) provides:

- information about postsecondary education and training opportunities for foster youth ages 14-18
- assistance with pre-college readiness, financial aid, college admissions applications, and transportation and housing

Region 1 – Spokane

Volunteers of America

Region 2 – Yakima

Catholic Family & Children Services

Region 3 – Mount Vernon

YouthNet

Region 4 – Seattle

YMCA

Region 5 – Tacoma

Pierce County Alliance

Region 6 – Olympia

Community Youth Services

- Last year, 90% of students served through SETuP either advanced to the next grade level, graduated, or completed their GED program
- Of the students that were 18 years old, 92% completed financial aid applications
- Nearly half of youth served were students of color

SETuP 2008-09 Students by Race/Ethnicity	
Caucasian	52.6%
African American	23.7%
Hispanic/Latino	9.2%
Asian/Pacific Islander	1.9%
Native American	8.6%
Other	3.9%

Support of website for foster youth: www.independence.wa.gov

- Online application for Passport & the Educational Training Voucher
- Directory of designated campus support staff
- The addition of health information

Washington State

Home Jobs Education Financial Aid Housing Budget Health

go!

Get to it!

Governors' Scholarship is now available
Foster Youth may now apply for the Governors' Scholarship. For the application and to review eligibility criteria go to the [College Success Foundation website](#). Application deadline is Tuesday, November 10, 2009.

Educational & Training Voucher Newsletter
August 2009

Heading Back to School?

I need to get a job!

[Find hidden jobs](#)

[Volunteer to get your first job](#)

[Write a resume](#) | [Write a cover letter](#)

[Write a thank you letter](#)

Millions of Dollars for Foster Youth

Money is available to help you with school after high school. This can include money for expenses and housing!

[How to prepare for college](#)

[How to apply for money](#)

More School = More \$\$

Advanced Degree=79k

College Degree=52k

For institutions, SETuP and other providers:

- At Pacific Lutheran University & Eastern Washington University & via ITV
- Review of Casey Family Program's Guide to Student Success
- Concurrent sessions regarding DSHS, financial aid, and recruitment and retention
- CSF launching of a social networking site, *Destination Graduation* for college professionals and social service providers www.destinationgraduation.ning.com



Institutional Viable Plan

- Financial incentives provided to 48 institutions
- Viable plan based on Casey Family Program guidance
- Designated support staff to guide youth
- Review student budgets on a case-by-case basis and tailor financial aid packages
- Provide institutional leadership to advocate for the program's success
- Connect with social services and independent living providers on as-needed basis

IT processes – data match for student eligibility & payments to institutions

- Authorization through consent, common application, and FAFSA
- Exchange of 2,300 records to date to verify eligibility
 - 73% identified through FAFSA

The screenshot shows a web application interface for an "Eligibility Checker". At the top, there is a green "Welcome" banner. On the left is a navigation menu with categories: "Admin" (Manage Users, User groups), "Common" (Change Your Password, Messages And Files, Mobility Report), "Programs" (GearUp), "Passport" (Check Eligibility), "SIG", "SWS", "WaFax", "WAVE", and "Utilities" (Grant Repayment Calculator). The "Check Eligibility" link is highlighted. The main content area is titled "Eligibility Checker" and features three tabs: "Single", "Multiple", and "File Upload". Below the tabs is a search instruction: "Enter an SSN and/or Name (partial allowed) to search for." This is followed by three input fields: "Social Security Number", "AND/OR", "Last Name", and "First Name". A "Check Eligibility" button is positioned below the fields. At the bottom, a yellow box contains the text: "Student eligibility is an on-going process between the HECB and DSHS. If you cannot find information on a student, please call Jenny Crane at 360-596-4806 for a manual student verification. Thank you for your patience."

Passport Pipeline

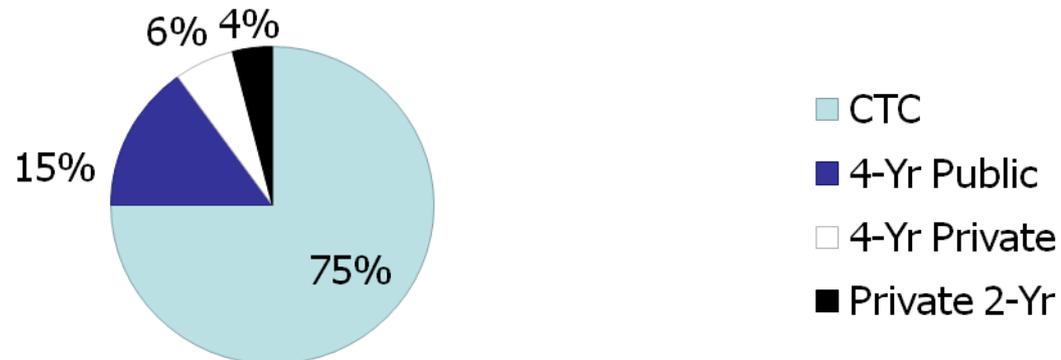
- About 608 youth meet the foster eligibility definition for Passport and 460 of those provided consent
 - The majority of eligible were identified via consent form

Applicant & Eligibility Data to Date as of Oct. 2009			
	Reviewed by DSHS	Confirmed as Foster Youth	Confirmed as Passport Eligible
Total	2,300	901	745 (460 for 2008-09)

Passport Student Outcomes

- More than one-third of students verified as eligible enrolled – compared to 20% of high school graduate foster youth nationally that enroll
- Three-quarters of all Passport students enrolled in two-year colleges
 - Overall retention from fall to spring was 70% for these students
 - Compares to 54% of low-SES students in high demand fields
 - 56% intend to transfer; however, 36% have re-enrolled in fall 2009
- One-fourth of all Passport students enrolled in four-year institutions
 - 100% of four-year students completed the entire academic year
 - Two-thirds have re-enrolled in fall 2009

Passport Enrollment by Sector 2008-2009



Scholarship Information

- The maximum award was \$6,793; the average was \$3,866
- 14 students received \$0 in Passport funding as their need was fully met
- 99% of students received Pell & 90% received State Need Grant
- 10% borrowed student loans & 11% participated in work-study
- 29% received institutional assistance
- 42% received funds from private sources
 - 22% received Governors' Scholarship & over half received Educational Training Voucher

Legislative Changes

In 2009, the Legislature and Governor affirmed the importance of getting more foster youth into higher education

- Requested the HECB to work with a non-profit organization whose mission is to serve low-income, high potential students and foster youth
- Objective to implement additional strategies that result in increased retention and postsecondary success of Passport students

College Success Foundation

College Success Foundation is contracted to provide activities related to outreach, student intervention, and community integration with the goals of:



- increase awareness of Passport among youth in foster care
- increase the number of Passport-eligible students who enroll
- provide direct personal support to Passport enrollees
 - includes monitoring of students' academic progress
- provide direct support to community/technical colleges to enhance and monitor performance on the "viable plan"
- coordinate services to youth from foster care in local communities

October 2009

DRAFT: The Role of Transfer in the Attainment of Bachelor's Degrees at Washington Public Baccalaureate Institutions, 2006

Executive Summary

Background

The *Role of Transfer* study is an update to a previous study on the graduating class of 2001 completed by the State Board for Community and Technical Colleges (SBCTC).¹ The current study focused on similar questions for 19,272 students who earned their first bachelor's degree as graduates of the Class of 2006, of which 7,278 were community and technical college transfer students to the public baccalaureate institutions.

The Higher Education Coordinating Board (HECB) contracted with the Washington State University Social and Economic Sciences Research Center (SESRC) to complete the study. A technical workgroup of research and admissions specialists at Washington's public colleges and universities and representatives of private four-year institutions advised the HECB and SESRC during the study. The report focuses exclusively on Washington's public baccalaureate universities.

The public two-year and four-year colleges pooled student data from two sources:

- Public Centralized Higher Education Enrollment System (PCHEES) student files maintained by the Office of Financial Management (OFM)
- State Board for Community and Technical College (SBCTC) data warehouse files for the graduates identified by PCHEES

The study examines the graduating class of the public baccalaureates in 2005-06 (by gender, ethnicity, age, major, and institution type). Specifically, the study examines graduates by:

1. Campus type - What was the make-up of graduates at main campuses, branch campuses, and centers?

¹ The prior study can be found at:

http://www.sbctc.ctc.edu/docs/data/research_reports/transfer/2003june_role_of_transfer.doc

2. Transfer status - How many baccalaureate graduates entered four-year colleges directly as freshmen? How many transferred from a community or technical college? How many came through other paths?
3. Pre-college enrollments - How many of the graduates who came through the community and technical college system took pre-college math or English courses?
4. Two-year degrees - Among students who transferred from a community or technical college, how many earned degrees, and what kind of degree did they earn?

Limitations of the Data

This project was the first attempt to use the newly expanded PCHEES data set for detailed ad hoc analysis. This report was limited by several data challenges in using the PCHEES extracts, which are discussed at length in Appendix 5 of the actual report. Some of these problems should diminish as the PCHEES process becomes regularized. Others may be inherent limitations of the current database design.

Limitations occurred because some variables were not available in the developing database and some data were missing. The current data extract, for example, used “attempted credits” rather than “credits earned” because the researchers did not have course completions available at the time the data was drawn for the study. Even with the addition of “credits earned” data after this study was conducted, the data do not go back to prior years, presenting a challenge for longitudinal analysis. Missing data was also a problem for a number of data elements, in particular transfer credit counts.

Selected Findings

1. Characteristics of public baccalaureate degree graduates by campus type
 - The overall number of degrees rose 15 percent from 16,823 in 2001 to 19,272 in 2006. The largest increases were at centers (69 percent) and branch campuses (41 percent).
 - Research universities granted 48 percent of all degrees (9,292 degrees) in 2006, followed by 35 percent at regional-comprehensives ($n = 6,726$).
 - Branch campuses awarded 10 percent of all degrees (1,933) and centers awarded 7 percent (1,321 degrees).
2. Characteristics of transfer students
 - More than half (53 percent) of the Class of 2006 were transfer students.
 - 7278 community and technical college transfers
 - 2799 “other” transfers
 - Older students were more likely to enter a university through transfer; only 22 percent of 25-29 year olds (745 students) and just 12 percent of graduates over 30 (330 students) were direct entry students.

- Community and technical college transfers were well represented in all majors, ranging from 32 percent in STEM (1,067 students) to 50 percent in education (526 students).
- At least 71 percent of students at branch campuses (1,379 students) and 67 percent at centers (882 students) were community and technical college transfers.
- The proportion of graduates by campus who are transfer students has remained relatively constant over the past five years.
 - At the main campuses, half of each class was direct entry, and community and technical college transfers were one-third of each graduating class.
 - At centers and branches, community and technical college transfers comprised over two-thirds of all graduates.

3. Pre-college enrollments

- Over 4,500 students successfully completed remedial coursework at a community and technical college in English or math and progressed to a bachelor's degree (23 percent of all graduates).
- For pre-college math, the percentage of students enrolled increased by age.
- 35 percent of STEM graduates ($n=232$) and 50 percent of business graduates ($n=505$) took pre-college math.
- Students at centers had the highest enrollment rates in both pre-college English (25 percent) and pre-college math (71 percent), and research universities had the lowest of both (19 and 44 percent).

4. Two-year degrees

- The Direct Transfer Agreement (DTA) or the Major Related Pathways (MRP) in Business was the normal path to transfer chosen by 76 percent of community and technical college transfer baccalaureate graduates (5,542 students). The newer statewide agreement for transfer to engineering, chemistry, and physics – the Associate of Science-Technology (AS-T) - was completed by 3 percent of transfers (235 students). Four-hundred and thirty-two transfers completed a technical degree (6 percent).
- Overall, 86 percent of community and technical college transfers completed an associate degree (6,273), 12 percent higher than the Class of 2001 (74 percent).
- African American and Native American students were more likely than other groups to earn technical degrees.
- Asian American students were more likely to complete an Associate in Science Track 2.
- Men and women pursued different types of degrees.
 - 270 women with a technical degree transferred and completed a bachelor's degree (67 percent of technical degree transfers).

- 174 men transferred with the AST degree and completed a bachelor's degree (75 percent of AST transfers)
- 3,443 community and technical college transfer graduates were over 25 years old (47 percent).
 - The Associate in Arts DTA and technical degrees were more common for older graduates.
 - The Associate in Science Track 2 (engineering/physics) were more common among the younger graduate transfers.
- Graduates who completed associate degrees targeted to specific majors were very likely to complete a bachelor's degree in a related field.
 - 48 out of 53 students completing the Business DTA/MRP earned a bachelor's degree in business.
 - 145 out of 152 students completing an Associate in Science Track 2 (engineering/physics) completed a bachelor's degree in a STEM-related major.
 - 68 out of 83 students earning an Associate in Science Track 1 (biology/chemistry) majored in either STEM or health.
- Students earning AS-T Track 1 (biology/chemistry) and Track 2 (engineering/physics) degrees were much more likely to enroll at research universities (67 percent and 77 percent respectively) than students earning other degrees.
- Graduates earning Business DTA/MRP or Associate in Science Track 1 or Track 2 degrees took fewer credits than those who did not use these specialized tracks.

Next Steps

A goal of this study was to identify key indicators and track them over time. This project was the first attempt to use the newly expanded PCHEES data set for detailed ad hoc analysis. Limitations of the data encountered in this study should diminish with planned improvements in the PCHEES data set and continued collaboration with the Education Research and Data Center (ERDC).

Both two- and four-year institutions in Washington have shown an interest in using data to improve student transfer within our system to meet *Master Plan* goals for degree production. *The Role of Transfer Study* is an important tool in tracking transfer student progress on a number of initiatives and should be completed on a regular schedule in the future.

The HECB currently has a legislative requirement “to submit a progress report on the development of transfer associate degrees to the higher education committees of the House of Representatives and Senate each odd-numbered year.” Another report conducted by HECB staff, “*The Transfer and Articulation Report*,” describes progress on transfer indicators, monitors development of additional transfer associate degrees, and provides other data on improvements in transfer efficiency. Over the next year, as we develop the next transfer and articulation report, we will evaluate whether it would be more appropriate to integrate *The Role of Transfer in the Bachelor's Degree Study* into the *Transfer and Articulation Report*, or complete the report as a companion in even-numbered years.

Staff will also work on identifying a core of questions to conduct longitudinal research to track the progress of transfer students over time and measure system improvements. Additional research questions will be added as the ERDC database improvements occur to capture the extent of “swirling” (attending more than two institutions) and horizontal and reverse transfer patterns. In addition, problems in this particular research study in correctly capturing race/ethnicity, “credits earned” by transfer students, and other important variables will be addressed so that future studies provide us with even better information to help transfer students succeed.

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October 2009

Update on Higher Education 2010 Supplemental Budget Requests

The 2010 supplemental revisions to the 2009-11 operating and capital budgets are expected to address further erosion of state revenue that has occurred since the biennial budget was enacted. State agencies, including institutions of higher education, have been instructed to deliver their completed supplemental budget submittals to the Office of Financial Management by October 19th.

As required in RCW 28B.76.210:

Institutions and the state board for community and technical colleges shall submit any supplemental budget requests and revisions to the board at the same time they are submitted to the office of financial management. The board shall submit recommendations on the proposed supplemental budget requests to the office of financial management by November 1st and to the legislature by January 1st.

As of October 20, these supplemental budget submittals have not been received from higher education institutions. At the board meeting, any received submittals will be reviewed.

The September 23rd OFM 2010 supplemental budget instruction memo to agencies outlines the process and criteria for submittal of 2010 supplemental budgets and is attached.



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

September 23, 2009

TO: Agency Directors

FROM: Victor A. Moore
Director

SUBJECT: SUBMITTAL OF 2010 SUPPLEMENTAL REQUESTS

Recent economic information indicates that we appear to be past the worst of the economic crisis, and that a national and state recovery is beginning. However, businesses have been slow to hire back employees and consumers are still cautious about spending. This means that employment and revenue growth are likely to lag the recovery, creating the probability that state revenues will be adversely affected for the remainder of this biennium.

The September 17 General Fund-State (GFS) forecast represents a moderate decline in the biennial forecast that had already decreased in June, leaving the budget in a position where the revenues no longer support expenditure assumptions. As we signaled in July, the 2010 supplemental budget for General Fund agencies will need to reflect reductions from the currently enacted biennial budget.

For purposes of the 2010 supplemental, only the following budget options should be submitted to the Office of Financial Management (OFM):

- GFS reductions that equal the GFS dollar targets reflected in Attachment B of OFM's July 1 savings implementation memo. (It can be found at <http://www.ofm.wa.gov/budget/instructions/other/implementgfsbudgetsavings070109.pdf>.)
- Any additional dollars savings (beyond those in Attachment B) to achieve total FTE targets in Attachment A of the July 1 memo from OFM.
- Additional options for efficiencies, reform, administrative savings, or reductions in lesser priority services. (At a minimum consider last year's Priorities of Government (POG) result area priorities, performance audits, and previous budget deliberations.)
- Critical and emergent costs that cannot be accommodated with savings or efficiencies within the existing budget.
- Non-discretionary changes in legally-mandated caseload or workload.
- Necessary technical corrections to the currently enacted budget.

Because we will be looking for additional opportunities for reductions, OFM budget analysts will also be contacting individual agencies as necessary to develop specific options relating to their services. As part of that analysis, we are asking agencies to identify mandatory and non-mandatory activities within their agencies, using the activity inventory as the vehicle for this categorization.

Submittal Procedures

Operating Expenditure and Revenue Changes

- Proposed supplemental budget revisions should be submitted to OFM electronically through the Budget Development System (BDS). Justification narrative follows the decision package format described in Section 4 of OFM's 2009-11 Budget Instructions (<http://www.ofm.wa.gov/budget/instructions/operating/2009-11/sec4.pdf>). Narrative descriptions should be as detailed as possible. Please make sure that the justification fully explains why any new costs cannot be absorbed within the agency's existing budget. Also describe any implications to revenues (including fees), legislation, or federal rules; and any barriers that might complicate achievement of a reduction.
- Some agencies have statutory authority to set program fees at a level sufficient to cover the costs of administering that program. Under Initiative 960 (RCW 43.135.055), such statutes do not authorize agencies to increase fees without prior, specific legislative approval. Agencies with legislative mandates for fee-supported programs, or other requests for new or revised fees, should document the specific fees using the *OFM Request for New or Increased Fees* form found at http://www.ofm.wa.gov/budget/documents/Fee_Request_Form.doc.
- The supplemental budget request should also include any additional federal or private/local funding expected to be received for the remainder of the biennium. Unless that funding has already been approved as part of the original legislative budget, or as an unanticipated receipt (for spending prior to April 2010), it needs to be made part of the supplemental budget request using expenditure authority types 2, 7 or 8 as appropriate. The unanticipated receipt process is suspended during the legislative session.
- Because agency supplemental budget requests are distributed to OFM and legislative staff, we require submittal of five paper copies for most agencies, and seven copies for higher education and transportation agencies. These copies should include the Recommendation Summary Report from BDS, narrative decision package justification, a summarized revenue report from BDS for agencies submitting revenue changes, and the *Request for New or Increased Fees* document (if applicable). Please transmit the specified number of copies by October 19 to:

Andrea Duane
Office of Financial Management
300 Insurance Building
P.O. Box 43113
Olympia, WA 98504-3113

Listing of Mandatory and Non-Mandatory Activities

Per OFM's email on September 1, the list of agency activities corresponding to the enacted budget are due on October 2 (<http://www.ofm.wa.gov/budget/instructions/activityguideemail.pdf>). After OFM receives each agency's individual list, we will return a summarized version with a space for identifying GFS activities that are not mandatory. For this purpose, the term "non-mandatory" refers to a service that is optional for the state to provide, even though it might be referenced in state law or shared with the federal government. Constitutionally-required programs are an example of what would be considered mandatory.

More detailed instructions will accompany the form you receive from OFM.

Capital Budget Supplemental Requests

For the purpose of the 2010 supplemental capital budget, agencies must submit budget revisions to OFM using the Capital Budget System (CBS). The justification must follow the format described in Section 2.3 of OFM's 2009-11 Capital Budget Instructions found at <http://www.ofm.wa.gov/budget/instructions/capinstr/09-19capinstr/0911capbudinstructions.pdf>. Please submit seven copies for distribution to OFM and legislative staff as described in Section 1.4 of the Capital Budget Instructions.

Proposals for the 2010 supplemental capital budget should be limited to technical corrections, emergent issues, or return of project savings.

Both operating and capital supplemental budget items are due to the Office of Financial Management no later than Monday, October 19.

cc: Agency Budget Officers
Agency Capital Budget Officers
Charlie Gavigan, House Ways and Means Committee
Mike Wills, Senate Ways and Means Committee
Bryon Moore, Senate Ways and Means Committee
Dave Johnson, House Ways and Means Committee
Beth Redfield, House Transportation Committee
David Ward, Senate Highways and Transportation Committee
Kelly Simpson, Senate Highways and Transportation Committee
Brian Sims, Senate Ways and Means Committee
Nona Snell, House Capital Budget Committee



October 2009

Draft: Preliminary HECB 2011-13 Budget Guidelines and Fiscal Priorities

I. Purpose of the Budget Guidelines

The Higher Education Coordinating Board (HECB) is required by statute (RCW 28B.80. 330(4)) to “review, evaluate and make recommendations” on the operating and capital budget requests of the public colleges and universities.

The board’s budget recommendations are to be based on:

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

The board’s fiscal priorities contained in the guidelines are, therefore, central to establishing the linkage between system goals and needs and the state budgeting process.

Through this alignment of state-level higher education goals with biennial budgetary priorities, the HECB budget recommendations are intended to provide the Governor and Legislature with a system perspective to higher education operating and capital needs.

II. Policy and Fiscal Context of the Board’s 2011-13 Fiscal Priorities

Policy Framework

The board’s *2008 Strategic Master Plan for Higher Education*, adopted by the Legislature in 2009 as state higher education policy, is the policy framework for the board’s 2011-13 budget

guidelines and fiscal priorities. This plan and state policy calls for significantly increasing the postsecondary degree attainment level of Washington citizens over the next several years¹.

In developing the plan's degree attainment goals, a thorough analysis of changing state demographics and regional needs was conducted. This analysis found that, in order to reach the state's degree enrollment goals, increased enrollment from historically underrepresented groups, primarily those from lower-income families, will be needed as well as in regions of the state that are under-served.

As a strategy to achieve the increased participation of lower-income youth and older working adults, the board initiated a "system design plan." The goal of the system design plan was to prepare a "blueprint" for those systemic changes that would be needed to reach the state policy higher education degree attainment goals.

Underlying the system design plan was a key planning principle. Specifically, that rules for growth were needed to ensure that higher education resources were optimally aligned to achieve state policy goals. Embedded in this principle was recognition that the old paradigm of creating capacity and assuming demand would follow was no longer relevant. Due to new demographic realities, fostering demand among historically under-served groups was now the imperative. Further, significant investments in capacity would follow demonstrable potential for rapid expansion, resulting in a principle of "expand on (demonstrated) demand."

Fiscal Context and Outlook for 2011-13

At its September 2009 meeting, the board was briefed on the June 2009 Economic Forecast by Arun Raha, the Executive Director of the Washington State Economic Forecast Council. From this briefing and additional information provided by the Office of Financial Management, we know that:

1. There are strong indications that the worst economic recession in recent times is now "bottoming out." While the economy may be on the path to recovery, consumer spending remains slow. That means jobs and our tax revenue will lag behind overall growth. At the same time, the demand for the important services we provide is growing.
2. Due to the depth and nature of the recession, recovery will take time – perhaps two to three years – and is expected to be a "jobless recovery" with employment recovering at a slower pace than the general economy. Consumer spending is also expected to lag significantly as compared to the overall economic recovery.

¹ See www.hecb.wa.gov/research/masterplans/masterplansindex.asp.

3. As consumer spending is the key component in state revenue, state revenue recovery will lag the overall economic recovery. By FY 2011, state general fund growth is forecasted to be less than general fund revenues in both FY 2007 and FY 2008.
4. Further reductions in earlier general fund revenue forecasts for fiscal year 2010 will require additional 2009-11 general fund budget reductions.

In summary, credible recommendations to the Governor and Legislature must, therefore, recognize and balance the aspirations of the goals of state higher education policy with the reality of current and near-term economic circumstances. Simply put, this means that we need to serve more students but with fewer resources. Accordingly, the board has adopted the following fiscal priorities for the 2011-13 biennium.

III. 2011-13 Operating Budget Priorities

Given the state's fiscal realities and the importance of addressing the policy goals of the strategic master plan, unique operating budget fiscal priorities are required for the 2011-13 biennium. Specifically, the board believes that a limited number of focused priorities should be considered by the institutions in developing their operating budget requests. These priorities are:

1. Funding for limited and focused enrollment increases where such increases can be shown to be needed for existing unfunded enrollment demand. The board encourages the institutions to consider cost-savings strategies to address such needs, particularly the use of innovative delivery methods where lower instructional costs can be obtained.
2. Funding to support the institutions' public service role for specific actions to promote student preparation, particularly students from lower-income families and under-represented groups.
3. Funding to restore instructional program quality impacted from budget reductions when the institution can demonstrate that institutional reprioritization of direct and indirect costs was (a) undertaken and (b) insufficient to offset all instructional program reductions.

When developing operating funding requests for these priorities, the board strongly encourages the institutions to, when possible, compliment the requested state funding with local "matching" funds available from the reprioritization of existing state funds or through non-state resources.

IV. 2011-13 Capital Budget Priorities

The economic recession also reduces the state's capital budget capacity. Specifically, both the state constitution and permanent law limit the amount of debt service that the state can pay on

general obligations bonds. The limitation is calculated as a percentage of the average prior three years' general fund revenue.

For the 2011-13 biennium, the calculation will be based on general fund revenues in FY 2009, FY 2010, and FY 2011. Thus, the decline in general fund revenues in these years due to the recession will limit the amount of bonds the state can sell in the 2011-13 biennium. For higher education, this is very significant because, historically, about 75 percent of higher education's capital budgets have been funded by general obligation bonds.

Accordingly, the board's 2011-13 capital budget priorities are limited to the following three "core" capital investment needs.

The **first priority** is (a) to maintain academic quality through the preservation of physically deteriorated facilities and infrastructure, and (b) the modernization of facilities that are programmatically deficient.

The **second priority** is to support the master plan policy of "growth on demand," by supporting access-related projects which align to the findings and near-term recommendations of the system design plan.

The **third priority** is to support economic growth and innovation through projects that provide for expanded research activity and graduate education in high-demand fields. The acquisition and installation of specialized equipment is authorized under this category.

When developing capital funding requests for these priorities, the board strongly encourages the institutions to, when possible, compliment the requested state funding with local "matching" funds available from the reprioritization of existing state funds or through non-state resources.

V. 2011-13 Budget Request Schedule and Required Information

As required in RCW 28B.76.210:

1. The institutions and the State Board for Community and Technical Colleges shall **submit an outline of their proposed operating budgets to the board no later than July 1st of each even-numbered year**. Pursuant to guidelines developed by the board, operating budget outlines submitted by the institutions and the State Board for Community and Technical Colleges after January 1, 2007, shall include all policy changes and enhancements that will be requested by the institutions and the State Board for Community and Technical Colleges in their respective biennial budget requests. Operating budget outlines shall include a description of each policy enhancement, the dollar amount requested, and the fund source being requested.

2. **Capital budget outlines for the two-year institutions shall be submitted by August 15th of each even-numbered year** and shall include the prioritized ranking of the capital projects being requested, a description of each capital project, and the amount and fund source being requested.

3. **Capital budget outlines for the four-year institutions must be submitted by August 15th of each even-numbered year** and must include: the institution's priority ranking of the project, the capital budget category within which the project will be submitted to the Office of Financial Management in accordance with RCW 43.88D.010, a description of each capital project, and the amount and fund source being requested.