

October 24, 2011

DRAFT: Focused List of “Next Steps” to Achieve the Master Plan Goals

Washington’s *2008 Strategic Master Plan for Higher Education* established three broad goals:

- Goal 1: Increase educational attainment to create prosperity, opportunity.
- Goal 2: Promote economic growth and innovation.
- Goal 3: Monitor and fund higher education for results.

State law requires the Higher Education Coordinating Board (HECB), with participation from higher education’s stakeholders, to update the *Strategic Master Plan* this year, four years after its creation. The master plan was developed by all of higher education’s stakeholders in 2008—from business and industry, government, and all of the education sectors. The ten-year plan was the first such long-range plan attempted in Washington and presented a vision of what the state’s higher education system would become. The plan was designed to help Washington’s rapidly growing population achieve much higher levels of education.

Unfortunately, shortly after the master plan was developed, a huge economic shift slowed the state’s ability to achieve progress on the most paramount parts of the plan. This “Next Steps” document represents the recommendations of the Advisory Committee to update the state’s *Strategic Master Plan* and plots a way to move forward as we work our way through the Great Recession. The goals the state set for higher education just four short years ago may be difficult to attain. We must consider the fact that public appropriations for higher education—at least in the near term—are not going to be increased. In today’s economic climate, it is not possible to do everything.

At their October 24, 2011, meeting, the Advisory Committee also strongly recommended that the state not retreat from the ambitious degree goals set in the *2008 Strategic Master Plan*. The Committee also clearly stated that Washington needs to continue to monitor the gap between where we are in achieving the goals—and where we should be.

During four meetings between July and October, 2011, the Advisory Committee to update the master plan developed the following list of highest priorities for Washington to stay the course in its big goal to increase educational attainment.

“Next Steps” to Achieve the Master Plan Goals

1. Increase capacity for higher education to serve more students.
 - Expand institutional enrollment capacity at existing sectors, institutions, branches, centers, and through online options.
 - Grow capacity in high employer demand programs of study, recognizing the higher cost of these programs.
2. Maintain commitment to access for low income students.
 - Renew commitment to, and value of, the State Need Grant program.
3. Build on efforts to increase transitions and completion.
 - Fulfill the state’s promise to College Bound Scholars, providing the financial and mentoring services for these students to succeed.
 - Provide capacity for transfer students, so that those who are part way to degrees can complete.
4. Focus a simplified accountability funding initiative on completions, aligning incentives with state goals for educational attainment while also recognizing institutional and sector missions.
 - Align incentives with degree production to increase both the number of graduates and the quality of education.
 - Reward improvements rather than goals or targets.
 - Align higher education with state needs by providing accountability with other partners, including the Legislature.
5. Define and develop K-12 through postsecondary program pathways, especially in high employer demand majors and careers.
 - Provide incentives in STEM and high employer demand degrees and areas of critical state needs. Leverage the state’s investment through Opportunity Scholarship Fund and Opportunity Expansion programs to meet labor market demand.
 - Encourage business and industry leaders to assist the colleges in innovation.
6. Promote acceleration strategies for both high school students and adult learners through Launch Year, Prior Learning Assessment, CTC Alternate Math Pathway, I-BEST, and pre-college reform.

7. Maintain commitment to the *Strategic Master Plan*’s original 2008 degree goals.
 - Clearly track progress on the degree goals, showing the gap between the master plan goals, progress to-date, and the future trajectory.
 - Continue to track Washington’s progress compared to the Global Challenge States.



November 2011

Master Plan Update Advisory Committee

Violet Boyer, Independent Colleges of Washington
Ethelda Burke, HECB & K-12
Heather Cope, League of Education Voters
Kim Cushing, Counsel, Senate Higher Education and Workforce Development Committee
Randy Dorn, Office of the Superintendent of Public Instruction
Charlie Earl, State Board for Community & Technical Colleges
Cody Eccles, Staff Counsel, Republican Caucus
Chris Endresen, Prosperity Partnership
David Fisher, Washington Roundtable
Rex Fuller, Eastern Washington University
Jean Floten, Western Governors University
John Gardner, Bainbridge Graduate Institute
Leslie Goldstein, Governor's Office
Jesus Hernandez, HECB & Latino population
Derek Kilmer, Senate Ways & Means
David Mitchell, Olympic College
Steve Olswang, City University
Eleni Papadakis, Workforce Training and Education Coordinating Board
Mike Reilly, Council of Presidents
Becca Kenna-Schenk, Democratic Caucus
Larry Seaquist, House Higher Education Committee
Sam Shaddox, HECB & students
Kathe Taylor, State Board of Education
Madeleine Thompson, House Higher Education Committee
Doug Wadden, University of Washington
Jill Wakefield, Seattle Community College District
Gena Wikstrom, Northwest Career Colleges

Master Plan Update “Kitchen Cabinet”

Jan Ignash, Vi Boyer, Eleni Papadakis, Mike Reilly, Kathe Taylor, Jan Yoshiwara

Update to the Master Plan

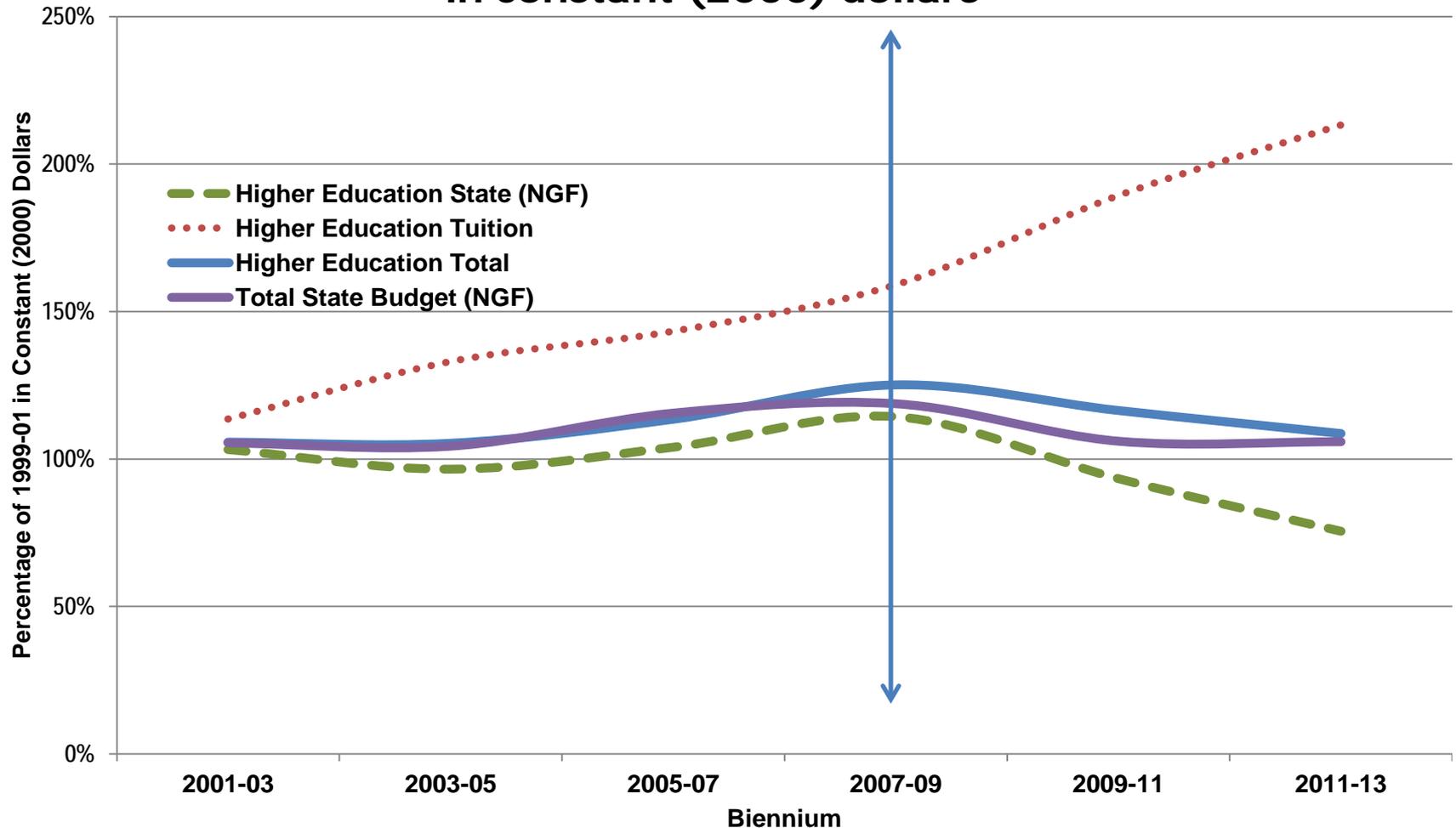
Presentation to
Higher Education Coordinating Board
November 17, 2011

Jan Ignash, Deputy Director, HECB

Master Plan Update

Higher education funding by source 2000-2013

in constant (2000) dollars

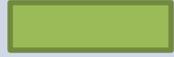


Reality Check:

What can we expect regarding
degree production?

Degree Production Expectations as Related to Real Enrollment and Total Student Funding per FTE

(Real Enrollment includes Budgeted and Non-Budgeted FTE, Total Student Funding per FTE includes State Funding and Tuition Revenue)

		Real Enrollment		
		Decreased	Constant	Increased
Total Student Funding per FTE	Increased	 -or- 		
	Constant			
	Decreased		 -or- 	 -or-  -or- 

Key

-  Output Change due to Volume
-  Output Change due to Efficiency
-  No Output Change
-  No Output Change due to Efficiency₄

Potential Impact of further Budget Reductions on Public Higher Ed Institutions in Washington

2011-13 Actual Public FTE Students:
265,542

2011-13 Total Instructional Funding for Public Higher Ed Institutions:
 \$2,135 M State Funding and
\$2,328 M Tuition Revenue
 \$4,463 M Total or (\$8,404 / FTE)

15.2% NGF-S Funding Cut for Public Higher Ed Institutions:
\$325 Million

Potential Strategy

Maintain Quality

Reduce FTE to maintain total student funding per FTE.

Total Funding: \$4,138 M
FY 2013 Actual FTE Level: 226,869

Manage Reductions

“Absorb” state funding cuts without further revenue or enrollment changes.

Total Funding: \$4,138 M
FY 2013 Actual FTE Level: 265,542

Overenrollment

Enroll additional FTE to hold total revenue steady.

Total Funding: \$4,463 M
FY 2013 Actual FTE Level: 339,673

Maintain Current Funding

Increase Tuition Revenue to maintain enrollment and total funding level.

Total Funding: \$4,463 M
FY 2013 Actual FTE Level: 265,542

Outputs + Impacts



Degree production goes down due to decreased volume. FY 2013 enrollment drops by 15%, or 38,673 FTE.



Degree production goes down due to decreased efficiency. Total student funding per FTE drops by 7% to \$7,792. Institutions receive \$612 less funding per student.



Degree production is indeterminate due to increased volume, but declining efficiency. FY 2013 enrollment increases by 28% while total student funding per FTE drops by 12% to \$7,374.



Degree production remains constant. Biennial tuition revenue would have to increase 14%. Revenue could be generated through tuition rate increases or changes in the student mix.

Potential Impact of further Budget Reductions on Public Higher Ed Institutions in Washington

2011-13 Actual Public FTE Students:
265,542

2011-13 Total Instructional Funding for Public Higher Ed Institutions:
 \$2,135 M State Funding and
\$2,328 M Tuition Revenue
 \$4,463 M Total or (\$8,404 / FTE)

15% NGF-S FY 2013 Funding Cut for Public Higher Ed Institutions:
\$160 Million

Potential Strategy

Maintain Quality

Reduce FTE to maintain total student funding per FTE.

Total Funding: \$4,303 M
FY 2013 Actual FTE Level: 246,532

Manage Reductions

“Absorb” state funding cuts without further revenue or enrollment changes.

Total Funding: \$4,303 M
FY 2013 Actual FTE Level: 265,542

Overenrollment

Enroll additional FTE to hold total revenue steady.

Total Funding: \$4,463 M
FY 2013 Actual FTE Level: 301,981

Maintain Current Funding

Increase Tuition Revenue to maintain enrollment and total funding level.

Total Funding: \$4,463 M
FY 2013 Actual FTE Level: 265,542

Outputs+ Impacts



Degree production goes down due to decreased volume. FY 2013 enrollment drops by 7%, or 19,010 FTE.



Degree production goes down due to decreased efficiency. Total student funding per FTE drops by 4% to \$8,103. Institutions receive \$301 less funding per student.



Degree production is indeterminate due to increased volume, but declining efficiency. FY 2013 enrollment increases by 14% while total student funding per FTE drops by 6% to \$7,864.

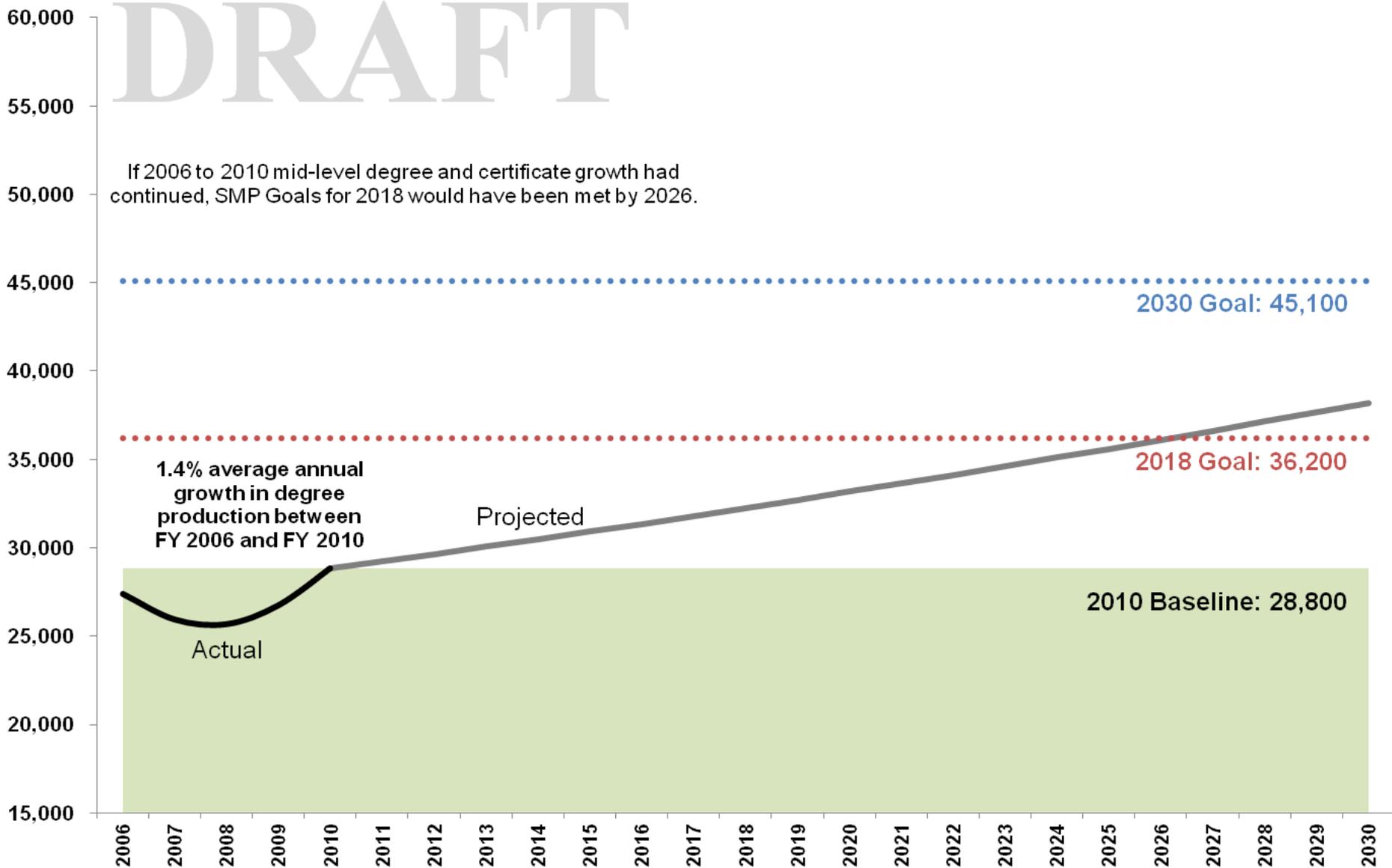


Degree production remains constant. Biennial tuition revenue would have to increase 7%. Revenue could be generated through tuition rate increases or changes in the student mix.

Projected Mid-Level Degree and Certificate Growth using 2006-2010 Increases vs. Goals Public Institutions Only

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If 2006 to 2010 mid-level degree and certificate growth had continued, SMP Goals for 2018 would have been met by 2026.

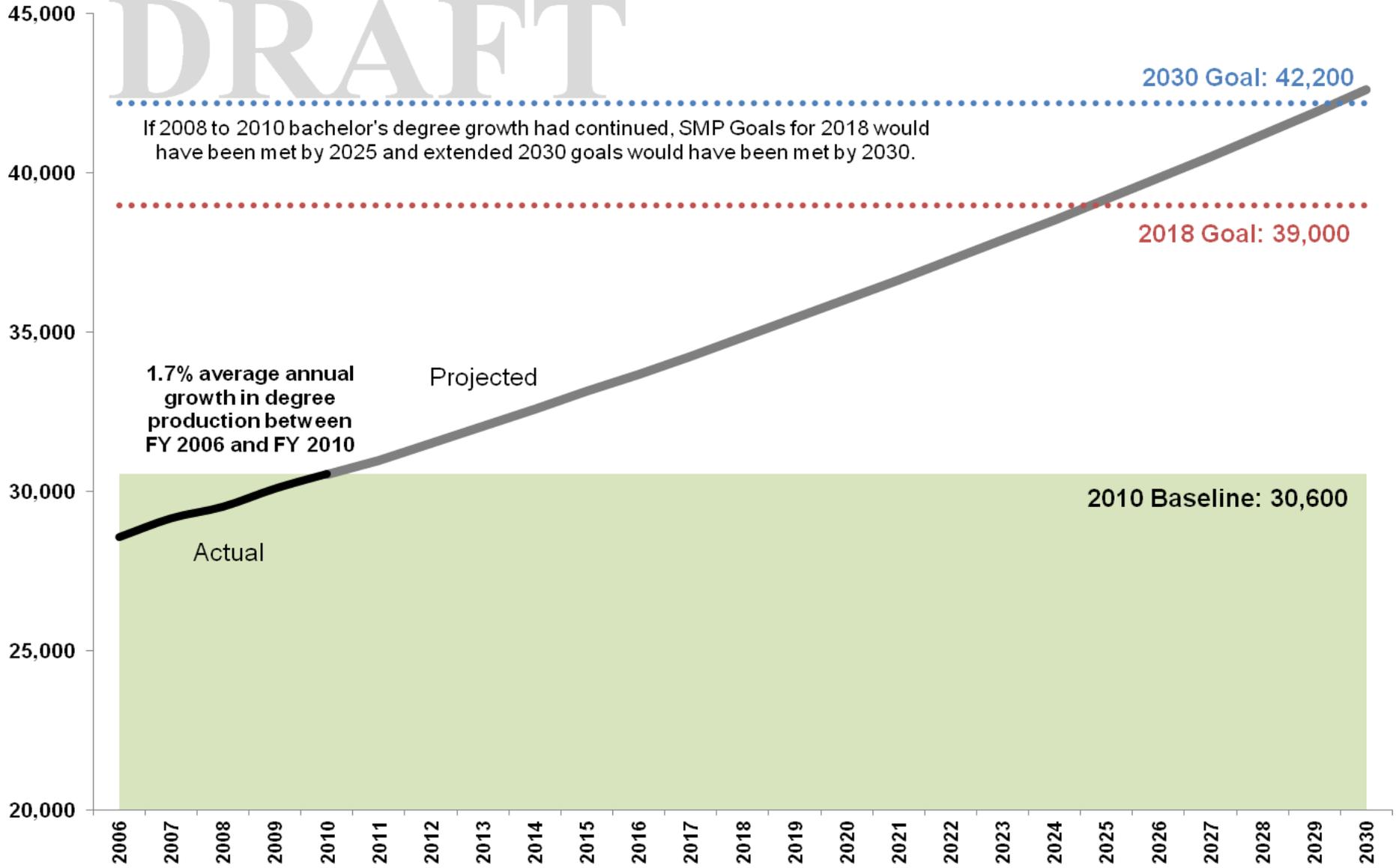


HECB calculation based on data from IPEDS, State Population Forecast, and the 2008 Strategic Master Plan.

Projected Bachelor's Degree Growth using 2006-2010 Increases vs. Goals Public and Private Institutions

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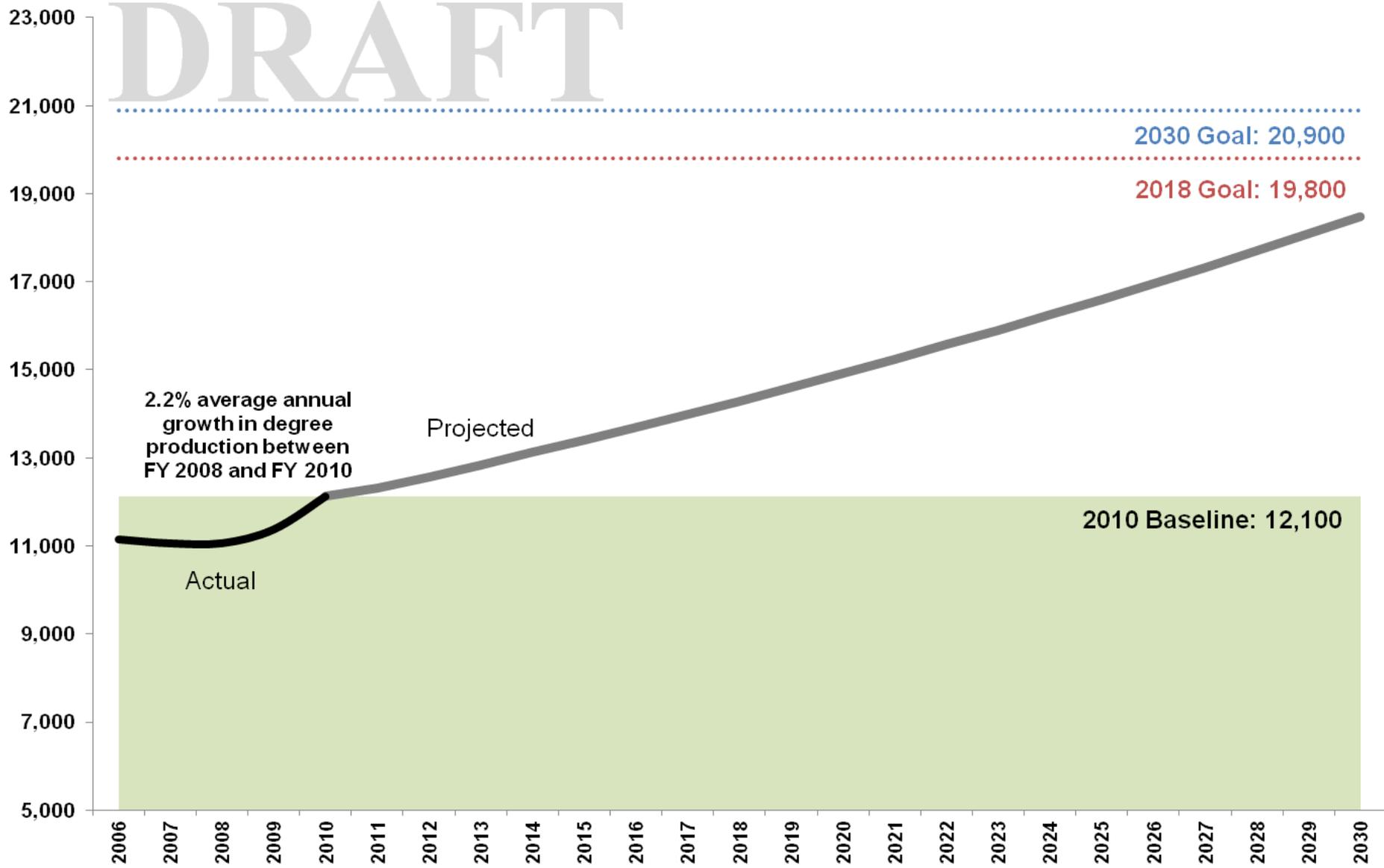
If 2008 to 2010 bachelor's degree growth had continued, SMP Goals for 2018 would have been met by 2025 and extended 2030 goals would have been met by 2030.



HECB calculation based on data from IPEDS, State Population Forecast, and the 2008 Strategic Master Plan.

Projected Graduate Degree Growth using 2006-2010 Increases vs. Goals Public and Private Institutions

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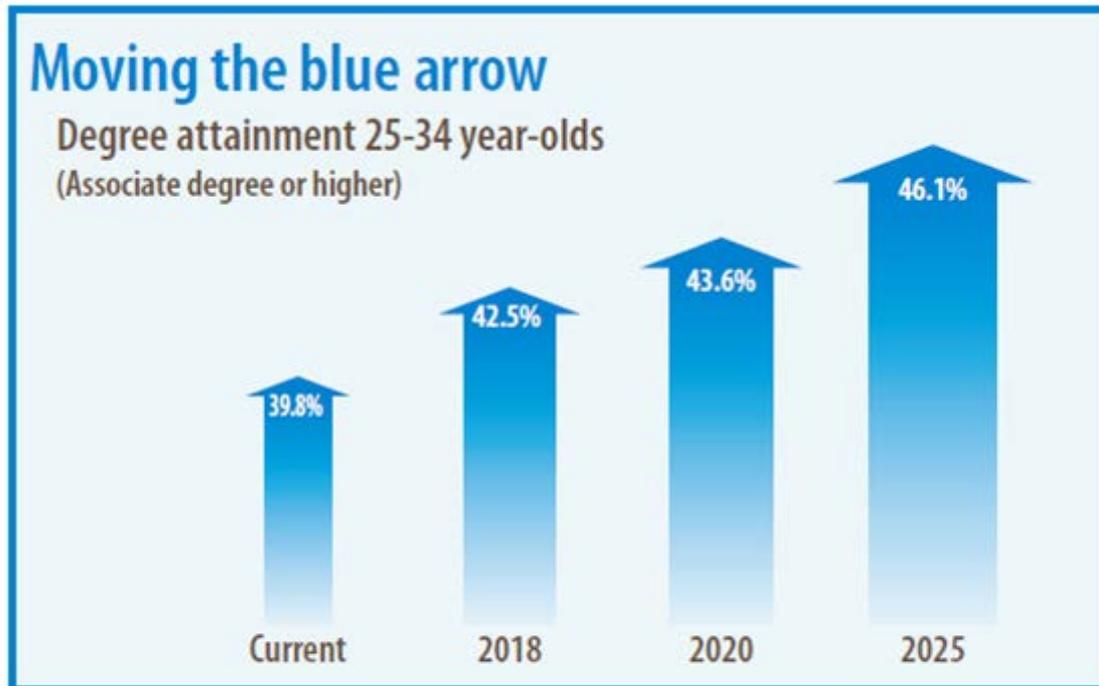
HECB calculation based on data from IPEDS, State Population Forecast, and the 2008 Strategic Master Plan.

Potential Impact of State Need Grant Cuts

	2010 Actual Degree Production	Projected FY 2013 Degree Production w/o SNG Reductions	FY 2013 Reduced Degree Production	FY 2013-18 Total Reduced Degrees
Mid Level Degrees and Certificates	28,812	30,058	(642)	(3,851)
Bachelor's Degrees	30,551	32,042	(153)	(917)

- About 4,800 fewer degrees produced from FY 2013 to FY 2018.
- This analysis assumes:
 - 15% cut to SNG for FY 2013 and a corresponding reduction of SNG recipients.
 - 25% Dropout Rate for Affected Students
 - Remaining affected students switch characteristics from SNG recipients to SNG eligible non-recipients.

So what does this mean for our degree goals?



Washington's effort to move the blue arrow upward more quickly by funding additional enrollment and through systemic improvement will produce exponentially greater results over time, HECB degree projections indicate.

Focus on Next Steps

1. Increase capacity for higher education to serve more students.
2. Maintain commitment to access for low income students.
3. Build on efforts to increase transitions and completion.
4. Focus a simplified accountability funding initiative on completions, aligning incentives with state goals for educational attainment while also recognizing institutional and sector missions.
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6. Promote acceleration strategies for both high school students and adult learners through Launch Year, Prior Learning Assessment, CTC Alternate Math Pathway, I-BEST, and pre-college reform.
7. Maintain commitment to the *Strategic Master Plan's* original 2008 degree goals.