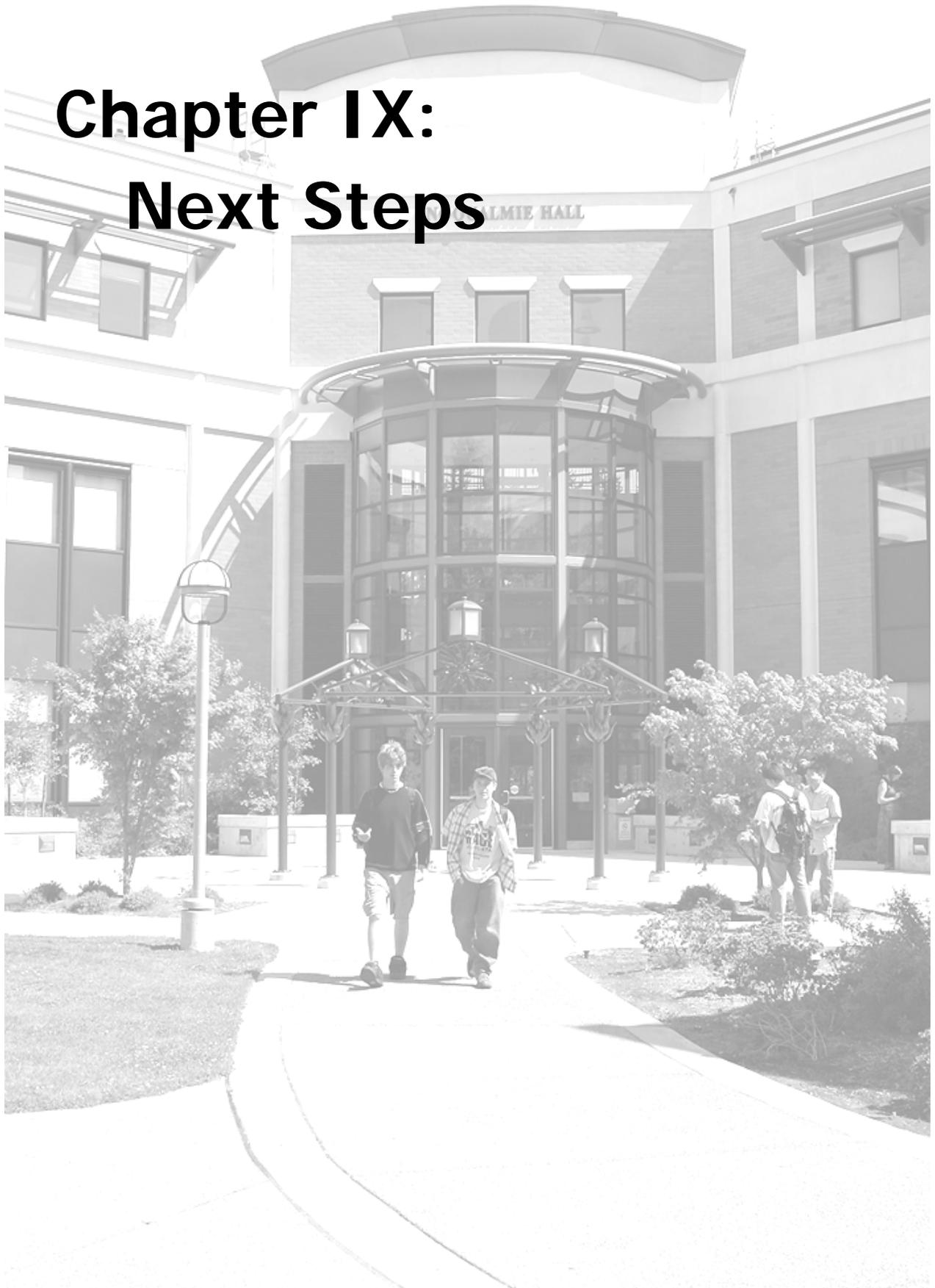


# Chapter IX: Next Steps





### Educating more Washingtonians in hard times

In 2008, Washington adopted its first 10-year Strategic Master Plan for Higher Education. That plan supported three basic objectives:

- Increase educational attainment to create prosperity and opportunity;
- Promote economic growth and innovation; and
- Monitor and fund higher education for results.

The national recession that began soon after the 2008 plan was adopted seriously hampered efforts to educate more Washingtonians to be productive participants in the state’s knowledge-driven economy, as the broad master plan goals envisioned.

In 2011, the HECB completed a required four-year Strategic Master Plan update, which took into account the strong budgetary headwinds the state has been facing since the original plan was adopted. One of the key elements that emerged from that process was a renewed endorsement of the original master plan goals, in spite of the unforeseen economic circumstances that have slowed progress on achieving them.

An Advisory Committee representing academic institutions, state agencies, the Legislature, business and non-profit groups worked on the update during the summer and fall. The committee focused on parts of the plan where demonstrable gains in educational attainment might be achieved, given the current economic environment.

One of the realities the committee faced was that public appropriations for higher education—at least in the near term—probably are not going to be increased. In today’s economic climate, it is not possible to do everything.

The update approved by the HECB in November 2011 reflects the Advisory Committee’s advice on where to focus efforts over the next four to six years to achieve the goals set for higher education in Washington.

The following page describes these focused “next steps.” The chapter also describes in greater detail four of the seven recommendations from the master plan update:

- 1) Reaffirm commitment to the State Need Grant financial aid program.
- 2) Fulfill the state’s promise to College Bound Scholars.
- 3) Focus a simplified accountability funding initiative on completions, aligning incentives with state goals for educational attainment.
- 4) Grow capacity by promoting public-private partnerships.

This “Next Steps” chapter ends with commentary on the documented decline of the state’s investment in higher education, with national data to show what that has meant, in real terms, for access to college. Even though Washington is still reeling from the Great Recession, the state needs to monitor the gap between the educational attainment goals it set just four short years ago and the reality of how little progress has been made.

### **'Next steps' on the road to improving educational attainment**

The original 2008 Strategic Master Plan for Higher Education included numerous strategies for increasing Washington's educational attainment. The Master Plan update proposes seven areas of focus over the next few years. These offer the best opportunities for progress within a poor economic climate. In most cases, they also build upon efforts already under way with some momentum.

#### **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.

### Focus on maintaining commitment to the State Need Grant program

During the 2010-11 academic year, 26,000 eligible students did not receive State Need Grant (SNG) financial assistance *even though* the Legislature provided increased support for the SNG program. The Legislature provided an additional \$107 million, for a total of \$569 million SNG funds in the 2011 biennium, in order to hold the lowest-income students served by the program harmless from double-digit tuition increases. However, this funding did not cover the demand of eligible student enrollments.

Washington currently is watching the demand for college access increase just when we most need to raise educational attainment. Unfortunately, more students are being shut out of college because of limited financing options.

Bottom line, Washington will not make progress on its goals to increase educational attainment without maintaining its commitment to the state's lowest-income undergraduate students. The State Need Grant program, a national model for such programs, provides grants to students for use at eligible public two- and four-year colleges and universities, as well as many accredited independent colleges, universities, and career schools in Washington. The SNG is available to students whose family income is 70 percent or less than the state's median family income, which for the 2011-2012 academic year is \$57,000 for a family of four. The award amounts are based on college tuition but the money can be used to cover anything included in the cost of attendance.

The high demand of needy students continues and more students are seeking assistance than ever before. As evidence of the increased demand, nearly 500,000 students applied for financial aid in academic year 2010-11, by completing the Free Application for Federal Student Aid (FAFSA). That is a 22 percent increase statewide over the previous year—61 percent in a three-year period. For the 2011-2012 academic year, applications have risen another 7 percent over the same time period.

The chart below models a potential 15 percent SNG reduction beginning in fall 2012. *If* this cut occurs, the HECB estimates that about 4,800 fewer degrees would be produced between 2012 and 2018. Not only would SNG cuts further erode Washington's progress on its baccalaureate degree goals, but also the most vulnerable populations that rely on SNG and other forms of SFA to participate in college would be unduly affected. In short, access is eroding.

**Potential Impact of State Need Grant Cuts on Bachelor's Degree Production, 2012-2018**

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

### Focus on College Bound Scholarship

Washington will not make progress on its goals to increase educational attainment without maintaining its commitment to access for low-income students. The state must fulfill its promise to College Bound Scholars and provide the financial and mentoring services for them to succeed.

Washington currently ranks 39<sup>th</sup> nationally in the percentage of low-income students who participate in postsecondary education.<sup>1</sup> And, what's worse, over the past decade the state has fallen in its ranking in serving low-income students. In 1998, the state ranked 30<sup>th</sup> in serving low-income students. By 2008, it ranked 39<sup>th</sup>. Clearly, this is the wrong direction for the state to be heading.

By 2020, low-income students will represent **one-third** of the high school graduating class. Without intervention, about **three-fourths** of these students from low-income families are unlikely to aspire to college—let alone enroll in college.

The College Bound Scholarship program was created in 2007 to provide an early commitment of financial assistance to low-income students who want to achieve the dream of a college education. The scholarship is available to students who meet income requirements for the free- and reduced-price lunch program and sign up in their 7<sup>th</sup> or 8<sup>th</sup> grade year. Students pledge to graduate from high school, stay out of legal trouble, and gain admission to a campus that participates in the College Bound Scholarship program. And they must meet the income standard at the time of college enrollment—65 percent of the median family income. In 2011-12, that was \$53,000 for a family of four.

#### Ways in which the state can support the College Bound Scholarship program include:

- 1) Scale successful sign up and support strategies statewide.
  - a. Continue to develop opportunities for districts to share best practices with similar size/population districts.
  - b. Ensure GEAR UP support is available in all schools with significant free- and reduced-price lunch populations.
  - c. Strengthen coordinated efforts with OSPI, to include data sharing, nutrition services, NAVigation 101, alternative schools, and *Readiness to Learn* initiatives.
- 2) Dedicate scholarship funding specifically for the College Bound program.
- 3) Formalize support on campuses to provide a continuum of services to College Bound students—to include services that go beyond financial and traditional academic support and include campus advocates and intervention at critical points.
  - a. Support *all* College Bound students, regardless of the scholarship dollars received.
  - b. Formally and publicly celebrate the success of College Bound students at each institution and statewide.
  - c. Begin to develop a database of College Bound alums to encourage them to “reach back” to support younger students.

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<sup>1</sup>“Postsecondary Education Opportunity,” September 2010. Retrieved 12-12-12 from [http://www.postsecondary.org/last12/219\\_910pg1\\_10.pdf](http://www.postsecondary.org/last12/219_910pg1_10.pdf).

### Focus a Simplified Accountability Funding Initiative on Completions

Higher education values what it measures. For decades, higher education has measured “countable inputs,” such as how many students enroll, how many faculty work full-time, how many books are in the campus library, and so on. However, in recent years the U.S. has turned its attention to “outputs” in the form of certificate and degree completion rates.

The Obama Administration, the National Governor’s Association, and other organizations have addressed the same need to focus on degree completion rates that the HECB promoted in its 2008 *Strategic Master Plan for Higher Education*. Without an equal focus on graduation, we risk seeing an open door to education become a revolving door—with students exiting well before they complete degrees.

Washington is poised to develop its own performance-based funding and accountability system. The state has learned from earlier unsuccessful efforts to develop performance agreements with institutions that were overly complex and not well-aligned with state-wide higher education goals. Several states are ahead of Washington in crafting workable performance-based funding and accountability initiatives, and their experiences may be instructive. More information on these states’ performance-based systems and some common criticisms and responses to those criticisms are available at [www.hecb.wa.gov/sites/default/files/SMP-PerformanceBasedFundingBrief.pdf](http://www.hecb.wa.gov/sites/default/files/SMP-PerformanceBasedFundingBrief.pdf)

### Recommendations for States<sup>2</sup>

Policy experts have advanced several recommendations for states wishing to implement performance-based funding initiatives:

- Tie performance-based funding measures to the public agenda for higher education. Without goals, performance-based funding is simply a technical exercise.
- Ensure that you have good data, which is critical to the success of the initiative.
- Use different metrics for research and comprehensive universities and community and technical colleges. Define performance for audience and levels.
- Keep metrics simple and be very clear about how metrics will be used.
- Hold harmless at-risk populations; incentives must be fair.
- Pay attention to the implementation strategy as well as the design of the performance-based funding system.
- Put enough money into performance-based funding to make a difference.
- Determine how much of the budget will be dedicated to performance-based funding—and whether the sources will be new or reallocated.
- Determine a mechanism for allocating performance-based funding dollars. Should it be built into the regular funding model? Or designed as an add-on or categorical bonus?
- Don’t include tuition money with state appropriations in any metrics or formulas.

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<sup>2</sup> Based on presentations at the August 2011 State Higher Education Executive Officers (SHEEO) Policy Conference.

### Focus on Growing Capacity through Public-Private Partnerships

States that are successful in responding to demand for college and in increasing overall educational attainment actively include private, independent institutions in their goals for higher education. To exclude both the non-profit and the for-profit private sectors in state-level policy and planning is to risk falling behind in the race to develop a globally educated workforce and a well-educated citizenry.

Washington could learn from California, where several members of the higher education community have encouraged greater use of the state's well-developed private, independent sector. The impetus for this call is that California's public higher education system cannot, by itself, "respond to increased demand for higher education."<sup>3</sup> Washington is in the same spot. With only six public universities in the state, Washington has a relatively small public higher education sector to serve its growing population—even with 34 community and technical colleges and the branch campuses of the four-year public institutions.

Among the ideas proposed by higher education experts at the University of Southern California are:

- 1) **Develop a common course numbering system and a transfer system** that includes *all* postsecondary institutions—including non-profit and for-profit private colleges and universities.
- 2) **Provide incentives to promote voluntary private-public partnerships that discount tuition** so students have expanded access to courses and majors in hard-to-serve geographic areas, while helping to keep the additional enrollments cost-neutral to the state.
- 3) **Provide incentives for non-profit private colleges and universities to enroll in-state, resident students.** To meet capacity challenges in certain fields, the state could provide a premium per student up to an additional 10 percent of the average student population over the past three years. The incentive for the private institution is a modest infusion of income, and the state would benefit from admitting more students at a marginal cost at a time when alternative options may be slim.
- 4) **Outsource online learning and focus on competency-based (not just credit-based) learning.** Washington has made good progress in online learning, through the State Board for Community and Technical Colleges' *Washington Online* initiative, which delivers more than 100 associate degree transfer courses through a centralized program and its Open Course Library collection. The state's Prior Learning Assessment work, begun this past year, also shows promise in helping adult learners complete college and should be continued. Both online learning and prior learning assessment allow students to speed up their learning and accelerate time-to-degree.
- 5) **Invest authority in a statewide planning board that includes all sectors and enables greater coordination and programmatic coherence.** An entity for all of higher education helps coordinate planning and policy functions and arbitrates disputes among sectors and regions, while maintaining focus on the state's needs as a whole.

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<sup>3</sup> Tierney, W.G. and Hentschke, "Making it Happen: Increasing college access and participation in California Higher Education: The role of private postsecondary providers." Available at [http://cheпа.usc.edu/pdf/Making\\_It\\_Happen.pdf](http://cheпа.usc.edu/pdf/Making_It_Happen.pdf)

### Focus on Promising College Completion Efforts for Adults

The HECB's 2008 *Strategic Master Plan for Higher Education* declared that

“Postsecondary education is no longer optional. Virtually everyone needs some education or job training beyond high school, and everyone deserves the opportunity to get whatever level of education they need to meet their personal and career goals.” (p. 17)

Several of the preceding pages in this chapter target high school students in Washington's efforts to raise educational attainment. But another body of potential students in Washington—690,000 of them between the ages of 18 and 44—also should be targeted for special efforts to complete college. These are adults with “some college, no degree.” Many of them were successful in college, as far as they went, but stopped out or dropped out for personal, financial, or professional reasons. Some had to care for children or aging parents and could not juggle work, home care, and school. Others could not afford college. Still others could not find a way to keep their current job while also taking the next step to earn a degree that would likely get them a better job in the future.

Identifying these students and designing programs that help them to complete college may be one of the fastest ways for Washington to make demonstrable progress in increasing educational attainment. Similar efforts are currently going on in other states.

Project Win-Win, jointly coordinated by the Institute for Higher Education Policy and the Lumina Foundation, is one such program that Washington should investigate. That program, which was conducted as a pilot in several states during the 2009-10 academic year, seeks to identify former students who are “academically short” of an associate degree by nine or fewer credits and re-enroll them to earn a degree.

During the seven-month pilot involving nine institutions, nearly 600 associate degrees were awarded and almost 1,600 were identified as potential degree recipients. Based on early results from these pilot institutions, extending the estimates across all of U.S. higher education would mean, at minimum, a 12 percent increase in the number of associate's degrees awarded<sup>4</sup>. These results demonstrate great potential. Similar increases in completion rates could be anticipated if implemented in Washington.

Project Win-Win is focused on completion of an associate degree. However, the same approach could be implemented for baccalaureate completion.

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<sup>4</sup> Based upon press release provided by Institute for Higher Education Policy 8/ 25/10. Available at [http://www.ihep.org/press-room/news\\_release-detail.cfm?id=189](http://www.ihep.org/press-room/news_release-detail.cfm?id=189).

### Conclusion: Outlook Beyond 2011 Shows Diminished Life Chances for the Next Generation of Students

In the Introduction to this volume of *Key Facts*, we wrote:

*Washington is faced with a deep dilemma. How can it make the investment in students it needs to make when revenue desperately needed to provide basic social and health support to our most vulnerable populations is being reduced? To date, there does not appear to be an answer to this question.*

*However, one thing is for certain. If we continue down the current path, our higher education institutions will become far less accessible and affordable, more narrowly focused, and less capable of meeting future economic and societal needs. And this is exactly the opposite direction we should be heading.*

The sad fact is that we *are* heading in the direction of offering fewer Washingtonians opportunities to educate themselves and their children. What we are likely to see is diminished life chances for a decade's worth of students. Until recently, the U.S. has dominated the world in higher education, providing a successful, more equitable model as an alternative to more elitist models that educated those in upper socio-economic brackets.

The U.S. model was built upon providing access to all who are willing and able to benefit from higher education. But that access is eroding. In Washington during the 2009-10 academic year, 22,000 *qualified, eligible* students who applied for State Need Grant dollars were turned away. This year, the number of students turned away is expected to increase to 27,000.

Declining enrollments do not only harm individuals. They also harm the state. If we educate more Washingtonians, the rewards to both state and individuals are great. At a Fall 2011 national meeting sponsored by the U.S. Dept. of Education, a national expert noted that, "The premium for having a bachelor's degree over a high school diploma now is 85 percent in lifetime earnings."<sup>5</sup> Better-educated citizens also mean more revenue to states through expanded purchasing power and taxes paid, as well as reduced demand for social safety nets and other services. The public investment in higher education must be reaffirmed because an educated populace is truly in the public's best interest.

We know that we are not on track to educate Washingtonians to the level that we must. In Chapter VII of this volume we document just how far off track we are. *If* we muster the will to stop our educational slide and invest once again in higher education the way we need to, it will take until the year 2025 to reverse the trend and reach our goals for bachelor's degrees. That's the good news.

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<sup>5</sup> Ligonfelter, P. Testimony to the National Advisory Committee on Student Financial Assistance. Department of Education, September 30, 2011. Washington, D.C. Retrieved 12/23/11 from <http://www.shceo.org/about/paulpres/20110930Testimony%20to%20the%20National%20Advisory%20Committee%20on%20Student%20Ofinancial%20Aid.pdf>

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The bad news is that we've gone past the point of being able to reach our state's goals for mid-level or graduate degrees even by the year 2030—two decades away. That's how much ground we're losing. And we're going to miss the goals by a wide margin—7,000 mid-level degrees and certificates and 2,400 graduate degrees *each year less* than we need to produce to remain globally competitive. That's a loss of critical talent for this state that we will never get back.

The question is not whether the students are willing to go to college. They are. The question is also not really whether colleges and universities can find some way to accommodate new entrants. They will innovate and find ways. The question is whether the state is willing to make the investment it needs to ensure the kind of future it says it wants.

A former Governor of Washington summed up the power of political will in one of his last interviews with the press, when he observed that "Everybody pays and everybody benefits . . . that's how you get things done."<sup>6</sup> Students are covering more and more of the cost of their education because they understand a college degree provides individual benefits. But thousands more students are now being cut out of higher education—and this is a sad loss to the public good.

In this issue of *Key Facts*, we have provided information about the students, the institutions, and the system of higher education in Washington. We have also provided data to show that Washington is currently on a path of diminished opportunities for the state as a whole and for the people who live here. Data informs policy. It is our hope that Washingtonians use the data provided in this year's volume of *Key Facts* to reverse the course that the state is on and to re-invest in its people and its future.

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<sup>6</sup> Westneat, D. "99 percent' protests' math doesn't add up." *Seattle Times*. October 11, 2011. Retrieved 12/23/11 from [http://seattletimes.nwsourc.com/html/dannywestneat/2016474631\\_danny12.html](http://seattletimes.nwsourc.com/html/dannywestneat/2016474631_danny12.html).

