

# Introduction

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The United States was, for many years, the best-educated country on earth. Now it is dangerously close to tipping backward as other nations press ahead to take advantage of opportunities in the new, knowledge-driven global economy.

The evidence for this in Washington is stark. At a time when we should be educating a much greater percentage of our citizens to higher levels we are instead making it increasingly difficult for tens of thousands of potential students, many of them from our state's most economically disadvantaged households, to gain the skills and knowledge necessary to succeed.

We have done this especially over the last three years through deep cuts in student funding – funding desperately needed to meet one of our most important statewide priorities – raising educational attainment. Worse yet, these cuts are almost certain to continue this decade, accompanied by corresponding steep increases in tuition that threaten to place higher education beyond the reach of many middle-class families.

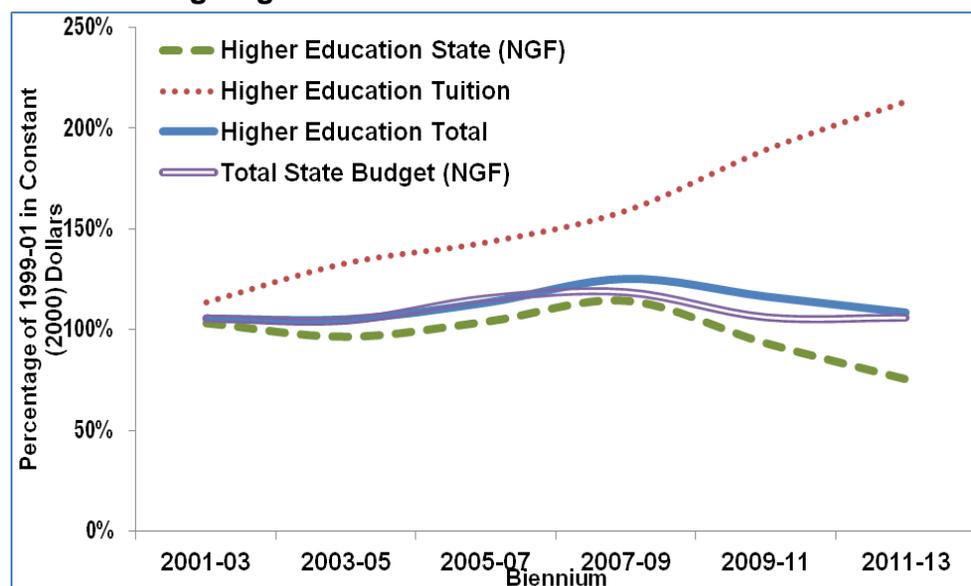
It hasn't always been like this. In the 1960s and 70s, the state paid more than 90 percent of instructional costs. From the 1980s to 2008, we steadily reduced the state's share to an average of about 65 percent. But, with the most recent round of budget cuts, we have reached a nadir: the state now pays an average of 35 percent of instructional costs while students and families pay 65 percent.

One argument supporting these shifts is that higher education is primarily a personal, not a societal benefit. And those who receive this benefit should pay a greater share of the cost. An impressive array of facts cited in this report support an alternative view.

Higher levels of education continue to directly correlate with social stability and are important contributors to statewide economic success.

As a societal investment, higher education pays triple the returns of prison construction and high incarceration rates.

**Rising Tuition and Declining Public Funding Make Achieving Degree Goals Harder for Thousands of Students**



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Every level of education achieved beyond high school confers significant additional lifetime earnings. But the gain isn't just personal. It takes a broadly well-educated citizenry to build a stable and growing economy, just as it takes educated citizens to forge a stable society to support that growth.

In general, people who fully realize their educational potential require far fewer support services from government. This frees government revenues to enable more incisive action on challenges to our environment, transportation needs, and economic development—among many other priorities.

As education levels rise, people are healthier and happier, and far less likely to commit crimes, become unemployed, or require state-supported medical assistance. They also are more likely to become fully engaged citizens by voting, running for elective office, and participating in volunteer and philanthropic activities.

Particularly problematic for students from middle- and lower-income households, the shift in higher education funding has come at a time when per-capita income has remained flat. Students faced with a much higher price for education and whose families have experienced no real income growth over the last two decades have had few options.

Those who have not qualified for financial aid have had to borrow more to attend college and many now face significant debt burdens when they graduate. Even more troublesome, price spikes in higher education deter many students, especially those at lower income levels, from participating.

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 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 2012 Strategic Master Plan Update, discussed in the last chapter of this report, shows that our higher education institutions are rapidly reaching the point where they no longer will be able to serve increased numbers of students.

This means we will be unable to meet degree production goals necessary to raise educational attainment. It means thousands of students who could and should earn degrees and certificates will not do so. And it means a less inclusive and more bifurcated society, one far less capable of realizing its potential—now, and in future generations.

***Key Facts about Higher Education in Washington*** provides vital data to chart higher education's progress and challenges. First published in 2002 by the Washington Higher Education Coordinating Board, this annual report highlights *Key Facts* about Washington's postsecondary institutions — including faculty, students, budgets, and financial aid.

### The Higher Education Coordinating Board



The Washington Higher Education Coordinating Board (HECB) is a state agency governed by a 10-member citizen board to provide vision and leadership for public higher education in Washington.

Created by the Legislature in 1985, the HECB was formally established in January 1986, as the successor to the Council for Postsecondary Education. Board members are appointed to four-year terms by the Governor and confirmed by the Senate.

A student member, also appointed by the Governor, serves a one year term. The Board annually selects from its membership a chair and a vice-chair who each serve for one-year. The chair and vice-chair may serve more than one year if selected to do so by the membership. The agency's executive director serves at the pleasure of the Board.

The Higher Education Coordinating Board serves as an advocate for students and the overall system of higher education with the Governor, the Legislature, and the public. The Board also collaborates with the public and private two- and four-year institutions, other state governing boards, and the Superintendent of Public Instruction to create a seamless system of public education geared toward student success.

#### HECB's Key Responsibilities:

- 1) Develops a statewide strategic master plan for higher education.
- 2) Administers state and federal financial aid and other education services programs.
- 3) Reviews, evaluates, prioritizes, and recommends the operating and capital budget requests of the two- and four-year public institutions.
- 4) Establishes an accountability monitoring and reporting system to achieve long-term performance goals in higher education.
- 5) Administers the Guaranteed Education Tuition (GET) college savings program.
- 6) Adopts policies that ensure efficient transfer of credits and courses throughout public higher education.
- 7) Approves all new academic degree programs offered by Washington's public four-year universities and college.
- 8) Establishes minimum admissions standards for the state's public baccalaureate institutions.
- 9) Conducts statewide needs assessment for new degrees and programs, off-campus centers and locations.
- 10) Provides degree authorization for out-of-state colleges and universities, and some in-state private colleges and universities.

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### Quick Facts about Higher Education in Washington

- Higher education operating budget 2011-13: **\$11.1 billion** (18 percent of state total)
- Near general fund-state contribution for higher education 2011-13: **\$2.8 billion** (8.6 percent of state total)
- State appropriations per student FTE by state, Washington ranking in 2010: **32<sup>nd</sup>**
- College students receiving state, federal, or institutional need-based aid in 2010-11 at institutions participating in the State Need Grant program: **186,800**
- Percentage of high school graduates enrolled in college within one year of graduation (2009): **64 percent**
- Full- and part-time employees, Washington public colleges and universities (Fall 2010): **50,184**
- Jobs generated by academic research (2008-09): **15,400**
- Economic activity (sales) resulting from academic research (2008-09): **\$2.2 billion**
- Tax revenue generated for each \$1 in state funding for UW (FY 2008-09): **\$1.48**

| Fall 2010 Student Headcounts               |         |
|--|---------|
| Public community and technical colleges    | 270,573 |
| Public baccalaureate undergraduate         | 94,118  |
| Public baccalaureate graduate/professional | 21,975  |
| Private baccalaureates                     | 51,740  |

| Degrees and Certificates Conferred in 2009-10 |        |
|---|--------|
| Public community and technical colleges       | 28,812 |
| Public baccalaureates, bachelor's             | 22,278 |
| Public baccalaureates, master's               | 5,138  |
| Public baccalaureates, doctoral/professional  | 1,633  |
| Private baccalaureates, bachelor's            | 7,700  |
| Private baccalaureates, master's              | 4,531  |
| Private baccalaureates, doctoral/professional | 706    |

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