

## RAND study links education levels with increased state tax revenues, reduced social service costs

A study by the RAND Corporation cites significant financial benefits to taxpayers resulting from programs and policies aimed at encouraging students to pursue higher education levels.

The study tracked the effects of increases in educational attainment on tax revenues, incarceration costs, and social support/insurance costs. It showed net cost-benefit gains for each step up the educational ladder.



Stephen J. Carroll  
Co-author of RAND study

Some of the findings:

- Graduating from college with a bachelor's degree rather than ending schooling with some college provides the largest net positive financial return to taxpayers.
- Over a lifetime, a white male who earns a high school diploma will pay \$53,000 more in taxes than the cost to the public for his education. That figure rises to \$200,000 if he earns a bachelor's degree. Similar paybacks were found for African-American, Asian, and Hispanic males.
- Reduction of public expenditures on incarceration costs also was part of the RAND analysis. Increases in education yield the greatest savings in incarceration costs among African-American males. The net average incarceration cost savings for each individual who earns a high school diploma or equivalent is more than \$120,000, and rises to nearly \$180,000 for those who earn bachelor's degrees.

The Board and its Advisory Council heard a report on the study by Stephen J. Carroll, now retired from RAND, a co-author of the study with Emre Erkut. [Presentation - Report.](#)

## Board, Legislature honor Ann Daley for her accomplishments in state government

Board members adopted [Resolution No. 10-30](#), and the state Senate and House each approved resolutions commending Ann Daley, HECB executive director, for nearly 40 years of service to the people of Washington State. Much of her time has been spent working on education and higher education policy issues. In fall 2009, Daley announced she would be retiring from state service effective March 31, 2010. March 10 marked her final Board meeting as executive director.



## Don Bennett named HECB interim executive director

The Board named Don Bennett, deputy executive director of the Washington Higher Education Coordinating Board, as interim executive director effective April 1, 2010, while a search for a new executive director continues. Bennett joined the Board in 2007. [Read more.](#)

# WASHINGTON HIGHER EDUCATION COORDINATING BOARD

## Legislative Update

The Legislature adjourned March 11. A special session will begin today, to work out an agreement between the House and Senate on the state budget.

### System Design Plan

Before it adjourned, the Legislature passed legislation adopting the recommendations of the System Design Plan. The plan provides guidelines and processes to help increase the capacity of Washington's higher education system to meet Strategic Master Plan goals.

- [Read more.](#)

## Board approves three new degree programs

[CWU](#) – A Bachelor of Arts in Middle Level Mathematics and Science Teaching will be launched this spring. The program will serve students preparing to teach math and science in grades 4 through 9.

[UW](#) – A Master of Geographic Information Systems will be launched this summer. The largely online degree program will include three intensive one-week summer sessions.

[UWT](#) – A Bachelor of Arts in Criminal Justice degree at the UW Tacoma will be launched next fall. It will serve students interested in social justice and other social issues in the criminal justice field.

## Senate, House budgets differ only slightly on proposed higher 2010-11 budgets

HECB staff briefed the Board on the proposed Senate and House budgets, noting that while the budgets differ substantially on revenue generation, they differ only slightly in the amount allocated for higher education. The Senate budget would provide about \$3.15 billion while the House totals \$3.17 billion.

In the 2009-11 biennial budget cut higher education by 16 percent from its maintenance level. In fall 2008, the Governor proposed further cuts across all state government, including additional cuts to higher education institutions and the state agencies (HECB, SBCTC) that provide policy coordination and direction. [Read more.](#)

Three basic categories of cuts were proposed in the two supplemental budgets.

1. General Reductions: House \$44 million / Senate \$70 million
2. Temporary Layoffs: House \$23 million / Senate \$16 million
3. HECB Financial Aid: House \$16 million / Senate \$25 million\*

\*\$6 million in reductions in both the House and Senate is offset by increased federal Pell grant monies.

## Rules process needed to codify College Bound program approved by Board Resolution

The Board approved a resolution establishing formal rule-making and public comment process for the College Bound Scholarship, authorized by the Legislature in 2007. More than 32,000 students have submitted completed applications for the program.

The draft rules provide clarification about student eligibility and outline the respective roles of the Office of Superintendent of Public Instruction and the HECB with respect to program promotion and tracking. Next steps this year include filing the proposed rules with the Code Reviser's Office, an April 27 public hearing, and by a six-month public comment period following the hearing. [Read more.](#)

## Financial aid 'stop out' effect significant using RAND study model in Washington

A model developed by the HECB's Division of Policy, Planning & Research, based on the work of the RAND Corporation study, shows that cuts to financial aid programs produce significant negative long-term financial consequences for the state.

Taxpayers are likely to lose significantly more tax dollars than they invest over the long run when such cuts are made because many students discontinue their education when financial aid is withdrawn.

A chart developed for the Board and Advisory Council shows that cuts of \$32 million today would result in longer-range losses of from \$45 million (if 5 percent of students stop out) to \$319 million (if 35 percent stop out). Stop out is defined as students failing to attain the next highest level of education as a result of losing their financial aid. [Read more.](#)

## WASHINGTON HIGHER EDUCATION COORDINATING BOARD



### *Washington Center focused on academic success for all students*

The Washington Center for Improving the Quality of Undergraduate Education describes itself as a "home-grown statewide resource."

Emily Lardner and Gillies Malnarich, co-directors of the center at The Evergreen State College, gave a brief presentation to the Board on their overall objectives and focus.

The Center was formed by a budget proviso in 1987.

Current work supports:

- Academic success for all students.
- Improving college readiness and completion rates.
- Supporting professional development tied to student learning goals.
- Developing tools, strategies and approaches to assess student learning.
- Expanding connections between the schools and community.
- Sharing resources from leading national, state and campus-based projects.

[Read more.](#)