



STATE OF WASHINGTON
HIGHER EDUCATION COORDINATING BOARD

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DRAFT PRELIMINARY BOARD MEETING AGENDA
Washington State University Tri-Cities, Richland
Consolidated Information Center, Room 120
May 26, 1999

Approximate Times **Tab**

7:45 a.m. **Board Breakfast & Meeting Overview**

8:30 a.m. **Welcome & Introductions**

- Bob Craves, HECB chair
- Dean Larry James, WSU Tri-Cities

Adoption of April Minutes **1**

Master Plan: Review of April Policy Discussion **2**

- HECB staff: review of Policy Papers #1-A, #3, #4
(*Enrollment goals: Resolution 99-10*)
(*E-learning definitions: Resolution 99-17*)

Work Session: 2000 Master Plan for Higher Education

- Master Plan Policy Paper #2-A: Nontraditional Providers **3**
- Master Plan Policy Paper #3-A: E-learning **4**
- Master Plan Policy Paper #4-A: Capacity **5**
- Master Plan Policy Paper #5: Enhancing Student Progress **6**

B R E A K

- Master Plan Policy Paper #6: Affordability **7**

Public Comment on Master Plan Policy Papers

Noon **LUNCH**

12:45 **Board Discussion on Master Plan 2000** **8**

- Patrick Callan, National Center for Public Policy & Higher Education

Work Session: 1999 Legislative Session Wrap-up	9
<ul style="list-style-type: none"> • 1999 legislative session overview • HECB assignments: program & policy assignments • Discussion of rules necessary to implement new programs/policies 	

B R E A K

Spokane Higher Education Services Study	10
<ul style="list-style-type: none"> • HECB staff: Disposition of the Spokane Center (Resolution 99-16) 	

C O N S E N T A G E N D A

<ul style="list-style-type: none"> • Capacity Utilization Goals (Resolution 99-14) 	5
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WSU Tri-Cities Student Panel

P U B L I C C O M M E N T

D I R E C T O R ' S R E P O R T

A D J O U R N

WSU Tri-Cities Program Highlight and Campus Tour

If you are a person with disability and require an accommodation for attendance, or need this agenda in an alternative format, please call the HECB at (360) 753-7800 as soon as possible to allow sufficient time to make arrangements. We also can be reached through our Telecommunication Device for the Deaf at (360) 753-7809.

1999 HECB Meeting Schedule

<i>DAY/DATE</i>	<i>TYPE</i>	<i>TENTATIVE LOCATION</i>
June	No meeting	
July 14 & 15 (Wed. & Thurs.)	Board planning - Regular meeting	Leavenworth
August	No meeting	
Sept. 15 (Wed.)	Regular meeting	Olympia
Oct. 27 (Wed.)	Regular meeting	UW, Seattle
November	No meeting	
Dec. 1 (Wed.)	Regular meeting	

**HIGHER EDUCATION COORDINATING BOARD
MINUTES OF MEETING
April 14, 1999**

HECB Members Present

Mr. David Shaw
Dr. Frank Brouillet
Mr. Jim Faulstich
Mr. Larry Hanson
Ms. Kristianne Blake
Ms. Ann Ramsay-Jenkins
Dr. Chang Mook Sohn

HECB Staff

Mr. Marc Gaspard, Executive Director
Ms. Linda Schactler, Deputy Director
Mr. Bruce Botka, Dir. Gov't Relations
Ms. Becki Collins, Dir. Educational Services
Mr. Dan Keller, Senior Associate Director
Mr. Jim Reed, Associate Director, Capital
Mr. John Fricke, Associate Director
Ms. Parker Lindner, Sr. Policy Associate
Dr. Evelyn Hawkins, Associate Director
Ms. Elaine Jones, Program Associate

INTRODUCTIONS

Mr. David Shaw, HECB Secretary, welcomed meeting participants and initiated Board introductions.

ADOPTION OF FEBRUARY MINUTES

The minutes were approved with one typographical correction.
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MASTER PLAN

Marcus Gaspard, HECB Executive Director, summarized the agenda items and briefly described the Master Plan process. He praised the hard work and dedication of the subcommittee and thanked the institutions for assisting HECB staff in the development of the Master Plan.

Master Plan subcommittee members Ann Ramsay-Jenkins and Jim Faulstich provided an update on their activities, including stakeholder meetings. Mr. Faulstich emphasized the subcommittee's desire for input from the public and continuing feedback on the policy papers. In July, the full Board will review the first draft of the Master Plan.

HECB Deputy Director Linda Schactler informed the Board that the policy paper on "Non-Traditional Higher Education Providers" is being revised at their direction and will be brought back for consideration at the May meeting. Ms. Schactler clarified that the policy papers serve as background material for the Master Plan to help the Board understand emerging issues in postsecondary education. The papers will serve as the basis for the policy recommendations in the Master Plan.

E-learning: (Parker Lindner, Senior Policy Associate for Distance Learning)

"Can electronic learning technologies enhance access to post-secondary education in Washington State?" The purpose of this paper is to establish electronic learning technology definitions for the purposes of the Master Plan, and look at some of the ways in which technologies affect access and quality.

Mr. Larry Hanson remarked that e-learning will have a tremendous cultural and financial impact, with a huge up-front investment required and a question of how deep to go within institutions. He suggested looking for good examples; to look at the work of some institutions and faculty who are leading the charge.

Enrollments: (Evelyn Hawkins, Associate Director for Research)

In past Master Plans, enrollment projections have focused solely on state-funded FTEs. The current numbers also track non-state funded institutions. A goal of the Master Plan is to consider all pathways that citizens may choose for their postsecondary education, including public and private degree-granting institutions, career colleges, and even courses through distance learning. The result would be to present a more complete of the higher education participation in the state. Board members requested that participation of adults in higher education also be tracked.

Capacity and Utilization: (Jim Reed, Associate Director for Capital)

How can existing facilities be better utilized to enhance enrollment opportunity for Washington citizens? Mr. Reed briefed the Board on current assumptions about how and the degree to which facilities should be used. The average weekly station use for institutions in this state is 20 hours a week. Other states have increased their use up to 22 and 24 hours. And e-learning is changing the way students learn on campus. Currently some class lecture hours are being conducted through the use of multi-modal e-learning; e.g. e-mail, chat rooms, web sites.

Public Comments on Master Plan

Representatives from private and public institutions shared comments and suggestions: (Violet Boyer, WAICU; Jane Jervis, TESC; Fred Campbell, UW; Ruta Fanning, TESC; Dave Dauwalder, CWU; Sandy Wall, SBCTC)

- ◆ Focus on more than just an enrollment goal to change participation rates. Increasing FTE's often hurts the entire enterprise of higher education.
- ◆ With greater racial diversity will also come greater economic diversity.
- ◆ Use of technology will magnify the disadvantage of the disadvantaged.
- ◆ The Master Plan needs to reflect providing opportunity. What strategies can we put in place to further innovation and creativity? Create a system that allows flexibility.
- ◆ Continue involving the institutions.
- ◆ Concern that mathematical calculation could drive allocation decisions. Taking a standard can be changed quite readily in mathematical calculations. Changing calculated capacities have great impact. Program needs should drive our facility capacity.
- ◆ Urge same capacity utilization standards be applied for two-year and four-year institutions.

TESC PROGRAM HIGHLIGHTS AND STUDENT PANEL

President Jane Jervis spoke proudly about Evergreen's science programs, focusing on environmental studies and scientific inquiry. Student representatives elaborated on their personal experiences and the excellent integrative classes that are available at Evergreen.

TEACHER EDUCATION

- Larry Davis, Executive Director, State Board of Education
- Andy Griffith, Asst. Superintendent, Office of the Superintendent of Public Instruction

- Linda Goelke, Curriculum and Assessment Specialist, Commission on Student Learning
- Joanne Sorenson, Program Specialist, Office of the Superintendent of Public Instruction

HECB Senior Program Associate Elaine Jones introduced the panel members and summarized the items for discussion in reference to K-12 reform. Research data on specific issues will be presented at future board meetings.

NEW PROGRAM REVIEW

- TESC, BA in Community-Determined Native American Studies, Statewide
- WSU, BA in Computer Science at Pullman, Tri-Cities, Vancouver
- WSU, BS in Computer Science, Vancouver

ACTION: **Dr. Frank Brouillet** moved for consideration of Resolutions 99-11, 99-12, and 99-13. **Mr. Larry Hanson** seconded the motion, which was carried unanimously.

LEGISLATIVE UPDATE

HECB Director for Governmental Relations Bruce Botka described the highlights of the legislative session and those bills that directly impact the agency and the institutions. Associate Director John Fricke discussed capital and operations budget actions from the House and the Senate.

EWU SPOKANE PROGRAM PLANS

Elaine Jones provided the background information and the analysis of EWU's proposals and staff's suggestions. President Stephen Jordan, Provost Neil Zimmerman, and EWU Chair Gordon Budke elaborated on EWU's proposals.

Dr Jordan discussed turning Cheney into a residential campus, while recognizing efficient use of facilities in Spokane and continuing services to their students. He challenged the HECB's authority to interpret the legislative criteria on "partnerships" and the HECB's decision to take out "other considerations" from the criteria. He enumerated compelling reasons for keeping three programs in Spokane. Mr. Budke mentioned Spokane businesses that have partnered with EWU on these programs.

Dr. Frank Brouillet disagreed with Dr. Jordan's assertion regarding the HECB's lack of authority to interpret the statute. Mr. Gaspard clarified that the Board does have legislative mandate to establish guidelines, review, and approve programs. Mr. Gaspard further requested that EWU provide the Board with information about FTEs served in Spokane, rather than "majors." After more discussion and clarification, the Board decided to act on the motion regarding the three programs in question.

ACTION: **Mr. Larry Hanson** moved for consideration of Resolution 99-09. **Ms. Kristianne Blake** seconded the motion, which was carried unanimously.

WASHINGTON SOFTWARE ALLIANCE

Ken Myer, Regional Manager for IBM, made a brief presentation on the results of a survey documenting the current and anticipated hiring needs of Washington's software industry.

There is phenomenal growth in the software industry, and not enough qualified people to do the job. About 36,500 information technology jobs are available nationally. In Washington State, there are approximately 3,200 workers in the software industry; 8,500 more technology-related jobs are waiting to be filled. About 4,500 of those require a 4-year degree in computer science. The average starting pay without stock options is \$66,000. Faculty salary is a big issue; it's tough to get instructors to stay in the teaching capacity when salaries at private organizations are so high.

There is an opportunity for more collaboration among business, employers, and higher education institutions. The WSA believes that this growth trend in the industry is going to continue. There will be a need for basic interaction with computer products, and analysis, integration kinds of skills. There is tremendous growth potential for the two-year technology degrees.

WASHINGTON PROMISE SCHOLARSHIP

Mr. Gaspard introduced this item for Board action. The Governor has proposed creation of the Promise Scholarship that would provide two-year's worth of scholarship to the top 10 percent graduating students of each of the high schools in our state whose family income is at, or below, 135 percent of the median family income in this state. The HECB has always placed a high priority on expanding access to higher education, and the Board has historically supported programs that reward outstanding academic performance. The Promise Scholarship also would complement the State Need Grant program by expanding financial assistance for low- and middle-income students.

ACTION: Ms. Kristianne Blake moved for consideration of Resolution 99-15. Ms. Ann Ramsay-Jenkins seconded the motion, which was carried unanimously.

Adjourned: 3:15 p.m.

RESOLUTION NO. 99 - 09

Whereas, In 1998 the Legislature directed the Higher Education Coordinating Board (HECB), Eastern Washington University (EWU), and Washington State University (WSU) to examine fully how the state can best use its public investment in higher education in eastern Washington and the Spokane area and continue to provide the highest quality education for students; and

WHEREAS, In December 1998 the HECB granted conditional approval for *EWU's Mission and Operating Plan*, pending the April 1, 1999, completion of

1. An analysis of Spokane-based programs that will be returned to Cheney, discontinued, or continued to be offered in Spokane because of "documented demand, unique partnerships, and demonstrated efficiency," as stated in SSB 6655 and further defined by HECB;
2. An overview of contemplated degree programs in future years, both at the main campus and in Spokane;
3. A discussion of centers of excellence for EWU's main campus; and

WHEREAS, The HECB has reviewed the final program plan with EWU, and based on said review has prepared recommendations, dated April 14, 1999, for HECB consideration; and

WHEREAS, EWU has satisfactorily described how each program proposed to be offered in Spokane meets criteria in SSB 6655 for location in Spokane;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board hereby approves Eastern Washington University's final program plan, submitted April 1, 1999; and

BE IT FURTHER RESOLVED, That the Higher Education Coordinating Board commends and expresses its sincere appreciation to the EWU higher education community. Program review is a critical and challenging assignment. EWU has taken positive steps to refocus higher education services at its main campus in Cheney, and in the region.

Adopted:

April 14, 1999

Attest:

David Shaw, Secretary

Larry Hanson, Member

RESOLUTION NO. 99-11

WHEREAS, The Evergreen State College is proposing to establish a Bachelor of Arts in Community-Determined Native American Studies, on statewide basis, as institutional resources are available and demand fluctuates; and

WHEREAS, The Evergreen State College has a special goal of promoting both culturally relevant education for Native American students and cultural literacy in the wider population; and

WHEREAS, Numerous Native American tribes in Washington have asked The Evergreen State College to offer its program in their communities; and

WHEREAS, The program will provide greater higher education opportunities to Native Americans and prepare tribal members to assume a variety of careers and leadership positions in their communities; and

WHEREAS, The program exemplifies diversity in higher education and its assessment plan is well suited for a program of its nature; and

WHEREAS, Resources are available to support a quality program and support services; and

WHEREAS, The costs are reasonable and reflect the wise use of state resources;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves The Evergreen State College request to establish a Bachelor of Arts in Community-Determined Native American Studies on a statewide basis, effective summer term 1999.

Adopted:

April 14, 1999

Attest:

David Shaw, Secretary

Larry Hanson, Member

RESOLUTION NO. 99-12

WHEREAS, Washington State University has requested approval to establish a Bachelor of Arts in Computer Science at its Pullman, Tri-Cities, and Vancouver campuses; and

WHEREAS, The program addresses the critical need for computer science professionals in the public and private sectors; and

WHEREAS, Student interest in the program is keen; and

WHEREAS, The program of study and resources are adequate to accommodate student needs; and

WHEREAS, The three external reviewers shared their strong support for the program and attested to its quality; and

WHEREAS, The costs are reasonable for offering the program;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Washington State University request to establish a Bachelor of Arts in Computer Science at its Pullman, Tri-Cities, and Vancouver campuses, effective summer 1999.

Adopted:

April 14, 1999

Attest:

David Shaw, Secretary

Larry Hanson, Member

RESOLUTION NO. 99-13

WHEREAS, Washington State University has requested approval to establish a Bachelor of Science in Computer Science at its Vancouver branch campus; and

WHEREAS, The program addresses the critical need for computer science personnel in the public and private sectors; and

WHEREAS, Student interest in the program is high; and

WHEREAS, The program of study and resources are sufficient to accommodate student needs; and

WHEREAS, The costs are reasonable for offering the program;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Washington State University request to establish a Bachelor of Science in Computer Science at its Vancouver branch campus, effective summer 1999.

Adopted:

April 14, 1999

Attest:

David Shaw, Secretary

Larry Hanson, Member

April 1999 HECB Master Plan Work Session

May 1999

EXECUTIVE SUMMARY

On April 14, 1999, at a work session on the 2000 Master Plan, the HECB discussed three policy papers, but did not adopt resolutions regarding findings or recommendations on two of the three papers.

Master Plan Policy Paper #3: E-learning. This paper laid out the following definitions that could be used in the master plan process in discussions about the use of electronic technology to deliver postsecondary education:

1. *Distance learning* means:

- Teachers and students in a given course or program are separated for at least 75 percent of the contact hours; and
- The content has been specifically designed as a course of study to increase and assess student knowledge or skills; and
- An education institution provides the course content and is responsible for assessment of student achievement through credits, certification, or degrees.

2. *Multi-modal or distributed instruction* means the information is delivered, and learning takes place through the use of several technologies.

Master Plan Policy Paper #1-A: Enrollment Goals. This policy paper discussed three models that could be used to describe and forecast higher education participation in Washington State. In order to reflect the desire of the HECB to recognize the many education options that students might choose to achieve higher education goals, Model Two was recommended as the most accurate and comprehensive way to forecast future and depict current postsecondary education.

In Model Two, projected enrollments are based on what individual institutions have indicated or, in the absence of institutional projections, on increases relative to expected population growth:

- **Public two-year institutions.** Fall 1998 non-state-funded FTEs are added to the enrollment base. Increases in 2010 and 2020 are proportional increases based on the state-funded increases and fall 1998 distribution between state-funded and non-state-funded FTEs.
- **Public four-year institutions.** Fall 1998 non-state funded FTEs as reported to OFM through Higher Education Enrollment Report (HEER), or reported directly to HECB through telephone inquires were added to the base enrollment. Increases for 2010 and 2020 were proportional increases based on the state-funded increases and fall 1998 distribution between state-funded and non-state-funded FTEs.

- **Other degree-granting institutions.** The current student population incorporates information provided by institutions through IPEDS, the HECB survey, HECB interviews, and Degree Authorization Act (DAA) applications. Increases in 2010 and 2020 are based on information provided by the individual schools on the HECB survey, or through HECB interviews, or, in the absence of such information, on increases proportional to the population increases.
- **At the 44 private career schools,** the student population consists of what was reported to IPEDS for fall 1997. Increases for 2010 and 2020 are proportional increases based on the population increases.

The current and projected FTE enrollments for 2010 and 2020 derived from the second model are presented in Table B.

Table B: Model 2 - Current and Projected FTEs, Public, WAICU, Other Degree-Granting, Private Career Schools

Institutional Sector	1999	2010	Difference 1999 - 2010	2020	Difference 1999-2020
Public Two-Year Institutions (n=33)					
State Funded	122,121	144,228	22,107	153,877	31,756
Non-State Funded	24,663	29,128	4,465	31,076	6,413
Public Two-Year Subtotal	146,784	173,356	26,572	184,953	38,169
Public Four-Year Institutions (n=6)					
Lower Division - State Funded	27,959	35,878	7,919	34,554	6,595
Upper Division/Grad/Professional - State Funded	53,093	81,227	28,133	107,960	54,867
Upper Division/Grad/Professional - Non-State Funded	3,417	4,937	1,520	6,009	2,592
Public Four-Year Subtotal	84,470	122,042	37,572	148,523	64,054
WAICU (n=10)					
Lower Division	9,220	12,355	3,136	12,355	3,136
Upper Division/Grad/Professional	14,302	19,166	4,864	19,166	4,864
WAICU Subtotal	23,522	31,522	8,000	31,522	8,000
Other Degree-Granting (n=38)					
Lower Division	3,160	4,951	1,791	5,962	2,802
Upper Division/Grad/Professional	6,775	11,423	4,648	14,542	7,767
Other Degree-granting Subtotal	9,935	16,374	6,439	20,504	10,569
Private Career Schools (n=44)	8,221	9,924	1,703	11,306	3,085
Model 2 Grand Total	272,931	353,218	80,286	396,808	123,877

Model Two Summary:

- Lower-division enrollment grows to 236,464 in 2010 and 249,130 in 2020
- Upper-division/Graduate/Professional enrollment grows to 116,753 in 2010 and 147,677 in 2020.
- Overall additional higher education enrollments: 80,286 in 2010 and 123,877 in 2020.

RECOMMENDATIONS

The e-learning definitions in Master Plan Policy Paper #3, and the enrollment forecasting and participation Model Two contained in Master Plan Policy Paper #1-A are recommended for adoption for the purposes of planning and the development of recommendations for the 2000 Master Plan.

RESOLUTION NO. 99-10

WHEREAS, The Higher Education Coordinating Board believes there are many paths Washington State citizens may follow in order to achieve their postsecondary education goals; and

WHEREAS, Those education goals might result in a certificate, skill-set, or degree; might occur at a public or private institution, or at a two- or four-year institution; or might occur entirely in an electronic format; and

WHEREAS, Enrollment is the common measure of participation in postsecondary education activities in this and other states; and

WHEREAS, The state's higher education enrollment can be established in terms of the participation rate of Washington citizens in higher education compared to similar measures of those in other states; and

WHEREAS, The higher education aspirations of Washington citizens are likely equal to, or greater than that of their counterparts across the nation; and

WHEREAS, Long-term projections of the state's population will fluctuate over time as will other states' participation rates and other factors used in enrollment projections;

WHEREAS, Since the 1996 Master Plan, the State has made good progress toward Master Plan enrollment goals to maintain the current participation rate for lower-division higher education, and for upper-division and graduate/ professional levels to achieve the national-average participation rate by 2010 and the 70th percentile nationally by 2020;

NOW THEREFORE BE IT RESOLVED, In order to provide as complete picture as possible of postsecondary education in the state, the Board's Master Plan for the state to the extent possible should reflect the variety of providers and their contribution to postsecondary education in the state; and

BE IT FURTHER RESOLVED, The HECB should maintain enrollment goals articulated in the 1996 Master Plan: to maintain the current high participation rate goal for lower-division enrollment, and to achieve the national average participation rate by 2010 and the 70th percentile nationally by 2020 for upper-division and graduate/ professional enrollment.

Adopted:

May 26, 1999

Attest:

Bob Craves, Chair

David Shaw, Secretary

RESOLUTION NO. 99-17

WHEREAS, The Higher Education Coordinating Board is directed by statute [RCW28B.80.330(3)] to prepare a Master Plan for higher education in the state and the next update is to be presented to the Legislature in 2000; and

WHEREAS, The use and application of electronic learning technologies will have a significant effect on the development of higher education in the next century; and

WHEREAS, An integral part of the Master Plan will be recommendations for integration of Electronic Learning (E-learning) technologies into the planning process; and

WHEREAS, Establishment of common definitions for these technologies and their applications is required for planning, coordination and evaluation.

THEREFORE BE IT RESOLVED, That the Higher Education Coordinating Board, will utilize the definitions in Policy Paper #3, "The Use of Electronic Technology in Delivering Post-secondary Education" as common terms for the purposes of developing the Master Plan.

Adopted:

May 26, 1999

Attest:

Bob Craves, Chair

David Shaw, Secretary

Master Plan Policy Paper #2-A: Non-traditional Degree-granting Providers

May 1999

ISSUE AREA

The role of independent institutions, particularly “non-traditional” degree-granting providers, in addressing the state’s enrollment demand.

POLICY ISSUE(S)

To consider the extent to which non-traditional providers will play a role in providing postsecondary education in the state of Washington.

STUDY QUESTIONS

- I. What is an independent education provider, and what is a “non-traditional” degree-granting provider?
- II. What is the likely response of various independent education providers to a growing demand for higher education?
- III. What sorts of students are likely to use non-traditional providers, and what impact will these providers have on the demand for higher education at other institutions?
- IV. Is it appropriate for public funds to be available at non-traditional institutions?
- V. What is the role of non-traditional providers in the context of higher education planning?

INTRODUCTION

The Higher Education Coordinating Board has long championed the value of broad access to higher education. The Board further recognizes the long-standing public policy of Washington to support public higher education, as a way of investing in the enrichment, education, and training of its citizens.

As the HECB seeks new ways to meet the increasing demand of citizens for higher education, a factor to be considered is the role of non-traditional, degree-granting independent providers in meeting the state’s higher education participation goals. This paper seeks to better understand these providers: their mission, their current and future service levels, and their clientele.

- I. *What is an independent provider, and what is a non-traditional degree-granting provider?*

When we speak of “independent education providers” one way to begin is by asking “independent of what?” The initial answer would be “independent of control by political authorities”— the Legislature and Governor — at least in a set of basic decisions about curriculum, admissions, and setting prices. The schools that have been historically independent of public authorities are private, nonprofit colleges and universities, either sectarian or nonsectarian.¹

For-profit degree-granting institutions / corporations have traditionally been absent from the landscape, either by custom or by law. In Pennsylvania, for example, the law forbade the incorporation of a for-profit college or university. However, in the 1990s a wave of for-profit educational corporations has been launched on Wall Street. Some, such as the University of Phoenix, have gained authority to grant degrees from regional accreditation agencies. Others, such as the Caliber Learning Network, have established partnerships with established nonprofit colleges and universities. Therefore, on the brink of the 21st century, the universe of degree-granting institutions that are “independent” (of political authorities) has been irrevocably changed: it now consists both of for-profit and nonprofit colleges and universities.

This distinction, however, is only a legal distinction. It doesn’t explain how these “independent” educational institutions actually operate, or, most important, how they will respond to a burgeoning demand for higher education. In his paper, “When Markets Matter,” Robert Zemsky suggests that all higher education institutions now operate within a highly segmented marketplace. The education marketplace is defined by students who seek some combination of prestige and convenience in their education, subject to budget constraints. At one end of the market are what Zemsky calls “selective name-brand” schools — public or private — which attract applications and enrollments from students seeking prestigious degrees. These institutions, writes Zemsky:

“...are places, settings really, for the young. It is the style and rhythms of the traditional rite-of-passage college student that dominate a name brand institution. Name-brand educations are also experiences that students buy whole, rather than in part, a semester or course at a time. What matters as well are campus amenities: field houses, good dorms, good social life, even fraternities and sororities or their social equivalent.”²

At the other end of the marketplace is what Zemsky calls the “convenience” schools. Writes Zemsky, “these institutions attract more diverse, older, more experienced, more work-savvy learners who frequently purchase their education in parts.” Seeking job-related skills and occupational certification, these learners chiefly care about “...*amenities that make their enrollment easier: flexible schedules, nearby locations, childcare, ...and parking.*”

¹ While highly autonomous in making basic operating decisions (e.g. setting prices and creating programs), even these schools have been subject to *some* regulation by public authorities, including degree authorization (Washington Code, Chapter 28B.85) and financial aid regulations (e.g. those attached to VA program).

² Robert Zemsky, “When Markets Matter,” October 1998.

Schools, like firms, compete against one another within their market segments. For example, in the Puget Sound metropolitan area the “convenience” market segment is populated by a host of degree-conferring education institutions. They include nonsectarian and sectarian nonprofits, independent for-profits, and a number of public institutions, such as Central Washington University’s centers, and several community colleges. Also operating in this marketplace are independent institutions serving mainly military bases, either through on-site adjunct faculty or distance learning technologies. New to this sector is the “virtual university” — such as Western Governors University — operated as a consortium of several states. Other programs, or selected course offerings, have become available to Washington residents exclusively through electronic technologies, especially the Internet. Over 200 institutions have been identified in this latter category, including both public and independent out-of-state colleges and universities that solicit students within Washington.

As we struggle to define the new breed of “independent” higher education provider, we find that the category name of “independents” encompasses institutions that are fundamentally dissimilar in their mission and strategies. In part, they are dissimilar because they operate in very different market segments, ranging all the way from “selective brand name” to “convenience.”

Non-traditional Degree-granting Providers

This paper is particularly concerned with degree-granting institutions labeled as non-traditional independents. All of these specialize in the “convenience market;” many, though not all, operate as for-profit providers; many began operations only within the past ten years; and most are able to initiate new sites and/or programs within short time frames in response to perceived markets. The focus of service by these providers tends to be older working students needing flexible scheduling and delivery modes. Types of programs offered are shaped to a large extent by the interests of these students, interests that frequently involve job-related training and skill development.

Although not examined in this paper, there are many postsecondary education and training activities **not** conducted in conjunction with degree programs. Several hundred trade/career/vocational schools operate in this state. These postsecondary providers —either nonprofit or for-profit — focus on specific types of workforce preparation. Often courses and programs are of short duration; many award certificates and/or provide experiences for obtaining various types of licenses (e.g., cosmetology).

II. *What is the likely response of various independent degree-granting providers to a growing demand for higher education?*

Research suggests that different types of institutions respond differently to changes in the “market” — the supply of people seeking admission to higher education. Demographic data indicate that Washington’s population is increasing, which should result in a greater demand for higher education services. As evidenced by a survey of degree-granting independent institutions (conducted by HECB in March 1999), many institutions expect to augment enrollments.

One segment of independent institutions in Washington is comprised of private sectarian colleges/universities. Ten of these, with a long history in this state, belong to the Washington Association of Independent Colleges and Universities (WAICU)³. Overall, these institutions enroll about 23,000 full-time equivalent (FTE) students, and expect enrollment to increase by another 8,000 FTE students by 2010. Within that group, at least three schools expect to maintain current enrollment levels, while the others anticipate increases. These institutions' enrollments include many in the age group characteristic of traditional students (i.e., 17 – 25 years old). These institutions offer a broad range of established degree programs in arts and sciences. In addition, many adult learners enroll in WAICU colleges and universities; several institutions have incorporated non-traditional and "convenience" elements in their programs. The range of programs and types of students at WAICU institutions presents a comprehensive spectrum of higher education services. This group of institutions plays a major role in the provision of higher education to the citizens of Washington, and will continue to meet nearly 10 percent of the state's expected enrollment demand through 2010 and beyond. Over the years, the presence of WAICU institutions has been vital to Washington's ability to educate its citizenry.

In addition to those affiliated with WAICU, most other degree-granting institutions in Washington expect enrollment increases in the future. Many, though not all, have parent institutions in another state, and operate under the Degree Authorization Act (DAA) in this state. This "other" category encompasses a range of institutions, some with a long history in Washington. Some are "traditional," and several are "non-traditional." In total, these institutions will accommodate about 6,400 additional FTE enrollments by 2010. (For more information about enrollment projections, see "Master Plan Policy Paper #1-A: Master Plan Enrollment Goals and Enrollment Forecasting Analysis," HECB, April 1999.)

Degree-granting Non-traditional Providers

A subset of the "other" category just discussed, encompasses what this paper calls *independent degree-granting non-traditional institutions*. There is no clear delineation between "traditional" and "non-traditional." Hence, no exact enrollment figures are attributed to "non-traditional," and this is not a category in the April 1999 HECB "Master Plan Enrollment Goals" paper. But several institutions in this state exhibit attributes of this designation. These non-traditional providers may be nonprofit or for-profit, but operate either entirely or in part in the "convenience" market segment. They are positioned to respond in similar ways to an increasing demand for higher education: by increasing enrollments.

For-profit institutions may differ from nonprofit institutions, not so much in their aims as in their access to capital — and therefore, to newly developed learning technologies. These institutions are likely to open new locations quickly in convenient suburban locations, introduce new courses, and employ the latest learning technologies. They will be able to lease space and add instructors in a short time period. Nonprofit institutions that operate either wholly or in part in the convenience market segment may do so as well.

³. Members of the Washington Association of Independent Colleges and Universities (WAICU): Gonzaga University, Heritage College, Pacific Lutheran University, Saint Martin's College, Seattle Pacific University, Seattle University, University of Puget Sound, Walla Walla College, Whitman College, and Whitworth College.

At the moment, *for-profit providers* are a small part of the degree-granting higher education marketplace. According to estimates for the nation as a whole, “for-profit and non-traditional” providers comprise two percent of the market.⁴ Here in Washington for-profit enrollments are relatively small. According to the HECB survey (March 1999), ten for-profit institutions now enroll about 1,400 FTE students in Washington. By 2010, this number would expand to about 4,200 FTE students, based on projections derived from the survey. If these projections materialize, for-profit degree-granting institutions would account for about 3.5 percent of the total enrollment **increases** projected for the state by 2010; their total share of all higher education enrollments in Washington would continue to be approximately 1 percent.

The emergence of non-traditional degree-granting institutions is recent. Survey results can inform planning to some extent, but it is unknown whether greater numbers of such institutions will assume a larger share of higher education services in Washington. Currently, the University of Phoenix is the most well known of the for-profit providers. Enrolling nationally 50,000 students in 65 sites, the University of Phoenix focuses solely on working adult students. In 1997, Phoenix opened its first site in Bellevue, Washington, and by January 1999, the site enrolled nearly 700 FTE students.⁵ The institution has estimated that FTE enrollment in Washington may reach 2,500 by 2010. Phoenix tends to enroll students who might not otherwise be participating in a degree program but for the convenience and flexibility of the programs they offer. Many convenience / for-profit institutions focus on adult learners, which may contribute to Washington’s goal of increasing upper-division and graduate-level enrollments in this state.

Many nonprofit degree-granting colleges and universities array their programs and course schedules to accommodate the needs of working students. Some, while directing the core of their efforts toward traditional, on-campus students, also offer weekend and evening classes. Others view their core mission as that of “convenience” provider, with the majority of programs and schedules designed to meet the needs of working students. Most institutions of higher education have moved toward convenience- or student-centered programming, at least to some degree.

Identifying which nonprofit institutions should be classified wholly in the “convenience” market sector is difficult. Although several might fit the designation, one that is often mentioned is City University. City University has conducted programs and courses in several sites around the state and beyond, and has expanded overall enrollment numbers quickly. Currently, their Washington state enrollment is slightly over 5,000 students (headcount).

Another example is Chapman University with a current enrollment of about 500 students. Although Chapman operates at five military bases, only 40 percent of their students are affiliated with the military. The institution is considering expansion into other sites, and projections for future enrollment are characterized as “nearly unlimited” (HECB survey, March 1999).

⁴. Marchese, “The Shape of Things to Come,” 1998.

⁵. Interview, Craig Swenson, Northwest Regional Director, University of Phoenix, 1-14-99, Bellevue, Washington.

III. *What sorts of students are likely to use non-traditional institutions, and what impact will these providers have on the demand for higher education at other institutions?*

Initial analysis indicates that, generally, for-profit institutions enroll working adult learners.⁶ At the University of Phoenix, for example, the average age of students is 35, and 85 percent of students are between the ages of 25 and 49.⁷ Its students are slightly more likely to be female than male (55- 45 percent), and fully 37 percent are not of European ancestry.⁸ It is likely that many non-traditional providers respond to students with this student profile.

Adult learners highly prize convenience and generally they are uninterested in forming attachments to residential collegiate life. Discussing his national study of their attitudes Arthur Levine writes, “they wanted a different kind of relationship with their colleges than undergraduates have historically had. They preferred relationships like those they already enjoyed with their bank, their gas company, or their supermarket.”⁹

Demographic characteristics: Non-traditional providers tend to eschew majors and courses in the social sciences, the humanities, the natural sciences, or costly applied sciences. But they *have* offered adult students what they want: courses and majors that are directly job-related, such as business management, information technology, education, and health care. Conversely, traditional students — those in the 17-25 age range — are likely to be among those who continue to seek traditional kinds of educational institutions that provide them with more traditional settings.

Geographic distribution: Another way of thinking about “which students” are served by non-traditional providers is to focus not on demography, but on geography: where will these providers choose to locate? Focused on adult students who are looking to augment their work-related skills at convenient locations, these schools generally have chosen to locate in the shopping malls and office parks of fast growing and affluent suburbs throughout the nation.¹⁰ Neither rural communities nor inner cities are likely venues for newer non-traditional institutions. King County suburbs are currently under consideration for additional University of Phoenix sites, for example.¹¹

⁶. For a list of major for-profit higher education companies, see “For-Profit Higher Education Sees Booming Enrollments and Revenues,” *The Chronicle of Higher Education*, January 23, 1998.

⁷. 1998 Fact Book, University of Phoenix, p. 10.

⁸. The race and ethnicity of entering students in 1998 was: Hispanic (14 percent), African-American (14 percent), Asian (6 percent), Native American (1 percent), unknown (2 percent), White (63 percent).

⁹. Levine, “How the Academic Profession is Changing,” *Daedalus*, Fall 1997.

¹⁰. The University of Phoenix, for example, “leases multiple sites in many of the cities where it operates, choosing them so that no student has to drive more than twenty minutes to get to class” (Traub, 1997). The University routinely undertakes a zip code analysis of its enrolled students, and each community that contains more than 200 students receives its own “learning center.”

¹¹. Interview, Craig Swenson, Northwest Regional Director, University of Phoenix.

Impact on public and other independent higher education institutions: Given the pricing strategies and target market of non-traditional institutions, the impact of their competition for students is likely to be felt chiefly by other independent, traditional institutions. The prices per credit hour of many traditional independent institutions are higher than those of non-traditional providers, and they lack the capacity to lower prices by providing larger subsidies to students (e.g. financial aid).¹² Nonprofit institutions operating in the convenience market often look to business administration and similar programs for a large share of their net revenues, and may rely upon them to subsidize programs with few majors or high costs. Should they lose enrollments in these revenue-generating programs, they could well find themselves in financially constrained circumstances.

And what of public institutions? Colleges and universities serving traditional residential students will be less affected, since they operate in a different market. However, it may be a different situation for public institutions that operate within the Puget Sound metropolitan area that also serve the convenience market. The state's long-standing policy of public investment in higher education allows public institutions to operate with tuition and fees that create broad public access to higher education. Those rates are lower than those of non-traditional competitors. Hence, students who are likely to select a non-traditional provider over its public competitor will be those who are willing and able to pay for the convenience, or whose tuition and fees are substantially subsidized by their employers.

IV. *Is it appropriate for public funds to be available at non-traditional institutions?*

State Support to Institutions

State appropriations support the cost of instruction at public universities, colleges, and community and technical colleges.¹³ Although tuition paid by students contributes revenue to institutions, on average about two thirds of the cost of instruction at public institutions is comprised of state tax revenues. There is no similar support for non-public institutions; state funds have generally been provided to **students** enrolled in these institutions, rather than directly to the institution itself.

¹². "For-Profit Higher Education: Godzilla or Chicken Little?" Gordon Winston, Williams Project for the Economics of Higher Education, November 1998.

¹³. This sum, the "state funded instructional cost per undergraduate," is estimated to range from 3,336 at community and technical colleges to 5,091 at the comprehensive institutions. Source: "Total Weighted Average State Instructional Cost by Sector Per FTE Undergraduate and Graduate Student, FY 1999"

Financial Aid Currently Available to Students

In addition to the state's policy of support for public higher education institutions, Washington also supports broad access to higher education by directly helping students to pay for their education. This direct aid consists of state funds for individual students provided through several programs, mainly State Work Study, State Need Grant, and the Educational Opportunity Grant programs. In addition to students attending public institutions, most nonprofit independent providers, with their base location in this state, are eligible for their students to participate in these state-funded financial aid programs.

Issues Surrounding Public Support of Non-traditional Providers

Institutional support: There is no precedent in Washington of institutional support to either nonprofit or for-profit independent postsecondary education institutions. There is, however, ample precedent for public dollars flowing to for-profit corporations in *other* policy areas, including for-profit providers of social services, such as nursing homes and hospitals. If full utilization of all public higher education facilities is eventually achieved, it might be appropriate to ask whether it is feasible for the state to contract for higher education services from non-traditional providers.

Any examination of future support of non-traditional institutions would entail many considerations, including costs and benefits of public institutions compared to their non-traditional counterparts. Another concern would be the issue of "quality" of non-traditional providers. Though of critical importance, reliable indicators of quality are difficult to define and measure.

Financial aid: Under current law, many non-traditional colleges and universities may not be eligible for participation in state financial aid programs – particularly if their institutional accreditation is not in compliance with existing requirements. State statutes articulate which schools are eligible to participate in the State Need Grant and Educational Opportunity Grant programs in this way:

“...any institution, branch, extension, or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association...” (RCW 28B.10.802)

Many non-traditional providers in Washington are affiliated with out-of-state parent institutions, and their accreditation does not conform to current regulations.

On the other hand, students who currently attend non-traditional institutions may place little demand on existing direct-aid programs, since they are adult learners who are often employed on a full-time basis. For example, of students enrolled at the University of Phoenix, roughly half

are reimbursed by their employers for their schooling,¹⁴ and they rarely qualify for federal need-based aid.¹⁵

Any future examination of state financial aid policies in the context of non-traditional providers would involve several concerns:

- Will the number of non-traditional providers increase significantly, and/or will existing institutions focus more intensely on convenience markets? If non-traditional providers enroll more students, will there be a greater demand for financial aid for these students?
- If the convenience orientation increases, will more institutions deliver courses with alternative modes (Internet, video, etc.) and will these qualify for assistance under existing financial aid regulations (state and federal)?

HECB Master Plan goals recognize the need for many kinds of postsecondary education and training; many unique pathways are acknowledged as legitimate and appropriate to fulfill the needs of the state's citizens. In the context of the Master Plan, financial aid considerations related to non-traditional providers may need to be examined.

V. *What is the role of non-traditional providers in the context of higher education planning?*

The emergence of non-traditional degree-granting providers, particularly those that are for-profit, has added a new dimension to planning for higher education services in the state. Although these institutions serve a small proportion of total enrollment currently, it is unknown whether these providers and their associated enrollment levels will increase significantly in the future. At the very least, it seems that a focus on "convenience" and service to students will likely grow, both at traditional and non-traditional institutions.

HECB Master Plan enrollment projections have taken into account the current levels of service among these non-traditional providers and extrapolated future expectations. But predicting with certainty the nature and scope of non-traditional contributions to future higher education in the state is not possible at this time. The current enrollment and future enrollment plans at independent institutions will continue to be monitored and analyzed as the Board seeks every opportunity to enhance access to postsecondary education in Washington State.

¹⁴. Telephone interview with Karen Spahn, Director of Institutional Research, University of Phoenix.

¹⁵. Fewer than 5 percent of UOP student qualify for Pell Grants. Interview, Karen Spahn, Director of Institutional Research, University of Phoenix.

Master Plan Policy Paper #3-A: Strategies to Enhance Higher Education Access through E-learning

May 1999

ISSUE AREA

The use of electronic technologies to enhance access to postsecondary education.

POLICY ISSUE

What initiatives will foster use of electronic technologies to enhance postsecondary education in Washington State?

STUDY QUESTIONS

- How can the state leverage its investment in the K-20 Network to expand educational opportunities?
- How can e-learning technologies be used to support a learner-centered system?
- How could traditional practices be realigned to integrate electronic learning into the traditional learning environment?

INTRODUCTION

Washington State is a recognized leader and innovator in applying information technologies to matters of public policy. In 1997 and 1998 the state won the coveted “Digital State” award from the Progress and Freedom Foundation, in association with the publication *Government Technology*. The foundation noted that Washington State uses technology to eliminate barriers between departments so that when citizens interact with state agencies, the transactions are smooth.

According to @ccesswashington, winning this award “validates Governor Gary Locke’s priority to make government more responsive and efficient by using technology to help citizens get better service from their government.”¹⁶

It is fitting, therefore, for the state’s education institutions to take a parallel approach in serving the education needs of its citizens. In the “Digital State,” advanced information and learning technologies can make education more accessible, responsive, and efficient. And technology can

¹⁶ <http://access.wa.gov/news/news0912.asp> 5/10/99

help students focus on their learning objectives and education goals while reducing the barriers to achieving them.

The 1996 Master Plan acknowledged technology's new and growing role in providing instruction, and raised a number of key questions regarding investment, productivity and student learning.

Since then, the use of technology in instruction has continued to grow and to consume ever-greater amounts of budgets, staff time, and resources. The State has installed the K-20 network, providing network infrastructure designed to meet Washington's diverse needs, allowing "students and educators in every community to use the Internet, video-conferencing and satellite-delivered video programs to share information, conduct research and communicate with one another without the traditional constraints of time, distance or resources."¹⁷

Phase 1 of K-20 connected Washington's educational service districts; the main and branch campuses of all six baccalaureate institutions and main campuses of the 32 community and technical colleges. Phase 2, soon to be completed, adds 296 school districts, the public higher-education off-campus and extension centers, branch campuses of the community and technical colleges and the independent non-profit baccalaureate institutions. Subsequent phases could add public libraries, state and local governments, and community resource centers to the network.

Distance learning options have been particularly attractive for those seeking new strategies to expand access to higher education in a restricted budget environment. However, the cost of incorporating technology may be more of a challenge than originally expected. Early discussions lead to the hope that investments in technology would yield economies of scale and diminishing marginal costs once the basic infrastructure was in place. However these savings are proving to be elusive, if not non-existent.

In fact, technology does not replace costs, it simply adds another kind of cost to the equation. In some cases it may change the nature of costs, but there is no evidence that total costs do anything but keep growing. Heavy reliance on technology may reduce the need for bricks and mortar expenses, but increase the costs of acquiring equipment, upgrading equipment, developing courseware, technical support, student services, and information and communication costs. This is not to say technology should not be integrated into higher education as both a quality and access tool, but it is to say that that these tremendous opportunities will not come at bargain prices.

Education is not about wires and infrastructure or bits and bytes. It is not about computers or connectivity. Education is about people and ideas and processes and progress. It is about giving people the tools and understanding they need to lead richer and more productive lives. Washington's vision for electronic learning must therefore go beyond a static understanding of a technological environment — one that could radically change with each new technological breakthrough — to a systemic approach to e-learning that demands innovation, quality, vision, and collaboration to serve our learners and our economy.

¹⁷ <http://www.wa.gov/K20/>

HOW CAN THE STATE LEVERAGE ITS INVESTMENT IN K-20 TO EXPAND EDUCATIONAL OPPORTUNITIES?

Electronic learning technologies provide instructional opportunities in many ways, whether on campus or at a distance. Faculty use electronic technologies, for example, to support campus-based classes through web pages, online resources, and electronic discussion groups. Off-campus, the World Wide Web can deliver entire courses to the distance learner. Some schools teach classes away from their home campus and take advantage of two-way interactive video to connect faculty and students.

The K-20 network enables institutions to interconnect bringing digital transmission capacity to the doorstep. This is analogous to bringing electricity to the home. The capacity is of little use without the internal wiring or the appliances that make use of the electrical current. In order to take advantage of K-20, the state will need to leverage its initial investment in the network by fostering collaboration and resource sharing, and by supporting the learning communities that use K-20's digital resources.

Foster Coordination Among Education Sectors and Shared Use of Learning Facilities

There are a host of locations around Washington State where people go to learn. Each of the public baccalaureate institutions has branch sites in some form, whether established branch campuses, rural learning centers, or resources found in towns, communities or neighborhoods. Some of these operate jointly with community colleges and their many off-site centers, while others rely on community libraries or health facilities; still others are classrooms and computer labs in rented storefronts and old schools.

In addition, many communities have created their own computer labs to provide Internet access for their citizens. Phase I of the K-20 system provided Internet connectivity to school districts throughout the state. But connectivity and infrastructure are not enough. Aggregation and shared use of these makes sense. The state could leverage investments in technology and infrastructure by taking inventory of existing sites, including state-run facilities and those available through non-profit organizations and industry. Then a coordinated effort could be made to help these sites leverage their human, technical and instructional resources in a coordinated fashion to serve the lifelong learning needs of Washington's citizens. Rather than build new buildings, the state could contract with such facilities to become distributed learning centers with the technical and human resources to provide educational resources and student services, including enrollment, advising, technical support, student mentoring, and computer labs or electronic classrooms.

Phases I and II of the K-20 network provided connectivity to public schools and colleges throughout the state. To help the state realize the potential of its initial investment and take full advantage of this new resource, operational and organizational components will be needed. Additional hardware, software, support staff and training, as well as creative ways to share responsibility for site operations and accessibility, are some of the issues that will need to be addressed. By organizing and sharing resources, for example, college classes could be offered in

empty high school classrooms at night; community college classes could fill (predominantly daytime) unused capacity at branch campuses.

Although there are many existing facilities, currently, the host institutions must individually maintain and supply them. Coordination exists within the K-12, community and technical college, and baccalaureate sectors but not *among* them. Some rooms and labs are heavily used and in high demand, while others lie fallow for lack of incentive, interest, or funding. In addition, whenever an institution wishes to use a shared facility, it must individually coordinate and contract with the host. The HECB could assist by taking inventory and coordinating a resources utilization assessment to help maximize use of existing facilities.

Capital funding decisions could encourage and prioritize shared use of facilities and facilitate physical change or expansion that supports e-learning. While some institutions have excess capacity, others are too full. Some existing or potential facilities need to be redesigned or spaces retrofitted to maximize their usefulness. The state's capital funding priorities and K-20 planning could provide incentives for institutions to collaborate in the development of new capacity (physical space, infrastructure, and technology) within existing facilities.

E-learning facilities could be recognized and funded as capital expenditures. If technological infrastructure is to extend the capacity of existing facilities and serve growing or under-served communities, then the cost of technological infrastructure investments could be similarly funded. Until now, the costs of computers and learning labs have been funded in a number of ways — often through special subsidies, and external funding. To be sustainable, technology must not be viewed as an “add-on” when funds are available, but incorporated in the capital planning for instructional capacity.

HOW CAN E-LEARNING TECHNOLOGIES BE USED TO SUPPORT A LEARNER-CENTERED SYSTEM?

Prudent combination of digital and human resources will help the state provide students and families with information about education opportunities. Coordination of information and data keeping practices will help institutions realign their administrative practices to support e-learning.

With existing technology, students today in theory should be able to enroll or learn anytime, anywhere. To achieve this goal, first the state would need to provide students and parents with complete information on available education programs by career or academic goal, geographic area, and institution.

The state also would need to provide students with “one-stop shopping” through electronically supported enrollment services. A shared web site and database of available classes and programs would integrate and market the state's instructional offerings and student services through a coordinated intake and referral system. Such a system could incorporate advising, financial aid, and enrollment assistance in addition to listing courses and programs. Some of this effort could be supported through resources on the K-20 network. These, in turn, could be supplemented with

human and technical support at distributed learning centers. The organization, management, and personnel required to coordinate such a system would require the commitment of all state institutions and centralized funding to support the effort.

Institutions in the digital state also, theoretically, have the ability to coordinate their administrative and instructional information systems. The information age could facilitate consistent data management and warehousing practices across institutions. To that end, administrative systems for record management and credit transfer could be coordinated across institutions and sectors.

On the instructional side, consistently coded information systems could make course data accessible for prospective students and their advisors. Such data would assist the state in tracking program developments such as delivery methods and student retention. Once in place, such practices would create efficiencies for both students and institutions and would support statewide online access to classes and services.

Statewide, student services could be handled through a clearinghouse with cross-trained student service technicians. Currently, student services are campus- or institution-based; student credits are re-evaluated if the student wishes to transfer credits among institutions. In a shared intake environment, backed up by a comprehensive data-base, personnel could focus on the human-to-human aspects of helping students follow many pathways to a degree or certificate. This would require that student services personnel receive cross-training to support shared intake and recruitment efforts.

Once the online environment is created, it will be important to use multiple media to reach students and their parents. It is not enough simply to create a web site or intake unit and wait for people to find it. A focused information and outreach effort throughout the state would help ensure that potential students know where to find information about the state's higher education opportunities. This would be particularly critical for learners in rural areas where education facilities are few and far between. This outreach effort would identify and leverage information partnerships with K-12 schools, libraries, and employment and community centers. This information "campaign" would continuously promote the availability of the online and centralized resources through all media, including print, radio, television, and online.

Using E-learning Technologies to Serve Non-traditional Learners and Those in Rural Areas

Non-traditional learners may find education programs more accessible if they were offered in compressed, revolving, or alternative scheduling that maximizes use of time on site, and makes use of technological delivery of instruction wherever feasible. The state could encourage and support partnerships with industry to install and support short-term or revolving specialized learning facilities. This could include a "loaned executive" project to supply managers and faculty for niche market programs such as computer science education.

E-learning technologies can help institutions revolve programs among institutions and geographic locations. For example, institutions could offer specialized degree programs at three

locations over six years. Nursing, social work, or environmental programs could reach cohorts of rural learners on a revolving basis.

In 1971 the New York Board of Regents founded Regents College. This institution offers no instruction, but it helps individuals get degrees based on assessment and testing. When a student needs to develop specific competencies for a degree, the institution helps the student find the courses required, favoring opportunities in the student's home state. Now that courseware is widely available online, and with the advent of Western Governor's University, a state-run clearinghouse could help students coordinate, aggregate, and certify their credentials.

Integrating E-learning Technologies into the Traditional Learning Environment

The HECB recognizes that electronic learning is only one of many pathways to knowledge. There will always be the need for traditional campuses, faculty-student contact, seminars, socialization learned in on-campus life, and the synergism of an intellectual learning community. But there also will be a new feature in this environment that allows faculty to reach out across distance and time, and interact with those who cannot come to the campus.

E-learning is a supplement to traditional teaching and learning strategies; it is a tool for instruction. Students, staff, and faculty need support and resources to achieve equivalent outcomes and quality no matter the means of instruction. Faculty are critical to high-quality e-learning, just as they are to a world-class traditional learning environment.

Administrative components of a traditional campus are critical to the success of e-learning. But a learner-centered instructional environment requires administrative systems that minimize barriers to student success. Content and interaction can take place through the World Wide Web; illustrations and lessons can be delivered via video tape or CD-ROM. Yet student schedules and course design are still required to fit frameworks defined by contact hours and seat time.

Some students achieve competencies or absorb course materials more quickly than others. E-learning can provide asynchronous self-paced materials enabling the student to shorten their time-to-degree. In a traditional learning context, time and place set the framework to measure student progress. In the e-learning environment, students have many ways to gain competencies. Schools can use alternative methods to assess both prior learning and competencies in a given subject or field. The state could establish and review pilot programs to test alternatives to FTE-based funding to encourage use of these new measures.

Clearly, e-learning provides new opportunities for enhancing access to postsecondary education. But if e-learning is to be embraced as an accepted, viable, way of learning, then one challenge for the state will be to determine an affordable, predictable tuition policy for distance learning. Currently Washington State has no set policy on what tuition rate could be charged students who are engaged in distance learning. Among other policy questions, Washington needs to determine whether its tuition policies – especially those associated with self-supported distance learning programs – create additional financial obstacles for students.

And institutions and the state budget policy will need to understand that higher education faculty and staff are “knowledge” workers. Over the next ten years they will need continuous training and retooling to keep up with the changes in the new information economy. Faculty and staff development is simply the cost of keeping a top-flight workforce and could be built into hiring and retention practices and planning.

Similarly, to encourage faculty to embrace and integrate the new opportunities available through technology, faculty should be rewarded for innovation and scholarship in instructional development. Traditional faculty reward systems focus on scholarship and research. A student-centered system also would reward faculty for effective teaching and the development of new teaching methods, and for excellence in instructional development. Staff similarly should be trained, recognized and rewarded for innovative use of technology that enhances students’ access to data and services.

Meeting the Special Needs of Distance Learners

Electronic learning technology offers new strategies to meet the education needs of underserved learners in the most remote areas of our state. But to serve rural, place-bound and time-bound students may require first the realignment of organizational practices and procedures.

Some distance learners aggregate courses from various institutions while they work toward degrees, or when they are attending school on a part-time basis. Washington’s financial aid rules could be reviewed in the light of changing federal policies and constraints placed on distance learners and then realigned to serve the needs of non-traditional learners. Distance learners also need library and research services no matter where they study. The state could partner with regional libraries to provide resources for distance learners

Additionally institutional residency policies may create obstacles to rural learners achieving their goals. Residency policies are those that require learners to take a minimum number of at a given institution in order to earn a degree from that institution. Requirements that include actual presence on campus, or ‘continuous enrollment’ may unnecessarily inhibit student’s ability to complete degree programs in a modern technological world.

SUMMARY: STRATEGIES TO ENHANCE HIGHER EDUCATION ACCESS THROUGH E-LEARNING

As a ‘digital state,’ Washington is well positioned to use its digital network capacity to enhance quality in and access to higher education. It is in the interest of the citizens of the state to leverage existing investment in the K-20 system to assure that the connectivity and capacity are fully utilized.

To achieve this goal, the state, through the leadership of the HECB, may want to consider the following actions:

- *Inventory existing facilities and their operational capacity to ascertain the level of need for additional learning centers throughout the state.* Such centers could become community-based resources for access to higher education by providing technical resources such as internet access, electronic classrooms, computer labs as well as human resources for enrollment, financial aid, career/instructional matching and library services
- *Build mechanisms for cross-sector facilities management and support, and set capital funding policies to reflect the state's needs for shared use of facilities and infrastructure.* If e-learning is to function in lieu of 'bricks and mortar,' then the infrastructure and resources that make this possible must be funded as physical facilities.
- *Coordinate data reporting and management practices to facilitate a statewide database of instructional opportunities.* Advances in information technology can support learners and enhance the learning environment. Better information about courses and programs is an important starting place.
- *Integrate electronic learning into the traditional learning environment.* Methods for granting credentials, funding formulas in support of alternative learning systems, tuition and financial aid policies for distant learners are only some of the practices that could be examined.
- *Provide incentives to encourage faculty and staff to pursue the professional development needed to work productively in an E-learning environment.*

Master Plan Policy Paper #4-A: Making Best Use of Public Resources to Enhance Opportunity in Higher Education

May 1999

ISSUE AREA

How can existing facilities be better utilized to enhance higher education opportunity for Washington citizens?

POLICY ISSUES

- How will Washington State integrate e-learning technology with the use of physical spaces to expand and improve educational opportunity?
- How can the planning for additional enrollment capacity encourage and reflect institutional operating practices that promote the full use of existing and planned spaces?
- Should planning for enrollment growth be based on modifying institutional space utilization practices to optimize use of existing and planned physical spaces?
- What actions can be taken to enhance the quality of the learning environment and improve utilization practices?

STUDY QUESTIONS

- What is the existing enrollment capacity of the public institutions of higher education under current utilization standards for classrooms, class labs, and faculty offices?
- How do adjustments in (1) the average weekly hourly use of instructional space and (2) the average weekly hours of “seat-time” in classrooms and class labs affect projected enrollment capacity?
- How can these adjustments in space utilization be implemented to improve the quality of the educational experience?
- What are the constraints associated with achieving increased utilization levels?
- What is the practical range of institutional growth capacity?

OVERVIEW

As part of its Master Plan work session conducted at on April 14, staff provided a preliminary analysis of institutional enrollment capacity. That analysis included a review of the methods used in estimating enrollment capacity. And it covered the calculations of enrollment capacity for the public four-year and two-year institutions using existing space utilization standards.

The work session included a discussion of the feasibility and effect of changing utilization practices to achieve greater enrollment capacity. Specifically, the Board review data to demonstrate the impact of increasing the average number of hours that classroom and class lab stations are used each week. Also, the board discussed the effect of reducing weekly “seat-time” through e-learning while maintaining or even increasing actual student/faculty contact hours. The Board discussed the distinction between capacity estimates based upon calculation per utilization standards, and the actual enrollment capacity of an institution given regulatory, physical, and cultural growth constraints.

The purpose of this paper is to compare the earlier reported *calculated* capacity estimates and institutional growth estimates to the public sector year 2010 enrollment goals being developed and proposed in the Master Plan. Based upon this comparison, this paper also offers recommendations concerning utilization goals, enrollment planning and management, and capital budgeting priorities.

Enrollment Capacity

Tables 1-3 summarize the student FTE enrollment capacity associated with classrooms, class labs, and faculty office space for the four-year institutions and the community and technical college system.¹⁸ These capacity estimates are based upon both existing and planned space. When capacity is calculated on the basis of existing utilization standards, the following data are generated:

- The four-year institutions could accommodate about 118,000 student FTE in existing and planned classrooms, 121,000 student FTE in class labs; when calculated at existing student-to-faculty ratios, there are sufficient faculty offices to serve about 98,000 student FTE.
- The community and technical colleges could accommodate about 97,000 student FTE in existing and planned classrooms, and 136,000 student FTE in class labs.^{19, 20}

Table 4 provides the institutional estimates of growth capacity for the year 2010 and compares these levels with the total classroom capacity estimated in Table 1. As discussed at the April work session, an institution’s estimate of growth capacity reflects the enrollment level that can

¹⁸ See Appendix A for four-year institution and community and technical college detail.

¹⁹ The class lab capacity data for the community and technical colleges continues to be refined and represents an estimated system average for weekly science lab contact hours.

²⁰ The community and technical college capacity estimates are system totals. Appendix A contains the specific estimates for each of the colleges.

be accommodated in view of regulatory or physical constraints, as well as institutional policies concerning the desired enrollment level for a campus and its programs. These institutional estimates assume that capital projects in the planning stage will be adequately funded for construction.

As can be seen in Table 4, the public four-year institutions are reporting a year 2010 growth capacity of about 127,000 student FTE, some 9,000 FTE above the calculated capacity associated with existing and planned classroom stations.

The State Board for Community and Technical Colleges (SBCTC) has reported projected enrollment levels for its 33 campuses in the year 2010 to be about 146,000 student FTE. This level exceeds the calculated capacity by nearly 50,000 student FTE (see Table 4 and Appendix A).

Increasing Enrollment Capacity by Changing Utilization Practices

Table 5 illustrates the effects on calculated capacity of (1) increasing the hours of weekly classroom station use to 24 hours per week, and (2) decreasing the average weekly seat-hours in classrooms by 1.5 and 2.0 hours per week through non-seat time, e-learning lecture contact hours.

For the four-year public institutions classroom enrollment capacity increases from the current standards estimate of approximately 118,000 FTE to 149,000 FTE under the following assumptions:

- moving to an average of 22 hours per week of scheduled classroom station hours; and
- assuming that the average student FTE would generate one and one-half lecture contact hours per week through e-learning.

If 24 scheduled classroom station hours per week and two hours of e-learning were assumed, classroom capacity would increase to about 171,000 student FTE.

For the community and technical colleges, classroom enrollment capacity increases from the current standards estimate of approximately 97,000 FTE to 111,000 FTE under the following scenario:

- maintaining the current SBCTC standard of an average of 23 hours per week of scheduled classroom station hours; and
- assuming that the average student FTE would generate one and one-half lecture contact hours per week through e-learning.

If 24 scheduled classroom station hours per week and two hours of e-learning were assumed, classroom capacity would increase to about 116,000 student FTE.

With respect to the four-year institutions, it is important to note that the effect of increased utilization and e-learning assumptions appears to exceed currently defined estimates of institutional growth capacity. However the premises underlying these growth constraints may change or not be relevant to new assumptions about student participation characteristics. In

many ways, current notions about the permitted or desired level of campus enrollment assume both a continuation of existing trends in the daily and hourly use of facilities by on-campus students, and the convention of “seat-time” as the method of generating contact and credit hours.

Currently, it is difficult to distinguish between total campus *enrollment* from daily on-campus *attendance*. But as facilities are used more fully through the day and week, and as e-learning opportunities reduce the concentration of students on-campus at any one time, then it will be possible to differentiate total campus enrollment from daily on-campus attendance. In the future, institutions actually may generate many more FTE than the amount generated through traditional “seat-time” contact hours.

The 1999-2001 Capital Appropriations Act contains proviso language that addresses this point. This language (Section 916 – Substitute House Bill 1165) requires the four-year institutions to report to the Office of Financial Management and the HECB on plans to increase branch campus enrollment capacities through increased utilization and e-learning initiatives.

2010 Enrollment Goal Analysis

Table 6 compares fall 1998 student-FTE enrollment levels with both calculated classroom capacity and institutional growth levels to state-funded 2010 enrollment goals for public institutions. For the four-year institutions there is close correspondence between calculated capacity and the state-funded enrollment goals for 2010 (118,000 student FTE and 117,000 student FTE, respectively). Additionally, the four-year institutions have reported an institutional growth level totaling about 128,000 student FTE.

With respect to the community and technical colleges, the enrollment levels reported by the SBCTC for 2010 (146,200 student FTE) exceed the calculation of classroom capacity per current standards by about 50,000 student FTE. However, this campus enrollment projection closely parallels the year 2010 enrollment goal of 144,000 student FTE for the community and technical colleges.

These data suggest that, in order to meet the Board’s policy of sustaining the current participation level for lower-division enrollment, and increasing the upper-division and graduate participation levels to the national average by 2010, integrated and consistent capital budgeting priorities will be needed between the two-year and four-year sectors. Specifically, capital spending priorities should recognize areas of population growth and density, institutional utilization practices, and initiatives concerning enrollment distribution within the four-year sector.

In summary, it appears that the Board’s 2010 enrollment goals for upper-division and graduate participation can be met if (1) all projected classroom and class lab capacity throughout the state is utilized, and (2) funding for access-related projects currently being planned is obtained. Achieving this classroom and class lab enrollment capacity will require additional office space, student support space, and infrastructure improvements at the campuses of the four-year institutions.

However, the outlook for lower-division enrollment is not as clear. Calculated capacity at the community and technical colleges is significantly below the Board's 2010 enrollment goals. While the SBCTC has reported institutional growth levels that mirror the goals, neither existing capacity, projects being planned, nor the content of the SBCTC's current 10-year capital plan indicate how the additional growth capacity reported by the SBCTC will be achieved.

Recommendations: Making Best Use of Public Resources to Enhance Opportunity in Higher Education

For both the public four- and two-year sectors, it is recommended that:

1. The Board adopt the utilization goal of 22 average weekly hours of classroom station utilization by 2010 and 24 average hours by the year 2020.
2. The Board incorporate an e-learning assumption of 1.5 weekly lecture and lab hours by 2010 and 2 hours by 2020 and monitor this utilization on an annual basis with capacity estimates adjusted accordingly.

For the public four-year institutions, it is recommended that:

3. (a) All capital projects currently being planned, designed, and constructed should be funded and completed to create classroom and class lab capacity needed to accommodate 2010 enrollment goals; and
(b) Additional office, student support space, and other infrastructure enhancements will be needed on the campuses of the four-year institutions to accommodate enrollment growth.
4. The Master Plan recommend enrollment policies to fully utilize excess available capacity at upper-division institutions in eastern Washington.
5. On-going planning efforts be funded to promote upper-division access opportunities in the Puget Sound area.

For the community and technical colleges, it is recommended that:

6. The Board request the SBCTC to re-examine its current 10-year capital plan in view of the projected enrollment and space shortages within the community and technical college system, and to advise the Board on how the SBCTC capital budgeting process and priorities will address lower-division enrollment demand in high population growth regions.

TABLE 1
STUDENT FTE CAPACITY per CURRENT STANDARDS by TYPE OF CAPACITY
CLASSROOMS

SECTOR INSTITUTION	EXISTING CAPACITY	UNDER CNSTRCTN.	IN DESIGN PHASE	1999-2001 PROPOSED	TOTAL	FALL 1998 ENROLLMENT
PUBLIC FOUR-YEAR TOTAL						
Main	84,642	2,580	8,562	761	96,545	79,167
Branch	12,065	1,480	7,291	975	21,811	6,403
All Sites	96,707	4,060	15,853	1,736	118,356	85,570
UNIVERSITY OF WASHINGTON						
Main	34,345	1,843	1,141	761	38,090	33,122
Branch	1,852	1,480	2,323	0	5,655	1,830
WASHINGTON STATE UNIVERSITY						
Main	18,314	188	3,586	0	22,088	17,898
Branch	7,260	0	2,680	912	10,852 ⁽¹⁾	2,004 ⁽²⁾
WESTERN WASHINGTON UNIVERSITY						
Main	9,039	0	1,694	0	10,733	11,062
Branch	0	0	0	63	63	0
THE EVERGREEN STATE COLLEGE						
Main	3,427	0	2,059	0	5,486	4,085
Branch	492	0	0	0	492	158
CENTRAL WASHINGTON UNIVERSITY						
Main	8,973	0	0	0	8,973	6,917
Branch	1,141	0	2,288	0	3,429	978
EASTERN WASHINGTON UNIVERSITY						
Main	10,544	549	82	0	11,175	6,083
Branch	1,320	0	0	0	1,320	1,433
COMMUNITY AND TECHNICAL COLLEGES						
Main	82,079	5,778	262	2,399	90,518	113,730
Branch	5,806	154	427	0	6,387	na
All Sites	87,885	5,932	689	2,399	96,905	na
TOTAL: ALL PUBLIC INSTITUTIONS						
Main	166,721	8,358	8,824	3,160	187,063	192,897
Branch	17,871	1,634	7,718	975	28,198	6,403
All Sites	184,592	9,992	16,542	4,135	215,261	199,300

(1) Includes approximately 685 EWU FTE at Riverpoint. (2) Includes approximately 360 EWU FTE at Riverpoint.

TABLE 2
STUDENT FTE CAPACITY per CURRENT STANDARDS by TYPE OF CAPACITY
CLASS LABS

SECTOR INSTITUTION	EXISTING CAPACITY	UNDER CNSTRCTN.	IN DESIGN PHASE	1999-2001 PROPOSED	TOTAL	FALL 1998 ENROLLMENT
PUBLIC FOUR-YEAR TOTAL						
Main	90,146	699	4,952	1,789	97,586	79,167
Branch	2,243	2,470	18,822	144	23,679	6,403
All Sites	92,389	3,169	23,774	1,933	121,265	85,570
UNIVERSITY OF WASHINGTON						
Main	35,683	202	468	1,384	37,737	33,122
Branch	490	2,470	9,352	0	12,312	1,830
WASHINGTON STATE UNIVERSITY						
Main	16,872	76	1,877	355	19,180	17,898
Branch	1,716	0	5,582	0	7,298	2,004
WESTERN WASHINGTON UNIVERSITY						
Main	9,780	0	1,395	0	11,175	11,062
Branch	0	0	0	144	144	0
THE EVERGREEN STATE COLLEGE						
Main	3,230	0	875	50	4,155	4,085
Branch	37	0	0	0	37	158
CENTRAL WASHINGTON UNIVERSITY						
Main	14,745	0	0	0	14,745	6,917
Branch	0	0	3,888	0	3,888	978
EASTERN WASHINGTON UNIVERSITY						
Main	9,836	421	337	0	10,594	6,083
Branch	0	0	0	0	0	1,433
COMMUNITY AND TECHNICAL COLLEGES						
Main	75,263	22,881	28,373	6,103	132,620	113,730
Branch	3,799	na	na	na	3,799	na
All Sites	79,062	22,881	28,373	6,103	136,419	na
TOTAL: ALL PUBLIC INSTITUTIONS						
Main	165,409	23,580	33,325	7,892	230,206	192,897
Branch	6,042	2,470	18,822	144	27,478	6,403
All Sites	171,451	26,050	52,147	8,036	257,684	199,300

TABLE 3
STUDENT FTE CAPACITY per CURRENT STANDARDS by TYPE OF CAPACITY
INSTRUCTIONAL OFFICES--FOUR YEAR MAIN CAMPUSES

	EXISTING CAPACITY	UNDER CNSTRCTN.	IN DESIGN PHASE	1999-2001 PROPOSED	TOTAL	FALL 1998 ENROLLMENT
PUBLIC FOUR-YEAR TOTAL	89,448	1,764	4,146	2,307	97,665	79,167
UNIVERSITY OF WASHINGTON	34,413	1,699	887	903	37,902	33,122
WASHINGTON STATE UNIVERSITY	15,515	65	487	1,097	17,164	17,898
WESTERN WASHINGTON UNIVERSITY	11,922	0	1,188	307	13,417	11,062
THE EVERGREEN STATE COLLEGE	4,539	0	1,544	0	6,083	4,085
CENTRAL WASHINGTON UNIVERSITY	13,422	0	0	0	13,422	6,917
EASTERN WASHINGTON UNIVERSITY	9,637	0	40	0	9,677	6,083

**TABLE 4
COMPARISON OF CALCULATED CLASSROOM ENROLLMENT CAPACITY
TO INSTITUTIONAL YEAR 2010 GROWTH LEVEL**

	FALL 1998 ENROLLMENT	CALCULATED CAPACITY	INSTITUTIONAL GROWTH CAPACITY
PUBLIC FOUR-YEAR TOTAL			
Main	79,167	96,545	99,904
Branch	6,403	21,811	27,336
All Sites	85,570	118,356	127,240
UNIVERSITY OF WASHINGTON			
Main	33,122	38,090	38,410
Branch	1,830	5,655	14,090
WASHINGTON STATE UNIVERSITY			
Main	17,898	22,088	23,000
Branch	2,004	10,852	8,700
WESTERN WASHINGTON UNIVERSITY			
Main	11,062	10,733	12,500
Branch	0	63	65
THE EVERGREEN STATE COLLEGE			
Main	4,085	5,486	5,000
Branch	158	492	500
CENTRAL WASHINGTON UNIVERSITY			
Main	6,917	8,973	9,819
Branch	978	3,429	2,661
EASTERN WASHINGTON UNIVERSITY			
Main	6,083	11,175	11,175
Branch	1,433	1,320	1,320
COMMUNITY AND TECHNICAL COLLEGES			
Main	113,730	90,518	146,200
Branch	na	6,387	NA
All Sites	na	96,905	146,200
TOTAL: ALL PUBLIC INSTITUTIONS			
Main	192,897	187,063	246,104
Branch	6,403	28,198	27,336
All Sites	199,300	215,261	273,440

TABLE 5

CLASSROOM FTE CAPACITY BY ALTERNATIVE AVERAGE WEEKLY STATION USE HOURS & ALTERNATIVE E-LEARNING ASSUMPTIONS

FOUR-YEAR INSTITUTIONS

AVG. WEEKLY STATION HRS.	E-LEARNING ASSUMPTION (Weekly Non-Seat Time Instruction)		
	0 Hours	1.5 Hours	2.0 Hours
18.00	106,520	121,995	128,203
18.50	109,479	125,383	131,764
19.00	112,438	128,772	135,325
19.50	115,397	132,161	138,886
20.00	118,356	135,550	142,448
20.50	121,315	138,938	146,009
21.00	124,274	142,327	149,570
21.50	127,233	145,716	153,131
22.00	130,192	149,105	156,692
22.50	133,151	152,493	160,254
23.00	136,109	155,882	163,815
23.50	139,068	159,271	167,376
24.00	142,027	162,660	170,937

COMMUNITY AND TECHNICAL COLLEGES

AVG. WEEKLY STATION HRS.	E-LEARNING ASSUMPTION (Weekly Non-Seat Time Instruction)		
	0 Hours	1.5 Hours	2.0 Hours
18.00	75,548	86,807	91,345
18.50	77,646	89,218	93,882
19.00	79,745	91,630	96,419
19.50	81,843	94,041	98,957
20.00	83,942	96,452	101,494
20.50	86,041	98,863	104,031
21.00	88,139	101,275	106,569
21.50	90,238	103,686	109,106
22.00	92,336	106,097	111,644
22.50	94,435	108,509	114,181
23.00	96,533	110,920	116,718
23.50	98,632	113,331	119,256
24.00	100,730	115,743	121,793

TABLE 6

**COMPARISON OF CALCULATED CLASSROOM ENROLLMENT CAPACITY
TO INSTITUTIONAL YEAR 2010 GROWTH LEVEL**

	FALL 1998 ENROLLMENT	CALCULATED CAPACITY	INSTITUTIONAL GROWTH CAPACITY	2010 ENROLLMENT GOALS
PUBLIC FOUR-YEAR TOTAL All Sites	85,570	118,356	127,662	117,105
COMMUNITY AND TECHNICAL COLLEGES Main	113,730	96,905	146,200	144,228
TOTAL: ALL PUBLIC INSTITUTIONS	199,300	215,261	273,862	261,333

For a copy of the appendix, please call the HECB at (360) 753-7830.

RESOLUTION NO. 99-14

WHEREAS, RCW 28B.80.330 directs the Higher Education Coordinating Board (HECB) to prepare a comprehensive Master Plan for postsecondary education and to submit this plan to the Legislature every four years; and

WHEREAS, The HECB is now preparing the aforementioned Master Plan for submittal to the Legislature in January 2000; and

WHEREAS, The HECB has determined that the 2000 Master Plan will include recommendations on methods to maximize the enrollment capacity of instructional space at the public institutions of higher education; and

WHEREAS, The HECB has, at its meeting of May 26, 1999, reviewed the recommendations contained in Master Plan Policy Paper #4-A: Making Best Use of Public Resources to Enhance Opportunity in Higher Education, and concurs in the recommendations contained therein;

THEREFORE, BE IT RESOLVED, That for the public four- and two-year sectors, it is recommended that:

1. The Board adopt the utilization goal of 22 average weekly hours of classroom station utilization by 2010 and 24 average hours by the year 2020; and
2. The Board incorporate an e-learning assumption of 1.5 weekly lecture and lab hours by 2010, and 2 hours by 2020, and monitor this utilization on an annual basis with capacity estimates adjusted accordingly.

For the public four-year institutions, it is recommended that:

3. (a) All capital projects currently being planned, designed, and constructed should be funded and completed to create classroom and class lab capacity needed to accommodate 2010 enrollment goals; and
(b) Additional office, student-support space, and other infrastructure enhancements will be needed on the campuses of the four-year institutions to accommodate enrollment growth.
4. The Master Plan recommend enrollment policies to fully utilize excess available capacity at upper-division institutions in eastern Washington; and
5. On-going planning efforts be funded to promote upper-division access opportunities in the Puget Sound area.

For the community and technical colleges, it is recommended that:

6. The Board request the State Board for Community and Technical Colleges (SBCTC) to re-examine its current 10-year capital plan in view of the projected enrollment and space shortages within the community and technical college system, and to advise the Board on how the SBCTC capital budget process and priorities will address lower-division enrollment demand in high population growth regions.

Adopted:

May 26, 1999

Attest:

Bob Craves, Chair

David Shaw, Secretary

Master Plan Policy Paper #5: Accommodating Future Enrollment through Better Connections Within and Across Systems

May 1999

ISSUE AREA

The state's role in helping current and prospective students make efficient transitions across and through the K-12, community and technical college, and baccalaureate sectors.

POLICY ISSUE

How can the state help Washington citizens efficiently and effectively achieve their education goals?

STUDY QUESTIONS

- How do current articulation practices or policies (e.g., admissions, entry-level placement, remedial education, dual credit, and transfer) affect students' transitions across sectors?
- What would be the impact upon enrollment if:
 - the expectations for exiting K-12 and entering baccalaureate education were better aligned?
 - more students took advantage of dual-credit options?
 - student learning outcomes were routinely defined, assessed, and documented?
- What other policies and practices affect students' academic progress?
- Could the HECB expand outreach services to provide better information to all prospective students and enhance the likelihood they would gain access to college?

OVERVIEW AND POLICY CONTEXT

The call for greater collaboration across the K-12, community and technical college, and baccalaureate sectors has grown more insistent since the 1996 Master Plan. Policy makers are seeking ways to encourage student progress across the sectors for a number of reasons: continued growth in enrollment demand, expansion of the competency-based system of K-12 education, a growing workplace need for advanced knowledge and skills, new possibilities for connection

through technology, and limited state resources. Still, the greatest “change masters” are likely to be the students whose educational choices will drive the need to develop more coherent transitions throughout higher education. Students may stimulate change in a number of ways:

- taking courses for college credit while still in high school through programs such as Running Start or College in the High School;
- enrolling in high school or college programs that report the competencies achieved, rather than the grades earned or courses completed;
- returning from the workplace to seek continuing education, and expecting systems to be in place to document the learning they already have, even if it was not acquired in an academic setting;
- seeking to transfer from technical degree programs and earn a baccalaureate degree; and
- taking courses simultaneously from several colleges, using distance e-learning to craft the most convenient schedule of classes.

It is easy to imagine this slate of students making active, education choices. But at the other end of the continuum lie learners who may not even consider postsecondary education to be an attainable goal — people who may be quite capable, but who are constrained by family resources, cultural traditions, their parents’ limited education, or simply a lack of information. Outreach services to all prospective students — those still in the K-12 system, as well as adults seeking entry — may help them better understand what questions to pose, what programs are available to help, and what goals are within reach.

This paper will focus on critical junctures in the journey of learners through the K-12 and higher education sectors. It will review policies that address the transitions across sectors, consider the impact of those policies upon student progress, and assess what changes or additions might be needed. It also will consider the need for outreach services that apprise learners of the multiple education pathways available, and how to access them.

ARTICULATION POLICIES: TRANSITIONS ACROSS THE K-12 AND POST-SECONDARY EDUCATION SECTORS

- *How do current articulation practices or policies (e.g., admissions, entry-level placement, remedial education, dual credit, and transfer) affect students’ transitions across sectors?*

Articulation is a general term used to describe the formal and informal agreements that bridge the K-12 and postsecondary sectors, and that assist students to move more readily across them. Articulation policies in the areas of admissions, entry-level placement, remedial education, dual credit, and transfer will be reviewed in this paper.

ADMISSIONS

The Higher Education Coordinating Board (HECB) is required by law to establish *minimum* requirements for admission to Washington's public baccalaureates (RCW 28B.80.350). The HECB adopted an admissions policy in 1987 that established minimum standards and designated a cap for the proportion of students who may be admitted under alternative standards. The policy was implemented for students entering the public baccalaureates in the fall term 1992.

Washington is one of 27 states that have adopted statewide admissions standards for first-time freshman applicants.²¹ Until the early 1980s, colleges and universities had historically set their own admissions requirements with little involvement by their states.²² However, issues such as improving student success and access, remediation rates, and timely graduation rates became the subject of policy debates that resulted in legislatures and state agencies adopting statewide admissions standards.

Current Admissions Policy

Minimum admissions standards: The HECB adopted a “probability of success” model to define minimum standards that would provide students with relative assurance that they were adequately prepared for their first year in college. These standards consist of a prescribed set of courses (core curriculum) and a formula (admissions index) that weights grade point averages and standardized test scores. The admissions index emphasizes high school grade point average over standardized test scores, and is based on the probability that entering freshmen will attain a first-year college grade point average of “C” or better. Evidence that students have taken a challenging curriculum, in combination with the admissions index, enables institutions to admit students who have a reasonable chance of succeeding in college.

Alternative admissions standards: Alternative admissions standards were created to provide a pathway for students who may not have met the minimum standards, but are considered a good match with the institution because of the unique attributes they bring. Students admitted under alternative admissions must submit a standardized test score on the SAT or ACT, complete the core course curriculum with no more than three subject years waived, and present evidence of success and motivation to succeed. No more than 15 percent of an entering freshman class may be admitted using an alternative standard. Because demand by students who meet the minimum admissions standards generally exceeds capacity at most institutions, the campuses rarely use alternative standards to admit the maximum allowable proportion of students.

Connection of alternative admissions standards with remedial education: Students admitted under alternative standards are more likely *not* to be prepared for entry-level college work. In 1996 the HECB recommended that, by 2001, each public baccalaureate institution should ensure that remedial education enrollments of recent high school graduates not exceed the proportion of

²¹ Russell, A. *Statewide College Admissions, Student Preparation, and Remediation Policies and Programs*. State Higher Education Executive Officers, 1998.

²² Rodriguez, E. *College Admission and Standards: A New Role for States*. State Higher Education Executive Officers, 1995.

freshmen admitted under the HECB's alternative admissions guidelines.²³ The recommendation was intended to convey a clear message to limit under-prepared students at the baccalaureates, and to establish policy consistent with the alternative admissions policy. The Board recommended as well, however, that remedial education should *not* be eliminated at the baccalaureate institutions, and should continue to be available at the community and technical colleges. It maintained that appropriate support services, including remedial courses, should be in place to help ensure the success of students admitted under alternative standards. (Remedial education and its impact on academic progress will be addressed later in this paper.)

Transition to a Competency-based Admissions System

Background: In order to assure the smooth transition of students graduating from a performance-based system of K-12 education, in 1997 the Legislature directed the HECB to develop a competency-based baccalaureate admissions system (Chapter 149, Section 610, Laws of 1997). In the process of creating this system, the Board elected to support education reform in three ways:

1. It used the K-12 standards (essential academic learning requirements) as a basis for the admissions standards instead of creating a set of standards independently.
2. It incorporated the certificate of mastery, one of the key building blocks of the reform effort, as the foundation requirement for regular admission.
3. The Board synchronized its efforts with the timetable of the Commission on Student Learning, so that higher education would be aligned with, and not driving, K-12 reform.

By working in tandem with the K-12 sector, the Board has sent a strong message to parents and students that higher education supports education reform, and will be prepared to receive students.

The class of 2008 will be the first group of high school students *required* to graduate with the certificate of mastery, although some districts at the forefront of education reform may award the certificate of mastery sooner. Schools are likely to continue to report performance in the traditional system of courses and grades while they phase in the new system of competencies and performance levels. Colleges will use this transition period to develop processes for reviewing competency-based credentials. The transition also will permit colleges to track the performance of students admitted under these revised standards.

Competency-based admissions standards: To establish a competency-based admissions system, the Board needs to 1.) translate the current core requirements into *content standards*; 2.) establish *performance standards* that convey to teachers the level of achievement expected; and 3.) create a new *transcript* to represent students' achievements. The Board appointed the Admissions Standards Action Committee (ASAC) to assist with these processes. This committee includes representatives of K-12 education, vocational education, all six public

²³ *Remedial Education Recommendations*. HECB Report to the Legislature, 1996.

baccalaureate institutions, independent institutions, community colleges, parents, and students. The ASAC is charged primarily to recommend translations of the current standards from “seat-time” into competencies (expressions of what students should know and be able to do), and to identify how those translated standards will be measured and reported.

In its January 1999 report to the Legislature, the Board described its progress in creating a competency-based admissions standards system and highlighted four accomplishments.

1. Establishment of content standards in English, mathematics, and world languages.
2. Initiation of the development of performance standards.
3. Collaboration with other states to ensure that students with competency-based transcripts could move unimpeded across the Washington, Oregon, and University of California systems, and Stanford University.
4. Evaluation of student progress. The Board has developed a system for following the progress of students admitted under competency-based standards for the purpose of evaluating these standards as a tool for identifying qualified students.

Next steps for competency-based admissions standards: Translation of the core requirements beyond certificate of mastery into content standards (what students need to know) is already well underway. Minimum admissions standards in science will come before the Board for approval in fall 1999. The Commission on Student Learning Science approved essential academic learning requirements in January 1999. Admissions standards in social science and art will be refined and brought to the Board once the K-12 standards in these areas have been approved. Establishment of performance standards (how well students need to perform) has begun in the areas of English, mathematics, and world languages.

Focus on Student Learning Outcomes: Deepening and Extending Education Reform

A significant challenge for the state in the next eight years will be to stay the course of education reform, and build the capacity of the K-12 system to prepare students to meet the higher standards. The messages that higher education sends about its readiness to receive students with new credentials and preparation will be critical in conveying support for education reform. K-12 educators must persuade students and parents that meeting the new standards will open doors to opportunities, not close them. Their task will be easier if stakeholders outside of the K-12 system, primarily business and higher education, reinforce the message that the standards represent the basic knowledge and skills students will need to lead productive lives in the 21st Century.

Why will these messages matter? As the K-12 system makes the curricular changes necessary to prepare students to attain a certificate of mastery, students will respond in different ways. Some students may pursue Running Start or the General Education Development (GED) certificate *rather than* earn a certificate of mastery or complete high school. Both of these pathways

eventually could lead to entry at most of Washington's public colleges and universities²⁴, and they may serve some students very well. Others may find themselves ill-prepared to learn with students who have attained a higher standard of achievement, and may require remedial work. How the standards for the GED compare to those required for the certificate of mastery is unclear, but they are likely to be less rigorous. Research to follow the success of students who choose a variety of pathways will be important.

By requiring the certificate of mastery for baccalaureate admission, the Board is conveying to Washington public high school graduates²⁵ the importance of earning the certificate. Still, the Board may want to consider other strategies in the Master Plan to encourage students to strive for this credential. For example, the Board could recommend creation of a two-year scholarship for all students who pass the certificate of mastery. Or it could call for a guaranteed place in the public baccalaureate system for any student who successfully earns a certificate of mastery and satisfies the minimum admissions standards.

If, however, baccalaureate admission is the *only* motivator for students to earn a certificate of mastery (and there are ways, such as Running Start, even to circumvent that obstacle), the certificate of mastery risks becoming only an expression of some of the knowledge and skills needed for students on the college "track." This unintended consequence would be unfortunate, and would detract from the goal of helping students to acquire the knowledge and skills needed to work and live productively.

Student learning outcomes in higher education: The standards-based movement in K-12 is part of a national reform effort that was precipitated by the 1983 National Commission on Excellence in Education report, "A Nation at Risk." That report reviewed the state of American public schooling and found it wanting. No similar crisis has provoked concerns about higher education. Nevertheless, prompted in part by assessment initiatives and new ways of thinking about teaching and learning²⁶, there has been a gradual shift in focus toward assessing the quality of higher education by its outcomes. Accreditation agencies, discipline-based national standards, assessment and accountability directives, and K-12 education reform all have guided colleges and universities to give attention to student learning outcomes by posing the question: What should students know and be able to do, and how will you know they have attained the desired knowledge and skills? These questions are generally raised at the academic program level (e.g., What do psychology majors need to know and be able to do?), but they give rise to more complex challenges about the knowledge and skills that college degrees represent.

The confluence of external forces calling attention to these issues suggests that the time is right for colleges and universities to push beyond course titles, credits, and grades, and instead to clarify the essence of college-level work. Students will in part be the drivers of this change, as

²⁴ Currently, all of the baccalaureate institutions except the University of Washington require a high school diploma. The UW, however, requires all students to have completed a high school core curriculum, whether they are entering as freshmen or transfer students. To enter a community and technical college, a student must be a high school graduate, at least 18 years old, and have a GED certificate, or a student must be enrolled in Running Start.

²⁵ Students applying from private high schools or schools from out-of-state, or students who have been home-schooled or are adults returning to college are exempt from earning a certificate of mastery.

²⁶ Barr, R. and Tagg, J. *From Teaching to Learning: A New Paradigm for Undergraduate Education*. Change, 1995.

growing numbers seek to enter colleges from nontraditional pathways (e.g., technical programs), with prior learning experience for which they would like to earn credit, and with competency-based credentials. In order to facilitate students' academic progress, colleges will need to be prepared to define and assess in greater depth not only what they teach, but what students learn. The Board may want to lead this effort through the Master Plan by calling for institutions to establish fundamental student learning outcomes for the statewide transfer associate degrees, and for baccalaureate degrees in a time frame that coincides with the full implementation of the performance-based K-12 system.

REMEDIAL EDUCATION

Ideally, all students entering higher education would be well prepared to engage in college-level studies. However, in every state some students enter college under-prepared. Some of these students come directly from high school; others are older adults entering or returning to college to enhance work-related skills, or immigrants for whom English is a second language.

To meet the needs of these students, all public two-year colleges and 81 percent of public four-year colleges and universities nationally offer at least one remedial course.²⁷ Despite this long-standing practice, and despite repeated national surveys that demonstrate no significant increase in remediation over 15 years, remedial education remains a controversial element of American higher education.²⁸ A large concern is cost. Experts estimate that approximately \$1 billion is spent annually on remedial education. Still, this figure represents less than one percent of the \$115 billion spent annually on public higher education in recent years.²⁹

HECB Remedial Education Study: Washington examined the status of remedial education when the 1996 Legislature requested the HECB to review the state's remedial education costs and practices, and to provide recommendations about appropriate state and institutional roles in its delivery (SCR 8428). The review found that all of the community and technical colleges, and five of the public baccalaureate institutions provide remedial education. But the study concluded that the cost to the state for remedial education in 1995-96 represented a very small portion of the higher education budget: six percent (\$29,015,460) at the community and technical colleges, and one percent (\$870,000) at the public baccalaureate institutions.

One recommendation that emerged from the 1996 study was to "strengthen the academic preparedness of first-year college and university students through a system of assessment and feedback that provides better and more timely information about high school student preparation and progress." The Board has pursued this recommendation through its support for the Graduate Follow-up Study (GFS),³⁰ which is tracking enrollment in math and English remedial education courses and conveying that information to the high schools those students attended.

²⁷ National Center for Educational Statistics, 1996

²⁸ National Center for Education Statistics, 1983, 1989, 1995

²⁹ Breneman, D. and Haarlow, W. "Establishing the Real Value of Remedial Education." *Chronicle of Higher Education*, April 9, 1999.

³⁰ The Graduate Follow-up Study is a project supported by agencies representing K-12 education, the community and technical colleges, state universities, and Employment Security. Its goal is to provide information that will help

For the class of 1997, the most recent year that data are available, the GFS study reported that almost 46 percent of the students who entered community and technical colleges and 12 percent of the students who entered public baccalaureate institutions enrolled in a remedial *math* class. By contrast, fewer students required remedial work in *English*: only 24 percent at the community and technical colleges, and 3 percent at the baccalaureates.

Discussion: As education reform evolves, students who meet the performance standards in K-12 will be better prepared for college. For this reason, the demand for remedial education from students entering college *directly from high school* should gradually decline. The results of the education reform effort, however, will not become evident until students have been exposed to a full competency-based program of study – 2008 at the earliest. In the interim, initiatives that build communication between faculty who teach high school students and those who teach first-year college students should be encouraged. Projects of this nature could help clarify the expectations of what students should know and be able to do to meet the academic demands of each level.

One example of a collaborative project currently underway is a review of the Math Placement Test administered by five of the baccalaureates. Five baccalaureate faculty, and two high school teachers are revising the test to create a better fit with both college courses and high school preparation. They are working to eliminate test items that are redundant or test a skill of little importance, and to add more authentic “story problems.”

The Board has no direct authority for, or policies governing college placement tests. However, the work that has begun in connection with the competency-based admissions standards initiative provides a natural bridge to further study of the relationship between the content of current placement tests to the graduation requirements and performance standards expected of K-12 students.

DUAL CREDIT OPTIONS

Dual credit options provide students with opportunities to earn high school and college credits simultaneously. Washington offers more dual credit opportunities, with more clearly defined transfer agreements, than many states.

Although every state provides dual credit options for their high school students, most of these opportunities are confined to the two most traditional and established programs: **International Baccalaureate** and **Advanced Placement**. Students in Washington may have access, depending on where they are located, to three additional programs: **Tech-Prep**, **Running Start**, and **College in the High School**. From students’ perspectives, these opportunities are attractive because they offer intellectually challenging, economically appealing opportunities to earn college credit and get an early start on their college education. The state benefits as well, because less state support is needed to fund the college-level work.

schools assess and upgrade student preparation for college level work or entry into the job market. In 1997, 238 of the 244 high school districts participated in the study.

Alternatively, students may choose to earn college credit while still in high school by paying full tuition to take courses at a local college or university in the summer or evening. As more courses become available online, it will be even easier for some students to augment their high school curriculum by taking distance e-learning courses.

International Baccalaureate Diploma Program: The International Baccalaureate Diploma Program is a comprehensive two-year curriculum that culminates in subject examinations and is offered at ten of Washington's 332 public and private high schools. Students study six academic areas with clearly defined standards and performance criteria to measure achievement. Students may engage in the full program, or may choose to take only some of the subjects offered. International Baccalaureate courses may be considered for college credit and/or placement on a subject-by-subject basis. In Washington, no public baccalaureate automatically awards college credit for International Baccalaureate courses; policies differ by institution.

Advanced Placement Program: The Advanced Placement (AP) Program was developed by the College Board, and consists of courses offered in 32 subject areas. In 1998, 238 Washington high schools offered AP courses, designed to expose students to college-level material in courses taught by a high school teacher in a high school classroom. Like the International Baccalaureate, the program has common standards and performance criteria. Achievement is measured by a standardized test in each subject area; students pay \$75.00 per test. To encourage students to participate in AP courses, states have tried different approaches. At one time, North Carolina paid the test fee for any student wishing to take the AP English or mathematics examinations. This program has been discontinued.

Although AP examinations are recognized throughout the country for the purpose of generating college credit, there is not a commonly recognized score that is accepted for transfer to a college or university. In fact, acceptable scores may vary by department within an institution, and some departments may not accept for credit an AP exam passed at any level.

Given this variation in policy nationally, it is significant that in 1998 Washington public baccalaureate institutions adopted a uniform AP credit policy to facilitate student transfer among regionally accredited postsecondary institutions. The policy states:

Credit awarded for an AP score of 3 or better will be accepted in transfer from Washington regionally accredited institutions. These credits will transfer as elective credit, or will apply to general education or major requirements as specified by the receiving institution's AP credit policies.

This policy is applicable, however, only to students moving from one Washington public college or university to another. Students applying directly to baccalaureate institutions from high school and seeking to earn college credit for AP work are still subject to individual institutional policy.

Tech Prep: Tech Prep is a national school-to-work transition program that provides technical preparation for Washington State high school students. This dual credit program links the high

school curriculum with the curriculum of a community or technical college. It includes broad course work in the liberal arts, as well as a foundation in applied mathematics, science, and communications on which specific job-related technical skills are built.

Running Start: In 1990 the Legislature created the Running Start program as part of the “Learning by Choice” law designed to expand educational opportunities for public high school students. Running Start was intended initially to provide opportunities for qualified eleventh and twelfth grade students to take college-level courses at the community and technical colleges. Three baccalaureate institutions (Central Washington University, Eastern Washington University, and Washington State University) were added to the program in 1994 to improve access for students living in school districts where no community college was located.

The program is funded through K-12 basic education funds that are transferred to the college the student attends. For this reason, students pay no tuition. However, they must purchase books and supplies and provide their own transportation.

Students enrolled in Running Start earn high school and college credit simultaneously. One high school credit (usually earned by completing a full academic year of course work) is equivalent to five quarter credits or three semester credits earned at the college level. These credit equivalencies are determined by the State Board of Education.

- **Size of program.** Generally, any student who has attained junior or senior status, and can pass a standardized placement test may enroll in Running Start. About 11,600 students, representing approximately four percent of the state’s high school population, took part in 1997-98, at every community and technical college. Program sizes ranged from 26 students at Lake Washington Technical College to 720 students at Whatcom Community College. Relatively few students (150) participated at the baccalaureates.

Growth of the program has begun to slow; while the program grew by 35 percent in 1995, it grew only by 18 percent in 1996, and 13 percent in 1997. If the current trend continues, the *percentage* of students enrolling in Running Start will begin to level off, growing only in proportion to population.

- **Student profile:** The profile of the 1997-98 Running Start students was similar demographically to the characteristics of students in previous years. The majority (59 percent) were female; over 14 percent were students of color. Approximately 70 percent enrolled in academic courses, averaging 8 to 10 credits per quarter. Forty-one percent of the students worked part time.

Institutional research conducted by both the University of Washington and Western Washington University indicates that the early cohorts of Running Start students have been successful in their college work. At the University of Washington, almost 41 percent of the 88 Running Start students who entered the UW in fall 1993 graduated by spring 1997. Thirty-five percent were still attending, and 24 percent had left the university. Similarly, 54 percent of the 59 Running Start students who entered WWU in 1994 have graduated.

- **Transfer of Running Start students:** Colleges admit students with dual credit as freshmen in order to assure that they receive all the benefits of first year entering students, while still recognizing their transfer credit for purposes of placement after admission. This practice generally works to the students' advantage, as it assists with their eligibility for financial aid, freshman orientation, residence hall assignments, and National Collegiate Athletic Association status, to name just some of the services affected. Whether this practice encourages students to move expeditiously toward completion of their undergraduate degrees is still unclear, although the reports from Western Washington University and the University of Washington on the first students to graduate with Running Start credits are encouraging.
- **Discussion:** Running Start has provided students with a challenging, economical alternative pathway to pursue academic and vocational interests. It introduces them to the rigor of college-level work, and enables them to graduate from high school with college credits already in hand. The program, however, has not been without controversy, with concerns raised about administration, student support services, transfer, and the students themselves — specifically, the intellectual and social readiness of sixteen and seventeen year olds to be on college campuses.

The administrative and support services concerns are described in the December 1998 Annual Progress Report on Running Start prepared by the State Board for Community and Technical Colleges. The report acknowledges there are “several issues related to educational funding and the movement of students between the K-12 and college systems that have grown out of the program.” The report lists concerns expressed by K-12 administrators that the “shift of funds to the colleges...have made it more difficult for some high schools to maintain comprehensive programs, especially in college preparatory courses”(e.g., Advanced Placement). It also cites a need for more counseling programs “where the impact of advising Running Start students has resulted in increased workloads.”

The growing numbers of students graduating with Running Start credits will provide an excellent opportunity to study the Running Start program and assess its success in encouraging students to consider college, to take college courses, and ultimately, to earn college degrees. Similarly, it will be valuable to study the characteristics of students who thrive in a college environment while in high school, and the characteristics of the high school and college environments that affect students' success. This information will assist counselors and teachers to better meet students' needs. As education reform advances into the high schools, it will be important to analyze the impact of the certificate of mastery upon students' enrollment in Running Start.

College in the High School: Although the terms, “Running Start” and “College in the High School” sometimes are used interchangeably, they are different programs. College in the High School (CHS) courses are offered in a high school classroom during the regularly-scheduled school day, and are taught by high school teachers. The college that provides the curriculum for the course awards credit. Students pay a fee to take the class, although it is generally lower than the tuition a college would charge. Students also purchase their own books and supplies. By contrast, Running Start courses are offered on a college campus, usually during the regularly-scheduled school day, and are taught by college faculty. Students pay no tuition, but purchase their own books and supplies.

To get a better understanding of how CHS operates, HECB staff conducted a telephone survey of 76 public and private baccalaureate institutions and community and technical colleges. The survey revealed that CHS programs vary considerably:

- by cost to the student,
- the degree to which high school teachers are oriented to the college curriculum,
- the level of involvement of college faculty,
- the rigor of the administrative policies governing student participation, and
- by size.

For example, costs to the student ranged from \$0 to \$215; some had orientation programs for high school teachers that lasted several days; others had no formal orientation for teachers.

Although some community colleges (e.g., Bellevue, Edmonds) and universities (e.g., University of Washington) have been delivering CHS classes for many years, CHS is still a relatively new dual credit option in Washington. The six public baccalaureate institutions and community and technical college system agreed in 1998 on a set of policies designed to identify best practices, clarify expectations, and bring greater uniformity to the program.

- **Discussion:** College in the High School provides a pathway for students who would like to earn college credit, but would prefer to disrupt their high school experience as little as possible. High school teachers enjoy teaching an advanced curriculum, even though they are sometimes faced with the practical challenge of teaching classes where some of the students are enrolled for college credit, and some are not. Given these advantages, and the reluctance by some high schools to support Running Start, CHS programs are likely to grow and provide additional choices for students.

TRANSFER

Statewide Transfer Degree: The Board has responsibility for approving statewide transfer agreements that are developed by the provosts at the baccalaureate institutions, and the Deans of Instruction at the community and technical colleges. Currently, one statewide transfer agreement exists: for the Associate of Arts degree. The agreement was developed in 1985 and refined over time to facilitate transitions of students from community and technical colleges to baccalaureate institutions. Community college transfers are readily accepted for admission by baccalaureate institutions, although access could change as enrollment pressures begin to mount. Community colleges in Washington play a key role in providing a path to a bachelor's degree, with over one-

third of all baccalaureate degree graduates taking a portion of their studies at a state community college.³¹

A second transfer degree, the Associate of Science, is being developed to address the needs of students intending to transfer to science-related disciplines. Experience has shown that the requirements of the Associate of Arts transfer degree do not provide students with adequate lower-division science, mathematics, or discipline-specific prerequisites needed for junior-level program entry. Institutional research has demonstrated that students transferring into science, mathematics, engineering, and computer science extend their time-to-degree because they need to take additional lower-division courses. Approval of the new transfer degree should come before the Board within the next year.

Transfer by majors: The Transfer by Majors program is a joint academic advising initiative recently developed by the community and technical colleges and the baccalaureate institutions. It is directed toward students enrolled in an Associate of Arts transfer degree program, and is intended to reduce a student's time-to-degree by providing specific, discipline-based advice to guide a student's academic choices. Students are encouraged to select a transfer institution and major area of study during their freshman year. They are matched with advisors who can assist them in identifying the requirements they should satisfy as part of their associate degree. The baccalaureate institutions receive the names and intended majors of students who expect to transfer to their campuses, and can initiate contact with those students. This program was piloted at five community and technical colleges in 1995-97, and expanded to all of them in 1997-98.

Upside-down degree programs: Most baccalaureate academic programs are constructed to provide a breadth of course work in the first two years, with in-depth study saved for the latter two years. The "upside-down" degree inverts the traditional sequence of courses. Students completing community college technical degrees with strong academic and technical components (e.g., nursing, forest technology, human services, etc.) may earn their general education or liberal arts credits in the *last* two years of their program. The Evergreen State College has extensive agreements with community and technical colleges to provide "upside-down" degrees. Western Washington University's Fairhaven College, Eastern Washington University, and Central Washington University have limited offerings or variations of the upside-down program.

Two-plus-two programs: All of Washington's public baccalaureate institutions offer two-plus-two programs. These articulation agreements are between academic departments and enable students to transfer directly into a major. Under this model, the course work leading to the associate in arts degree (the first two years) is offered by the community college; the course work leading to the baccalaureate degree (the last two years) is offered by the four-year college or university. In most instances, two-plus-two programs are offered on a community college campus, off-campus center, or military base to serve the access needs of place- and time-bound students. Applied and professional programs most often take advantage of the two-plus-two model.

³¹ 1997-98 *Articulation and Transfer in the State of Washington Report*. State Board of Community and Technical Colleges, December 1997.

IMPACT ON ENROLLMENT

- *What would be the impact upon enrollment if: the expectations for exiting K-12 and entering baccalaureate education were better aligned, more students took advantage of dual credit options, and student learning outcomes were routinely defined, assessed and documented?*

Based on our review of current articulation policies and practices, the short answer to this question, at least for the time frame of the next Master Plan, is “we don’t know.” Although it makes sense to assume that students will progress more efficiently as the sectors become better connected, too many pieces of the system are in transition or “out of sync” to make predictions about enrollment.

The arena of dual credit options illustrates one reason why predictions are difficult. Running Start enrollments may increase if students choose to avoid the certificate of mastery. Or, Running Start enrollments may decline if College in the High School programs begin to expand. AP enrollments may decline if students opt for Running Start or College in the High School. Or, AP enrollments may rise as more high schools subscribe to online AP opportunities, or the state elects to fund AP examination fees in selected courses.

What we *do* know is that K-12 reform will become fully operational in the next decade, and many of the policy decisions that will guide student choices will emerge. At the same time, colleges and universities will be working to clarify the student learning outcomes that define college-level work. The challenge for the state and HECB will be to build more and better connections to bridge all of the sectors, and create opportunity for all prospective students to gain access to higher education.

- *What policies and practices affect students’ academic progress?*

Both the baccalaureate institutions and the community and technical colleges have implemented institutional policies to encourage students’ academic progress. This section of the paper will review examples of practices currently in place.

Graduation efficiency: The public institutions have long been attentive to enhancing student progress. Five years ago, in response to a legislative directive, the HECB prepared a study of time-to-degree. The study revealed that the factors influencing time-to-degree were due in part to student choice and in part to institutional policies and practices. Although some of the students’ choices (e.g., dropping courses, retaking classes to improve a grade) could be influenced by institutional policies, many actions that extended time-to-degree (e.g., attending part-time, working full- or part-time, stopping out to pursue other interests) were beyond the institution’s control. The study identified a variety of institutional factors that could be addressed, such as making high-demand courses needed as prerequisites more available, clarifying general education and transfer requirements, revising course “drop” policies, and improving academic advising. The institutions have subsequently implemented many of these reforms.

Out of this work emerged a new approach to academic progress. Researchers at the University of Washington proposed a measure of graduation efficiency, rather than time-to-degree, as an improved way of assessing students' progress through the institution. They argued that the elapse of time was less important in judging students' progress because some students prolonged their degrees through patterns of attendance or employment that affected only the student. Their choices did not consume state resources or displace other students. Rather, it would be more effective to determine how efficiently students progressed. In other words, how many credits did students take compared to how many they were required to complete for the degree? The graduation efficiency index is now one of the performance measures used for legislative accountability reporting, and institutions are striving to address the practices that affect it.

Prior learning assessment: Prior learning assessment is the process of waiving academic requirements or awarding academic credit for learning acquired outside of the classroom, before matriculation at a postsecondary institution. It is an accepted practice at most Washington institutions in its traditional forms: advanced placement, course challenges, or standardized tests like the College Level Examination Program (CLEP). Both The Evergreen State College (TESC) and Eastern Washington University (EWU) have well-established prior-learning assessment policies that offer *portfolio* assessment of prior learning. Portfolio assessment permits students to document prior learning in an organized compendium of essays and examples of prior work. Faculty judge the quality of the work and award up to 45 quarter credits (representing approximately one year of academic work). Credit limitations are imposed by the accreditation agency. In 1996 the Legislature appropriated \$100,000 to the HECB to seed prior-learning assessment projects at Central Washington University and The Evergreen State College. Both projects involved community and technical colleges as well.

Guaranteed four-year graduation: Eastern Washington University and Washington State University have established majors that guarantee graduation in four years. Students are required to sign an agreement indicating that they will:

- Choose one of the majors that guarantee graduation in four years;
- Declare a major at the beginning of their freshman year;
- Begin college ready for college-level classes;
- Take a minimum number of credits each quarter;
- Take a required sequence of courses each quarter; and
- Maintain the minimum grade-point average requirements.

This program has *not* been very popular among students. The institutions report that students are reluctant to lock themselves into a specific major at the beginning of their college experience, and view the program to be too inflexible to meet their needs.

Pilot projects at community colleges: The community and technical colleges have been attentive to enhancing student academic progress, and are currently in the process of piloting several new programs. Two examples include Green River Community College's (GRCC) alternative five-week summer sessions and Shoreline Community College's (SCC) Credit Express option. GRCC's alternative summer sessions serve students outside of the college whose academic schedules do not permit them to start during the regular summer session. SCC's Credit Express

option, offered the last five weeks of winter and spring quarters, allow students to take a course in a compressed period of time that they need to move forward in their academic program.

Discussion: The examples cited above demonstrate ways that institutions have been attentive to enhancing students' academic progress. As institutions assume responsibility for removing barriers to student progress, it is worth considering what state-level policies might encourage students to assume responsibility for their progress, as well.

As the enrollment pressures mount in the next ten years, the state may want to create incentives for students to move efficiently toward their degrees without adversely affecting the quality of their educational experiences. Students need time to explore academic pathways and find the ways that work best for them. Still, there is precedent for imposing some limitations.

Both federal and state financial aid policies stipulate the maximum number of credits for which students may receive aid, and the number of credits students need to earn in an academic year to demonstrate adequate progress. For example, students receiving a State Need Grant may exceed the published program length, as defined by time or credits, by no more than 25 percent. Federal regulations permit students to exceed program length by no more than 50 percent. The HECB may want to consider in the Master Plan recommending a similar, overarching policy that would affect all students, regardless of whether or not they received financial aid. This policy would cap the number of state-supported credits students could earn.

OUTREACH SERVICES

Child #1. "What are you going to do after you graduate from high school?"

Child #2. "I'm going to college."

Child #1. "Me too."

The vast majority of young children expect to go to college. But the reality is that children whose parents graduated from college are the most likely to earn a degree. That is, those who are from the highest income quartiles, are white, and have parents with college degrees will have a much greater probability of realizing their aspirations.

According to a college qualification index developed for the National Center for Education Statistics, "slightly over half of low-income high school graduates are considered qualified to go to college, compared with 86 percent of high-income students. And by this index, African-American and Hispanic students are far less qualified than white students." Moreover, the gap in participation between low-income and high-income groups is about as wide today as it was in 1970. Income influences the type of college students attend, as well. Low-income students are more likely to enter community and technical colleges rather than baccalaureate institutions, and are significantly less likely to earn baccalaureate degrees.³²

³² Gladieux, L. and Swail, W. *Financial Aid is not Enough. Improving the Odds of College Success.* College Board Review, Summer 1998

These facts have led analysts like Lawrence Gladieux and Watson Swail of the College Board to frame the policy dilemma in this way:

Public policy has focused too narrowly on access. The question is, How can we better promote persistence and completion among students who are economically and academically at risk?

Researcher Laura Rendon points to the urgency of this task when she notes,

By the time students reach the twelfth grade, it is too late to...increase the numbers of students who are ready for college. In fact, it could be said that students begin to drop out of college in grade school.³³

When students like these leave high school and enter the work force, it becomes even more difficult for them to reenter education, as there is no central location for information that can support them in their quest to negotiate the system. This is unfortunate, because there is considerable information available. However, whether it is available in the students' own language, or in a form or at a location that is comfortable for students of different cultures to access, is less certain.

Higher education's responsibility: Public discussion of the value of an education has been vibrant in this country since Thomas Jefferson extolled the virtues of an educated citizenry in a democracy. Although the *public* economic and social benefits of an education are rooted in the beginnings of this country, policy debate in more recent times has given greater prominence to the *private* or *individual* economic and social benefits of education. For this reason, a quick overview of both types of benefits is provided in Table 1.

³³ Rendon, L. *Access in a Democracy: Narrowing the Opportunity Gap* (unpublished paper presented at the Policy Panel on Access, National Postsecondary Education Cooperative, September 9, 1997), 7.

Table 1. Overview of Benefits Provided by Higher Education

	INDIVIDUAL (PRIVATE)	PUBLIC
ECONOMIC	<ul style="list-style-type: none"> • Higher salaries and benefits • Employed at higher rates and with greater consistency • Higher savings levels • Improved working conditions • Personal and professional mobility 	<ul style="list-style-type: none"> • Increased tax revenues • Greater productivity • Increased consumption • Increased workforce flexibility • Decreased reliance on government financial support
SOCIAL	<ul style="list-style-type: none"> • Improved health/life expectancy • Improved quality of life for children • Better, more informed consumer decision-making • Increased personal status • More hobbies and leisure activities 	<ul style="list-style-type: none"> • Reduced crime rates • Increased charitable giving/community service • Increased quality of civic participation • Social cohesion/appreciation of diversity • Improved ability to adapt to and use technology

^a These benefits are described in greater detail in the report, *Reaping the Benefits*, The New Millenium Project on Higher Education Costs, Pricing and Productivity. The Institute for Higher Education Policy. Washington, D.C., April, 1998.

It is clear that all citizens benefit when more people are educated. Yet it is also clear that certain groups of citizens are less likely to pursue higher education, even if particular individuals within those groups manage to excel. Without intervention, the gap between the “haves” and “have-nots” will only widen, to the disadvantage of all citizens.

There is ample opportunity to expand outreach efforts. According to a 1995 report from the National Center for Education Statistics, “only one-third of colleges and universities sponsor pre-college outreach programs for disadvantaged students, most such programs rely on federal funds,

and faculty involvement is thin.”³⁴ Yet, many of these initiatives have proved effective in helping students to make the academic choices that will prepare them for higher education, or to gain the practical assistance (e.g., financial aid, career, and college admissions information) that will make it feasible to reach their aspirations. Programs for reentry students are even fewer in number and are generally targeted to specific groups of people.

Examples of pre-college outreach programs at Washington public baccalaureates: The public baccalaureate’s outreach efforts to pre-college age students generally consist of informational visits to local middle and high schools, and organized campus visits. In addition to the efforts of individual campuses, many institutions participate in the state-level activities organized by the Washington Council on High School College Relations. (See following section)

- Washington State University-Tri Cities works with the Yakima Valley/Tri-Cities Mathematics, Engineering, Science Achievement (MESA) Program to invite students to campus and raise their awareness of career opportunities available to them.
- Eastern Washington University teaches a College in the High School applied psychology course in reading at 12 local schools. The students earn college credit, and are trained to be peer tutors who can assist high school students who have difficulty reading.
- The Evergreen State College (TESC) has worked out a bridge program with Northwest Indian College (NWIC). Students who do not meet Evergreen’s admissions standards can register with Northwest Indian College. TESC faculty members carry joint faculty appointments with NWIC and TESC.
- Central Washington University organizes an “Expanding Your Horizons” workshop for fifth to ninth grade girls. This year the day-long workshop featured over 25 learning experiences conducted by women professionals in science. Over 100 girls attended. CWU also has a website designed to reach Hispanic youth and encourage them to consider CWU as their school of choice.

Examples of statewide pre-college activities: The Washington Council on High School College Relations (WCHSCR) is composed of administrators and counselors from public and private secondary and postsecondary institutions. The primary responsibility of WCHSCR is to "promote responsiveness to the needs of students moving from one level of education to another." The council sponsors a variety of activities to accomplish this goal, including:

- The annual High School/College Conference program for high school juniors. Admissions officers from Washington’s baccalaureate institutions and regional community colleges meet with high school juniors at different locations around the state.
- The annual Community College Conference for transfer students. Admissions officers from Washington baccalaureate institutions visit each of the community colleges together during the fall to discuss transfer options with students.

³⁴ Gladieux, L. and Swail, W. *Financial Aid is not Enough. Improving the Odds of College Success.* College Board Review, Summer 1998

- The High School/College Evening Conference. Admissions officers from Washington's baccalaureate institutions meet with high school seniors and working adults at the local community college during the evening of the Community College Conference.
- Publication of a Washington college guide titled *The Washington Higher Education Book*. This reference describes majors, requirements, costs, and other pertinent details about all of the Washington baccalaureate institutions and community colleges.

Coincidentally, the council convened the Commission on Early Outreach in 1999 to examine how to proceed with early outreach efforts and target eighth and ninth grade students, the period when the council believes institutions begin losing prospective students.

Examples of pre-college and reentry programs supported by the HECB: The Board is already engaged in outreach activities through administrative support to several programs, and through the distribution of information.

- The federally-funded **National Early Intervention Scholarship and Partnership (NEISP) Program** has been in place since 1994, and is targeted toward low-income and disadvantaged students in the ninth through twelfth grades. NEISP Scholars (participants) spend eight hours a week during the school year and sixteen hours a week in the summer discovering the importance of education, building academic skills, remedying academic deficiencies, identifying career interests, exploring college opportunities and financial aid, and finding mentors in their chosen fields. For each year of successful program participation, Scholars receive a \$3,000 scholarship, redeemable at almost any postsecondary institution in Washington. NEISP currently serves 270 scholars and provides an additional 3,000 at-risk students with early-outreach activities. The Board, in partnership with the Governor's Office, has applied to continue and extend NEISP program activities under a new federal initiative, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).
- **The Guaranteed Education Tuition (GET) program**, initiated in 1998, allows Washington families to plan for the future by purchasing college tuition units. Participants buy units at the cost of current tuition prices. One year's worth of tuition "units" purchased at current prices can be applied to one year's worth of tuition in the future—no matter what the price might be then. The GET program is engaged in community outreach efforts to encourage parents to plan for their children's education and to inform parents and students about the services GET can provide.
- The state-funded **Washington State Displaced Homemaker Program** was initiated in 1979. The Board contracts with non-profit and governmental agencies throughout Washington to provide services to displaced homemakers — individuals who have spent at least ten years as full-time homemakers, are not gainfully employed, have lost their primary source of financial support, and need assistance to secure employment. The centers provide a variety of services, including job-search assistance, counseling, instruction, and information about education and employment opportunities.

- **State Work Study community service projects** are awarded competitively each year. Several of these projects will focus on providing services to young people in school districts or community centers. For example, at Central Washington University, Work Study students are working with high school students enrolled in the alternative high school located on CWU's Ellensburg campus.

The Board also distributes information about financial aid through its web site and through several print resources. For instance, one set of brochures, published in English and Spanish is targeted toward middle-income students and parents. The brochures stress the importance of academic preparation and of planning for financial aid. Another resource, the Financial Aid Handbook and companion brochure, is distributed to community organizations at their request. The handbook describes the availability of financial aid and explains the application process.

Discussion: One critical question for the 2000 Master Plan will be, "How does the state create access for greater numbers of students?" Two equally pressing and related questions are: "How can we better promote persistence and completion among students who are economically and academically at risk?" And, "How do we make information about education accessible to all prospective students, including reentry learners?"

Expansion of outreach services is one way that the state can address these issues. Although there are many state, federal, and community service programs in the K-12 schools to assist at-risk students, there are numerous opportunities for higher education to complement and enhance these ongoing efforts. The HECB in its Master Plan may want to recommend that the state develop age- and culturally-appropriate communication strategies to inform all prospective students about the benefits of postsecondary education, the academic and financial planning pathways that will lead to it, and the fundamental nuts and bolts to negotiate entry to the system.

Master Plan Policy Paper #6: Affordable Access to Postsecondary Education

May 1999

ISSUE AREA

How do issues of affordability affect access to postsecondary education?

POLICY ISSUES

1. What should be the state's goal, and its role in making postsecondary education affordable?
2. Should the state support students who choose nontraditional education pathways?

STUDY QUESTIONS

1. Why does affordable access matter?
2. Who pays for higher education, and how much does it cost?
3. What is the current HECB practice/policy regarding the state's role in ensuring higher education affordability?
4. What is the role of student financial aid and other assistance programs in making college affordable?
5. For what groups of students is affordability a barrier to access?
6. What is the future outlook?
7. What strategies should the state use to enhance the affordability of postsecondary education?

OVERVIEW AND POLICY CONTEXT

Why Does Affordable Access Matter?

Postsecondary education generates both individual and public benefits. Education beyond high school is perceived by most as a prerequisite to an economically and personally satisfying life. Individuals with a postsecondary education earn more and have greater opportunities for an improved quality of life than do those without it. Society in general also benefits from higher education. Citizens with a college education tend to contribute in greater measure, both economically and socially, to their communities than do those with less education (see Appendix A). Yet for many, the cost of this "ticket" to the opportunity for a more productive and satisfying life is more than they can afford.

Family Concerns About College Affordability

Several studies and public opinion surveys report that paying for college represents one of the most fundamental concerns of the average American family. As noted in a recent national report,ⁱ paying for college ranks second only to buying a home as the most expensive investment for the average family. Another national study commission reports that public concern about college prices is now on the order of anxiety about how to pay for health care or housing, and how to cover the expenses of taking care of an elderly relative.ⁱⁱ

A report published by the Sallie Mae Education Instituteⁱⁱⁱ cites a nationwide opinion survey conducted by *The Washington Post* (1996) on what worried adults the most. The survey ranked college costs fourth in the hierarchy of what worries American adults. Fifty-eight percent of the respondents worried that a good college education is becoming too expensive — only slightly behind their concerns that the American education system will get worse instead of better; that crime will increase; and that AIDS will become more widespread.

Although people worry about the affordability of college, public opinion surveys continue to report that parents believe in the importance of higher education for their children. For example, a recent study commissioned by Sallie Mae and fielded by Gallup & Robinson, Inc.,^{iv} found that, almost across the board, parents of college-bound high school students believe a college education is worthwhile and will contribute to their child's future happiness and prosperity.

While parents believe in a college education's value, only one-third named current income as a college finance source. Fewer than two in ten indicated they had saved at least half of the costs for their child's education. The percent of less affluent parents of younger children who had saved was even lower. The lack of savings causes many parents to rely more heavily on current income to pay for their children's college costs; this is not an option for many, who turn to financial aid for assistance. Others will give up the dream entirely.

While most studies and public opinion surveys on the affordability of higher education have focused on parents of high school students, these concerns could be echoed by older students who no longer have parental support – and who may have children of their own.

What is “affordability?”

For purposes of this paper, the term “affordability” refers to whether the amount of money a student and his or her family must pay for a college education is within reach, with planning and a reasonable amount of personal commitment and sacrifice. The concept of affordability is *complex* — many partners contribute to making college affordable. And it is *relative*. For students from high-income families, affordability may not be an issue. For others, college is affordable only with substantial sacrifice and planning. For still others, paying for college with personal resources alone is not possible, even with planning and sacrifice.

“Affordability” also is *value laden*. The importance placed on higher education compared to other priorities, when funds are limited, plays a major role in determining the amount the public,

education institutions, private donors, students, and their families, are willing or able to pay for postsecondary education.

Recently, much debate has focused on rising college costs and what is perceived by some as an “affordability crisis.” As background to the Board’s consideration in developing the state’s Master Plan for Higher Education, this paper explores the issue of affordability and considers what strategies might be employed to help make college more affordable for the state’s citizens between now and the year 2020.

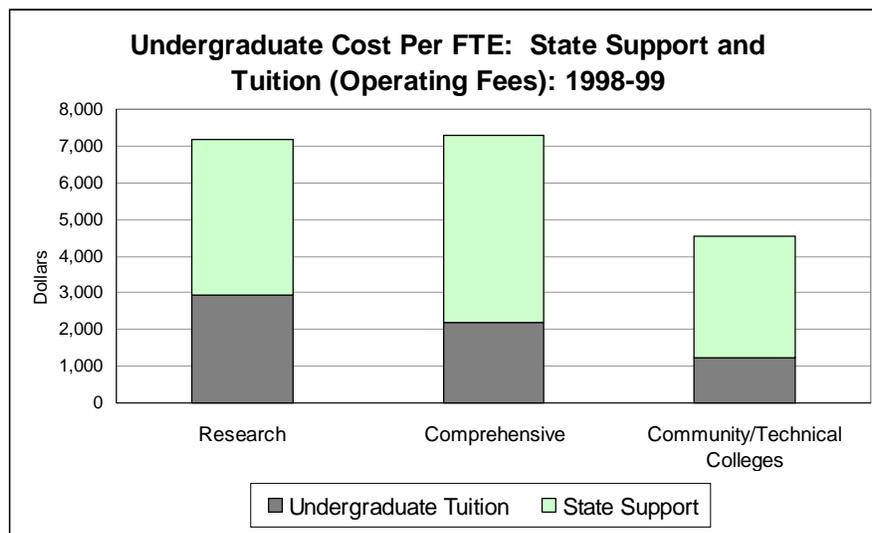
Who Pays for Higher Education?

With dispersed benefits accruing from higher education, it is reasonable to ask, who should pay? In Washington, as in other states, many partners provide funding for college, and each plays an important role in determining the affordability of postsecondary education. The state and federal governments, students and their parents, institutions, business, philanthropic organizations, and private donors all help finance the costs of college attendance.

► **The Role of the State.** The greatest share of the cost of public postsecondary education is paid by the state, through appropriations to public institutions. By investing in the cost of education, the state helps to make college more affordable to state residents.

Figure 1 shows the proportion of the undergraduate cost per full-time-equivalent student paid by tuition and by state support in 1998-99.

Figure 1



The support of public colleges and universities comprises an *indirect* form of aid to resident students, available to all who qualify for admission, without regard to financial need. This practice is demonstration of the long-standing public policy that widespread access to public postsecondary education is in the public interest.

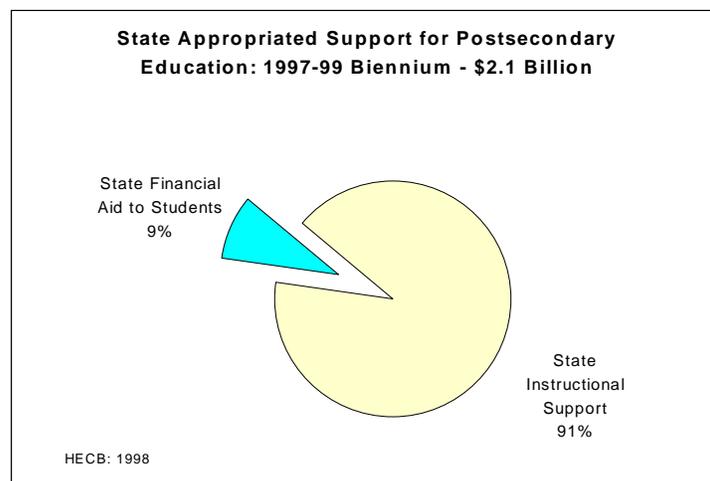
In addition to making public higher education generally affordable to residents through affordable tuition, the state also provides *direct* financial assistance to needy students attending both public and independent institutions in Washington. A small number of state-funded programs are intended to influence enrollment in specific shortage areas or to respond to specific state priorities. However almost all (96 percent) of the state-funded student financial aid administered by the Higher Education Coordinating Board is provided to individuals who could not otherwise afford to attend, even by assuming a large debt.

The state's commitment to need-based student financial aid demonstrates state policy and reflects HECB policy that the opportunities and benefits of a postsecondary education should not be denied to those who cannot afford to pay for it without assistance. (See Appendix B for a brief description of the various state-funded programs of student financial aid administered by the Higher Education Coordinating Board.)

In addition to these programs, in 1999 the Legislature, at the request of the Governor, appropriated funds for a new scholarship program. The Washington Promise Scholarship will be awarded to academically meritorious high school graduates whose family incomes fall within a specified range. Scholarships, which may be up to the equivalent of tuition at a community/technical college, will help make postsecondary education more affordable to lower- and middle-income students who meet academic achievement standards.

As seen in Figure 2, during the 1997-99 biennium, state support for postsecondary education totals \$2.1 billion. Of that amount, 91 percent is for state instructional support; and nine percent is for financial aid to students. Although financial aid to students represents a relatively small proportion of total state appropriated support for postsecondary education, it plays a critical role in providing grant assistance to Washington's lowest-income students.

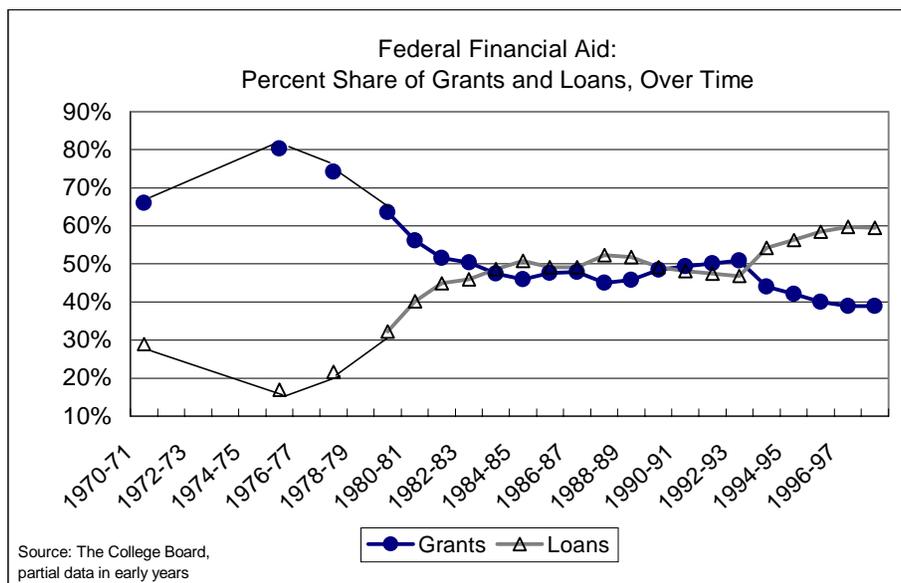
Figure 2



Note: State financial aid to students includes state appropriations to the HECB for student financial aid and funding provided to the State Board for Community and Technical Colleges for the Workforce Training Program.

► **Role of the Federal Government.** Federal support for postsecondary education, with the exception of research grants, has historically been targeted almost exclusively as financial aid for needy students. The federal government funds three-fourths of the total student financial aid available to Washington students. As can be seen in Figure 3, below, over the last two decades, the emphasis of federal funding for grants and loans has reversed. Some of this shift was the result of a change by Congress that extended student loans to middle and upper income students. The state’s investment in student financial aid — and particularly its support of the State Need Grant program — has helped mitigate the effect of the federal shift between grants and loans on the lowest-income students.

Figure 3



In 1997, the federal government enacted the Taxpayer Relief Act (TRA). This law, which became effective January 1998, provides new “financial aid” through the use of income tax credits, savings incentives, and limited deductibility for interest paid on student loans. In two ways the TRA marks a systemic change in the way the federal government assists students in financing higher education.

First, the benefits of the TRA are directed toward middle- and upper-income taxpayers, as opposed to the government’s historical focus on providing student financial aid to lower-income students. Lower-income students who owe no federal taxes will not benefit, and those students whose family tax bill is less than the maximum credit will receive only partial benefits. Second, they use tax credits, or foregone revenue, rather than direct funding through the appropriations process.

Many additional students and their families will be eligible for federal assistance as a result of this new legislation that seeks to make postsecondary education more affordable to American taxpayers. It is estimated that once all the provisions of the Taxpayer Relief Act are fully

implemented, its cost will approximate the amount now provided through all other existing federal student financial aid programs combined.

▶ **The Role of Parents and Students.** Parents and students contribute to the state's economy and help support higher education through the payment of taxes. As consumers of higher education, they are expected to pay as much toward their tuition and other education expenses as possible, given their financial circumstances. Only those who demonstrate the inability to pay, based on a federal need analysis formula, may receive assistance through the need-based federal and/or state financial aid programs.

▶ **The Role of Institutions.** Institutions provide financial assistance to students through various means. Both public and private colleges waive tuition charges for segments of the enrolled population. In addition, private colleges dedicate a significant portion of their operating budgets for grants and scholarships to students who could not otherwise afford to attend these higher-cost institutions. Both public and independent colleges and universities also may provide financial aid generated through endowed or foundation funds.

▶ **Role of Business and Private Donors.** Businesses, philanthropic organizations, and private donors also contribute to higher education. State businesses support the tax base from which appropriations are made, and many provide education assistance programs or scholarships for employees and their children. Many contribute to institutional endowment funds that are used to provide scholarships. Philanthropic organizations and private donors sponsor scholarships and also may provide direct support to institutions. Businesses themselves spend billions each year providing education and training opportunities to employees both on-site and through tuition support for instruction by higher education providers.

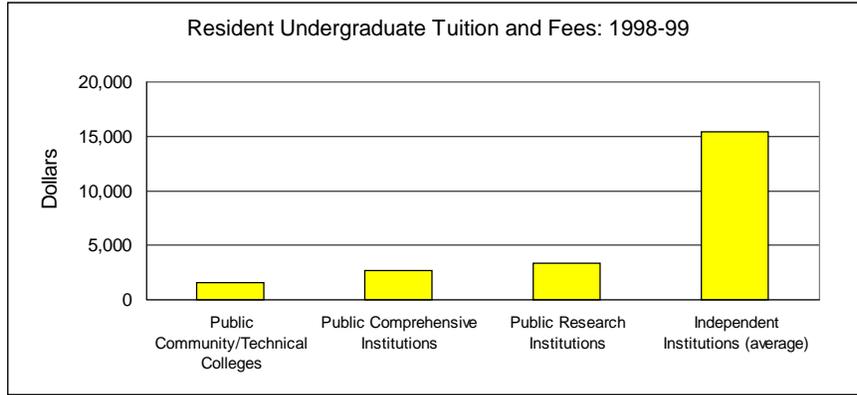
It is through the combined efforts of these disparate sources that access to affordable higher education is possible.

How Much Does College Cost?

The most obvious student cost associated with college attendance is for tuition and fees. However, students also incur other expenses that add to the cost of going to college. Other education-related costs include books and supplies and transportation. Most also must pay for room and board (or rent and other household expenses), and all incur other miscellaneous living costs.

▶ **Tuition and Fees.** Tuition and fee charges differ by school type. Figure 4 shows the amount of tuition and fees charged by Washington colleges and universities to undergraduate, state residents during the 1998-99 academic year.

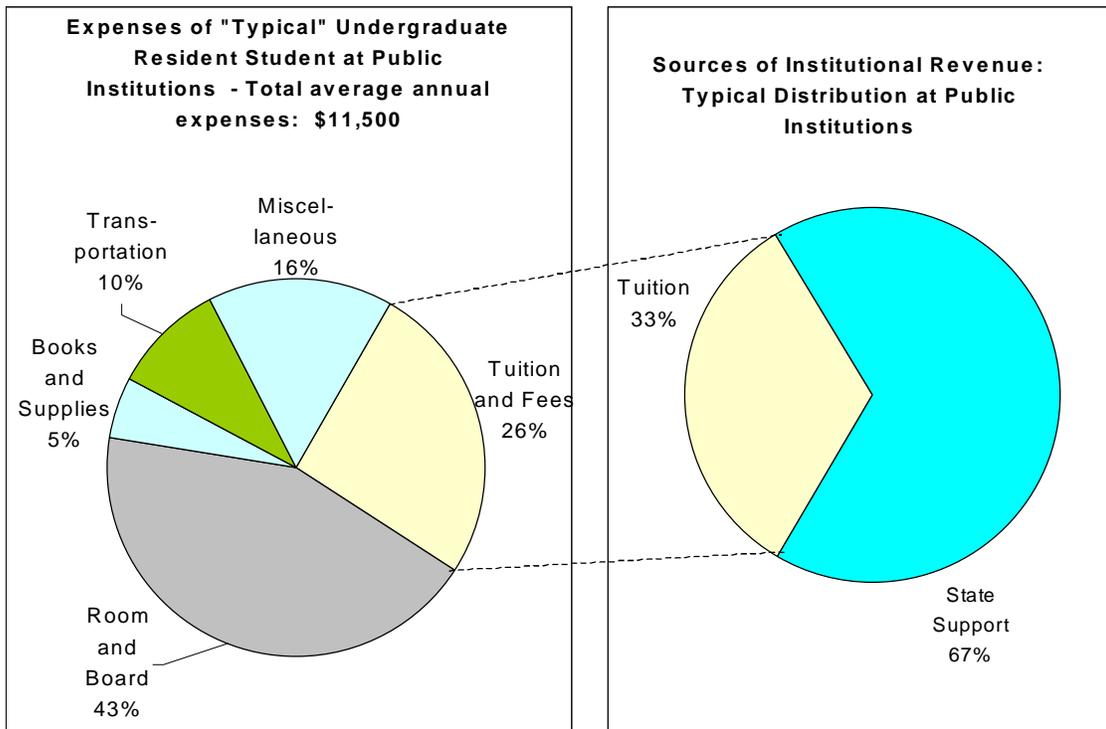
Figure 4



Graduate and professional students pay considerably higher tuition rates than do undergraduates. In Washington in 1998, the average public research institution's tuition and fees were \$3,381 for undergraduate programs; \$5,319 for graduate programs, and \$8,709 for professional programs. At the public comprehensive universities, undergraduates paid \$2,631 and graduate students paid \$4,204.

As illustrated in Figure 5, below, tuition constitutes a part of the overall expenses faced by a student, and part of institutional revenue. While tuition is the most visible cost of college attendance, it is only a part of the overall expense faced by a student. Similarly, tuition represents only a part of institutional revenue. As illustrated in Figure 5, tuition represents about 26 percent of the expenses of a "typical" undergraduate, resident student at a public institution; and approximately 33 percent of the revenue at a public institution.

Figure 5

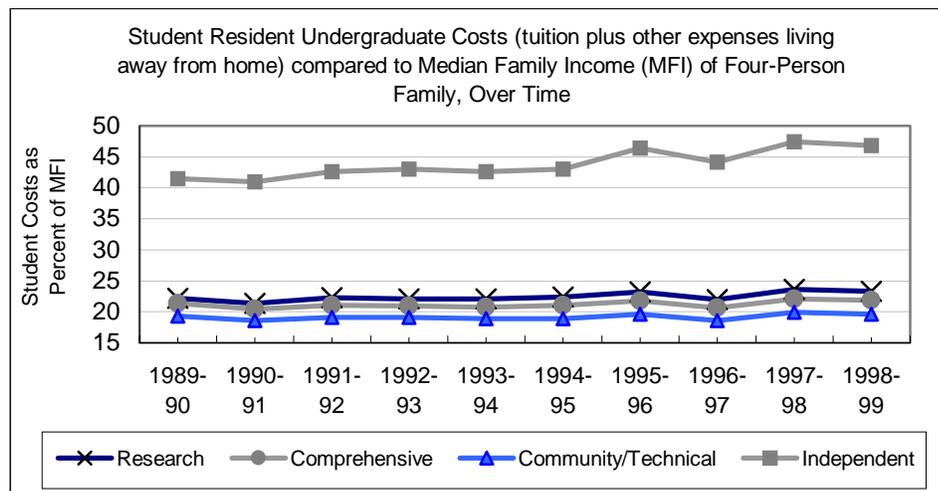


► **Other Costs.** It is estimated that the typical resident, undergraduate student living in campus housing or in an apartment will pay \$8,598 for non-tuition expenses during the 1998-99 school year.³⁵ Of this amount, \$4,998 is for room and board, \$1,134 is for transportation, \$624 is for books, and the remaining \$1,818 is for other miscellaneous expenses. If a student is not able to secure on-campus housing, increased rent can substantially impact the budget. Or a student who is able to and chooses to live at home may incur smaller room and board costs, but may have higher transportation costs than one who lives in a campus dormitory.

► **College Costs in Relationship to the State’s Median Family Income.** Recently, much concern has been expressed in the press about “spiraling college costs” — with particular reference to tuition increases. While the tuition charged students attending Washington’s public institutions has increased over the last two decades,³⁶ tuition rates at these institutions lag the average tuition of peer and national averages for like institutions.

Another way to think about affordability is to compare the increase in college costs to the change in the state’s median family income. As illustrated in Figure 6, below, the percent of median family income required to meet college costs has remained almost constant over the past ten years at state-supported institutions. Costs as a percent of the state’s median family income at independent colleges and universities have increased by approximately five percent during that period.

Figure 6



These data suggest that affordability at Washington’s colleges and universities has not diminished in terms of the median income. However it is important to look at affordability in terms of how income translates into the ability to pay for college costs, particularly for families with incomes below the median.

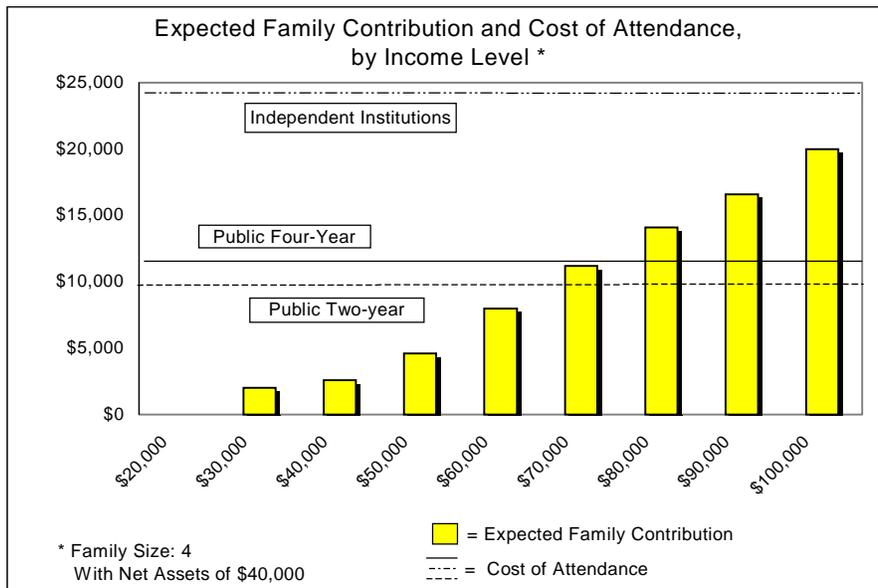
³⁵ 1998-99 Washington Financial Aid Association budget.

³⁶ See Appendix C for more detail.

► **Expected Family Contribution, Compared to College Costs.** The federal government has established formulas to calculate the amount students and their families should be expected to contribute toward a student’s college costs based on the family’s income and assets, family composition, and a variety of other factors that influence ability to pay. It is this “expected family contribution,” subtracted from the cost of attendance at a particular school that determines whether a student qualifies for financial aid, and if so, how much.

Figure 7 shows how much typical families at different income levels are expected to be able to pay, compared to the nine-month, resident, undergraduate cost of attendance at public two-year, public four-year, and independent institutions in Washington. As can be seen, a family of four with net assets of \$40,000 (not counting home equity or retirement funds) would have to earn \$62,000-\$70,000 per year to pay for college costs at a public institution from current income. Clearly, many lower-income families are unable to pay the cost of attending college without assistance.

Figure 7
1998-99 Academic Year



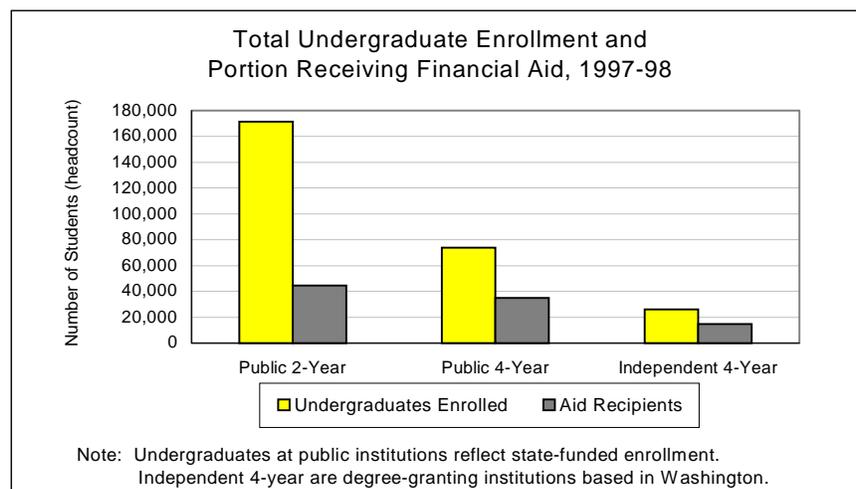
While paying for college represents a challenge for students from almost all economic strata, the issue of affordability is particularly acute for lower-income families, who have limited personal resources. The amount they have available for college expenses affects students’ initial access to postsecondary education, as well as their ability to remain enrolled long enough to complete a certificate or degree.vi For students from lower-income families, affordability is heavily influenced by the availability of student financial aid.

Role of Student Financial Aid and other Assistance Programs in Helping Make College Affordable

The broad principle inspiring the growth of most undergraduate student aid during the past 30 years has been that access to college should not be limited only to those with sufficient personal resources to cover the cost. The aim of federal and state policymakers generally has been to extend the benefits of education beyond high school to all who are qualified. This has meant awarding aid according to some measure of student and family need.vii

The purpose of need-based financial aid is to fill the gap between the cost of attending college and the amount the student and his or her family can pay. Some students require only a small amount of assistance; for them, a loan to help with cash flow, or a part-time job is all that is necessary. Others, however, need a full complement of grants, work study, and loans. During the 1997-98 academic year, over 100,000 Washington students (approximately 40 percent of full-time, undergraduates) received some amount of need-based financial assistance to make their attendance possible. Figure 8 shows the proportion of undergraduate students in public two-year, public four-year, and independent four-year institutions who received financial aid during the 1997-98 academic year. Students attending some private career colleges (proprietary schools) also received financial aid.

Figure 8



► **Aid Types: Availability, Advantages, and Limitations.** Need-based student financial aid is awarded through three types of programs: grants, work study, and loans.

- **Grants** are non-repayable and not based on service or employment. Some – typically tuition waivers or scholarships – may be targeted to specific populations or include performance criteria. Most need-based grants are limited to undergraduate study, and nearly all are awarded to students with substantial need. Grants are particularly important to low-income students, who have little family support and who would find it daunting to earn or borrow the full amount they need to finance their education.

The state has played a critical role in providing funds for grants, most notably through the State Need Grant program. Support for this program has been of particular importance to Washington’s lowest-income students, as federal support for student aid has shifted heavily away from grants and more toward loans. Grants provide a critical foundation of support for students with limited family resources and are viewed by students as the “best” financial aid. However, research indicates that grants are most effective in promoting persistence when they are combined with work study, and loans.viii

- **Work Study** allows students to earn a part of their financial aid while they are attending college. Both the federal government and the state provide work study programs that encourage employers to hire needy students by reimbursing them for a portion of student wages. The state program offers the added advantage of employment that is related, wherever possible, to the student’s field of study. Both programs have limited funding.

While not a “financial aid program” per se, many students help pay for their education by working at least part time while they are enrolled. Nationally, a large majority of undergraduates (79 percent) worked while enrolled during the 1995-96 academic year. Among those who considered themselves primarily students working to pay their education expenses (50 percent of all students), the average number of hours worked per week was 25. Students who considered themselves primarily employees taking classes (29 percent of all students), worked an average of 39 hours per week.ix

Working part time while enrolled has been found to have positive benefits in addition to the amount of money that can be earned. However, the more hours students work, the more likely they are to report that their jobs either limited their class schedules or affected their academic performance. A recent study reports that about one in five freshmen who worked full-time — 35 or more hours per week — did not complete their first year, compared with one in 20 who worked one to 15 hours. x

While part-time work is an important resource for most students, the price of college has outpaced the ability of students to earn enough to pay-as-they-go. As observed in Table 1, a student living away from home to attend college would have to work more than full time while enrolled, or earn far more than the minimum wage to cover college costs.

Table 1

Weekly Hours of Work/Hourly Pay Rate Necessary to Earn Full Cost of Attendance 1998-99 Academic Year			
	Weekly Hours of Work at Minimum Wage	OR	Hourly Pay Rate Required If Working Part Time
Public Two-year	49 Hours		\$12.50
Public Four-year	56 Hours		\$14.30
Private Four-year	117 Hours		\$29.70

- **Loans** are the third type of student financial aid. Representing 60 percent of the financial aid available to Washington students, loans are an important resource. Since 1993, federal loans have been available to all students, regardless of financial need. Students at all program levels and at all types of institutions borrow. Table 2 reports national data compiled in 1995-96, showing the percent of students who borrowed and the average total principal borrowed by type of degree/certificate.xi

Table 2

Percentage of Recipients Borrowing in One or More Years And Average Total Principal Borrowed, by Type of Degree/Certificate National Data — 1995-96		
Degree/Award Received	% Students Who Borrow in One or More Years	Average Total Principal Borrowed
Certificate	53	\$5,597
Associate	42	\$5,059
Bachelor's	60	\$13,269
Master's	63	\$19,245
Doctoral	59	\$18,045
Professional	73	\$59,909

Source: United States General Accounting Office

The United States General Accounting Office study cited above, reports that about half (52 percent) of all undergraduate students use student loans to finance their education. The average debt for a public school graduate in 1995-96 was \$11,500; for students graduating from a private college, it was \$15,500. Twenty-five percent of private four-year graduates and 16 percent of public four-year graduates borrowed at least \$20,000; and 60 percent of the professional students borrowed a principal of \$50,000 or more.

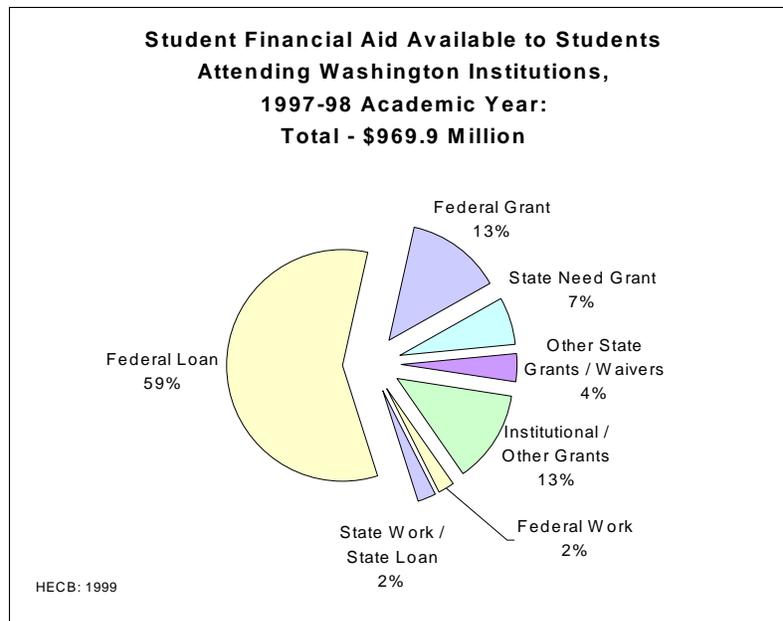
While student loans provide an immediate source of assistance, loans must be repaid, with interest. Over the life of repayment, the cost of a loan adds substantially to a borrower's actual cost of attendance.³⁷ Student loan debt is a growing and very serious problem for a significant number of students and families.xii

► **Distribution by Source and Type.** Of the \$970 million of financial aid awarded to students attending Washington institutions in 1997-98, nearly three-fourths was provided through federal programs; including nearly 60 percent in student loans. As can be seen below, state programs comprised 13 percent of the total amount available, with institutions and private donors also providing 13 percent. Thirty-six percent of the financial aid awarded was in the form of grants, and four percent was in the form of work study. The distribution of student financial aid

³⁷ See Appendix D for loan limits and monthly loan repayment schedules.

available to students attending Washington institutions during the 1997-98 academic year by source and by type of aid is shown in Figure 9, below.³⁸

Figure 9



- Notes: (1) Approximately 88 percent of all funds are awarded on the basis of federal “need” criteria.
 (2) Need-based tuition waivers awarded by public institutions and grants from the 3½ Percent Institutional Aid Fund are included in “Other State Grants/Waivers.” “State Work”/ “State Loans” include estimated awards from the 3½ Percent Fund for work and loan.

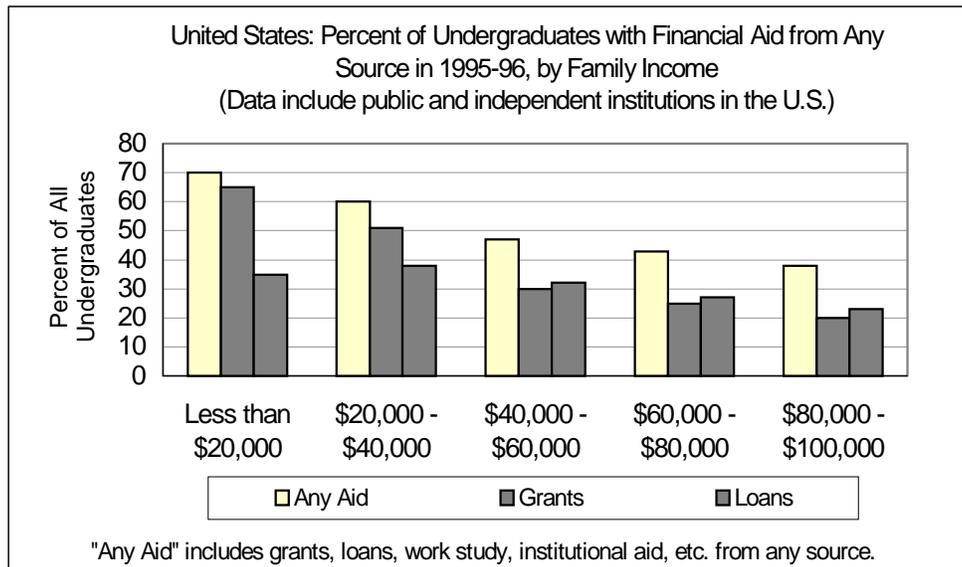
► **Impact of Financial Aid on Access and Persistence.** Each of the types of aid plays a vital role in providing access to postsecondary education, and in enhancing “persistence.” A state-specific research study conducted for the Board in 1996^{xiii} confirmed national research findings that both the type and amount of financial aid influence student decisions to enroll and continue (persist) in higher education. The research concluded that, while financial aid does not entirely mitigate the negative effects of poverty, an adequate amount of financial assistance, available through an appropriate mix of grants, work study, and loans is essential to equal opportunity for both access and persistence of low-income students.

The study found that aided undergraduates were more likely to persist than those not receiving aid, a significant finding, given the fact that low-income individuals are much less likely than those with higher incomes to enroll in the first place. Another significant finding was that financial aid awards containing grants, work study, and loans had the strongest positive relationship with persistence, better even than an award comprised of all grants. However, both the Washington study and many other national studies report that working too many hours or having to borrow too much negatively influence enrollment and persistence.

³⁸ In addition to the need-based tuition waivers included in “Other State Grants/Waivers,” public institutions are authorized to provide up to an additional \$104 million in tuition waivers for non-need purposes to a variety of student populations. Similarly, only institutionally funded grants for needy students at private colleges are included in “Institution/Other.” These figures do not include scholarships provided to students who did not have financial need; nor do they include private loans or other consumer debt accrued to pay for educational costs.

► **Income Levels and Financial Aid.** The traditional financial aid programs are awarded on the basis of “need.” Need is defined as the difference between what it costs to attend a particular college and the amount the student and his or her family are judged able to pay. Since need is relative to cost, a student may be eligible for different amounts of financial aid at different schools. Contrary to a common misperception, not all need-based financial aid is limited to the very poor.³⁹ Figure 10 shows the percent of undergraduate students, nationwide, who received financial aid in 1995-96, by family income. As can be seen, both grants and loans were awarded to students across a wide income range.

Figure 10



Source: U.S. Department of Education, National Center for Education Statistics, 1995-96 National Postsecondary Student Aid Study.

► **Other Aid for Students.** The largest portion of public support for students is provided through state appropriations to public institutions and through federal and state student financial aid programs. The recently enacted Taxpayer Relief Act will also be a significant source of assistance to students and their families. In addition, students who meet eligibility criteria can access other types of assistance (usually targeted to specific populations). Appendix E lists several of the programs that are available, outside the traditional student financial aid programs.

³⁹ Institutions may choose to award local grant aid to students who do not qualify for federal or state grants to help meet their financial need. Students from all income levels may receive federal student loans. In addition, other forms of assistance are available to middle- and upper-income students who may not qualify for need-based financial aid; e.g., employer reimbursement for educational expenses; merit scholarships; the new federal educational tax credits, etc. These programs also make higher education affordable.

Identifying Affordability Barriers and Strategies to Overcome Them

Affordable access is a reality for most learners who want to go to college and are prepared academically. For some, however, meeting the costs of going to college remains a significant challenge.

Even with the availability of student financial aid, national studies report that low-income students enroll in significantly smaller numbers than do those from high-income families.^{xiv} The National Center for Education Statistics reports that 49 percent of the students from low-income families enrolled in college directly after graduation in 1996, compared to 78 percent from high-income families, a gap of nearly 30 percentage points. Low-income students who enroll also are much less likely than their more affluent peers (six percent, compared to 40 percent) to receive a baccalaureate degree or higher within five years.

In addition to socio-economic status, many factors influence the likelihood of college attendance including the educational attainment of parents, student aspirations, and academic preparation. However, for low-income students who make it over these hurdles, affordable access for the low-income is possible only with a substantial amount of student financial aid. And, for the best outcome, aid must be provided in a combination that is adequate, and in a way that does not require that the student work an unrealistic number of hours or borrow more than a reasonable amount.

The perception of affordability is a critical factor in a prospective student's decisions regarding academic preparation and participation in higher education. Individuals and their families who perceive that the cost of higher education is beyond their reach may see the economic barrier as one which cannot be overcome and, as a result, not prepare for, or pursue, the possibility of a postsecondary education. Although individuals from all income levels may be affected by perceptions of affordability, low-income, under-represented populations are at greatest risk. Students from low-income families — particularly those whose parents did not attend college — must be assured that if they prepare academically for college, financial assistance will be available to help them pay for it.

► **Provide better information about the value of college and how to get into college to under-represented and first-generation learners.** Information communicating the value of higher education, academic and financial preparation, and the availability of financial aid could be actively disseminated in a systematic and coordinated manner. The information would need to be appropriate to its intended audiences: elementary/middle school students, high school students, parents, individuals from under-represented cultural/ethnic backgrounds, and adults considering higher education for themselves. Information also should be provided to high school and community-service counselors, and others who work with low-income and at-risk populations.

Better, more accessible information also should be available to middle-class families about the importance of postsecondary education, college costs, and ways in which the future education of their children can be financed. College could be affordable for many if they knew more about

college costs and how to distribute the costs over a longer period of time: through savings, use of current income, and – if necessary – home equity or other loans assumed by the parents.

▶ **Coordinate state and federal financial aid.** In addition, the HECB should continue to coordinate state financial aid programs with the larger federal programs to maximize limited state funds, and to provide equity in the distribution of financial assistance.

▶ **Pursue state funding to meet Board SNG goals.** Current Board policy is that the State Need Grant program should serve students with incomes up to 65 percent of the state's median family income. The Board may wish to consider seeking legislative funding to provide SNG awards equal to resident, undergraduate tuition rate at the public institutions. This would make it possible for low-income recipients to enroll without having to work or borrow excessively.

▶ **Continue to support and provide information about the GET program.** Another tool that can be used to help make college affordable is the tuition prepayment plan offered by the state. One facet of this program, the Guaranteed Education Tuition (GET) plan, allows for prepayment of college tuition over a period of years before a student enters college. The opportunity to reap the advantages offered by the GET program or to save for college costs through other vehicles requires knowledge and preplanning on the part of parents or others concerned about the student's welfare.

▶ **Identify strategies to meet the unique affordability challenges of rural-area residents.** Often, residents of rural areas of the state must travel a long distance to attend college classes; others must relocate to enroll in a particular program of study. Data from the State Population Survey conducted in spring 1998 show that families in rural counties tend to be less affluent. County population increases forecasted in 1995 suggest that growth will occur in several rural counties between 1998 and 2010. Increases in county population could place a demand on local postsecondary institutions that is greater than they can meet. Some areas do not have institutions that provide the educational level or programs needed by individuals who live there. In both instances, relocation may be necessary to pursue a postsecondary education. College costs may be a greater burden for students who must relocate than for others.

▶ **Revise financial aid rules to meet the needs of learners participating in new delivery systems.** The recent and growing role of electronic technology in delivering postsecondary education highlights a significant new issue related to affordability. In their present form, federal and state financial aid programs, which were designed to fit the traditional college model, do not lend themselves to nontraditional educational delivery systems. Existing legislation and rules may need to be amended or new programs established to provide financial aid to this emerging population.

In the 1960s and 1970s, when most federal and state financial aid programs were created, higher education was based, almost exclusively, on a traditional college model. Students attended classes on a college campus; they enrolled for a nine-month academic year; and they incurred standard expenses for living on campus or at home, purchasing books and supplies at the college bookstore, and transportation expenses for visits home or for commuting costs. Education

programs were offered in quarters or semesters over a scheduled academic year; credit hours and grade-point averages measured progress.

Unless an education program or a student's enrollment patterns can be configured to fit the traditional model, it is difficult – if not impossible – for a student enrolled primarily through e-learning to receive financial aid, even if the student is low-income and would qualify for assistance in a traditional program. Similarly, it is difficult to address the differing educational expenses of students enrolled through technology even when they are eligible for financial aid.

How affordable access should be provided to students enrolled through new delivery systems is perhaps the biggest policy question facing both federal and state financial aid programs. The federal government has started to review this issue, with plans to authorize a limited number of demonstration projects to test ways in which financial aid might be provided to distance learners. Response to this emerging population will require systemic change in the determination of institutional and student eligibility, as well as comprehensive modification of most administrative processes. (See Appendix F.)

The Board should immediately begin to study the extent to which – and how – state financial aid should be provided for students who are pursuing postsecondary education via e-learning or other nontraditional delivery systems. The study should include, but not be limited to, how student and institutional eligibility should be established; how financial need should be determined; and the extent to which state financial aid for distance learners should be coordinated with federal programs.

► **Identify strategies to help learners progress more quickly to degree or program completion.** It is reported that the average undergraduate time-to-degree is over five years. And many students have good reasons for a longer time-to-degree: for example, they may work part-time or even full time while attending college. However, students and their families, as well as the state, could realize cost savings if students progressed more quickly to program completion. Students who take longer to complete must pay more for tuition, books, room, and board. Many incur added student loans to help cover the costs. In addition, there is also the cost of lost income that might have been earned had the student completed sooner. The extended time-to-degree also costs the state, since it supports a significant share of the cost of instruction.

Costs could be reduced if students were better prepared when they reach college, if they were better informed regarding graduation requirements, and if they completed a full academic load each term. Additional financial aid would be needed by some to increase their course load. Institutions could help by providing better student advising and counseling to ensure that students are aware of graduation requirements, by improving articulation between institutions, and by ensuring that required courses are readily available to students needing them to graduate.

Future Outlook

The number of Washington residents who are likely to require financial assistance in order to participate in higher education between now and the year 2020 depends on many factors. For example, the amount needed for state financial aid funds will depend on the number and socio-economic profile of enrolled students; where students enroll; the method of delivery; the job market and labor demands; changes in federal financial aid policy and funding levels; and a range of public policies influencing enrollment decisions.

The Board has estimated that postsecondary enrollment in Washington State will increase by over 80,000 students by the year 2010. Interest in serving residents of rural areas and the anticipated expansion of alternative educational delivery systems point to significant growth in the demand for higher education. If affordable access is to be available to the additional students who are expected to enroll, new approaches to determining eligibility and administering student financial aid may be necessary, and additional funding will be required.

Conclusions

Higher education matters. It contributes to the development of human potential, and it furthers the productivity of the state and the nation. The provision of affordable postsecondary education and training represents an investment by the state in its residents – an investment that brings returns not only to the individual participants, but also to the state as a whole.

Affordable access to postsecondary education and training should be available to academically prepared Washington residents, regardless of their ability to pay for the cost with their own resources. While affordable access is available to many, it is not available to all. It can be enhanced by continued state investment in public institutions, with continued priority given to support for undergraduate education. Other strategies include financial assistance for those who are in need; consistent and accessible information and outreach; new ways of meeting the unique needs of rural residents; and by enhancing student progress toward program or degree completion.

WHY AFFORDABILITY MATTERS – THE PERSONAL AND SOCIETAL BENEFITS OF HIGHER EDUCATION

Postsecondary education generates both individual and public benefits. To the individual, higher education is seen as the ticket to a comfortable and stable income, challenging work and, for some, passage out of joblessness and poverty. Higher education broadens one's view of the world, augments learning skills, improves workers' ability to develop and use technology, and increases productivity. And a well-educated citizenry contributes to the vitality of communities, the state, and the nation. Affordable postsecondary education and training is an investment by the state in its residents that brings returns not only to the individual participants, but also to the state as a whole.

Discussions of the benefits accruing from higher education often focus on what has become the obvious linkage between education and personal income. As Figures A-1 and A-2 indicate, education beyond high school provides a substantial benefit in terms of earning power and employment.

Figure A-1

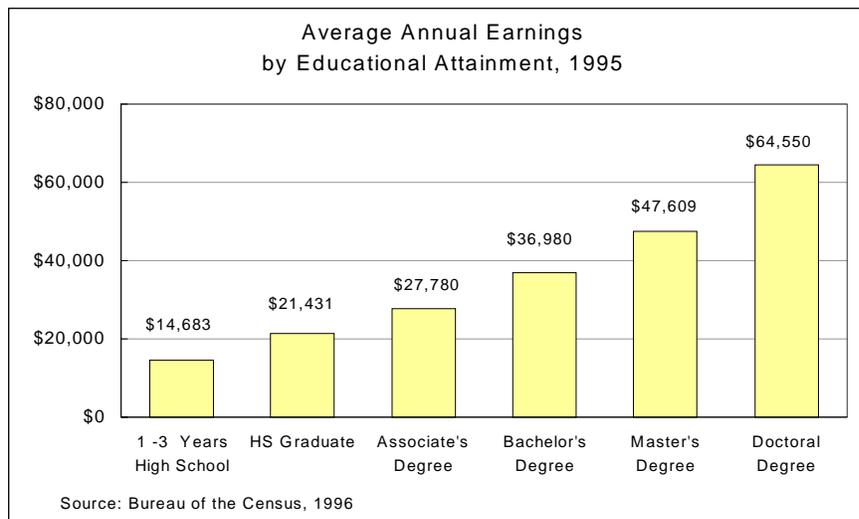
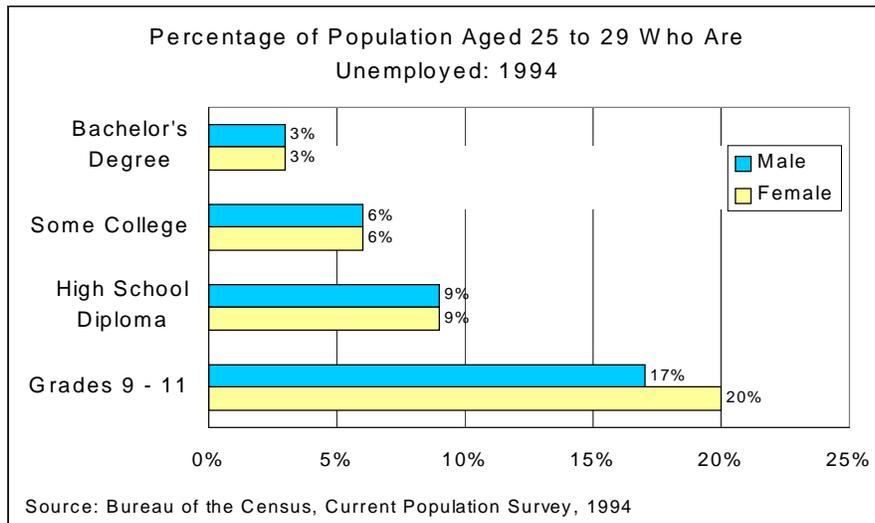


Figure A-2



xvi

Other, perhaps less dramatic, benefits also flow from increased educational attainment. These include both personal (or private) benefits direct to the individual, as well as public (or societal) benefits that contribute more generally to the entire population. Table A-1, below, displays a matrix prepared by The Institute for Higher Education Policy,xvii illustrating the nature and relationship of a number of public and private benefits generally acknowledged to arise from increased education levels.

Table A-1

The Array of Higher Education Benefits		
	Public	Private
Economic	<ul style="list-style-type: none"> • Increased Tax Revenues • Greater Productivity • Increased Consumption • Increased Workforce Flexibility • Decreased Reliance on Government Financial Support 	<ul style="list-style-type: none"> • Higher Salaries and Benefits • Employment • Higher Savings Levels • Improved Working Conditions • Personal/Professional Mobility
Social	<ul style="list-style-type: none"> • Reduced Crime Rates • Increased Charitable Giving/Community Service • Increased Quality of Civic Life • Social Cohesion/Appreciation of Diversity • Improved Ability to Adapt to and Use Technology 	<ul style="list-style-type: none"> • Improved Health/Life Expectancy • Improved Quality of Life for Offspring • Better Consumer Decision Making • Increased Personal Status • More Hobbies, Leisure Activities

Source: The Institute for Higher Education Policy

The data in Tables A-2, A-3, and A-4 quantitatively illustrate some of the benefits of higher education.

Table A-2

Presidential Election Voting Rates for the Population Ages 25 to 44 By Educational Attainment: Selected Years 1964-92				
	1 – 3 years of high school	4 years of high school	1 – 3 years of college	4 or more years of college
1964	60.5%	75.5%	82.9%	86.2%
1976	38.5%	57.8%	67.4%	78.5%
1984	29.0%	49.1%	62.1%	74.7%
1988	26.3%	47.4%	61.7%	75.0%
1992	27.0%	49.8%	66.9%	78.5%

Source: National Center for Education Statistics, *The Condition of Education, 1996*xviii

Table A-3

Health Characteristics of Adults By Educational Attainment, 1990				
	1 – 3 years of high school	4 years of high school	1 – 3 years of college	4 or more years of college
Exercise or play sports regularly	29.7%	37.0%	48.5%	55.8%
Told more than once that they had high blood pressure	21.5%	15.7%	12.8%	12.4%
Smoke cigarettes daily	37.4%	29.6%	23.0%	13.5%

Source: National Center for Education Statistics, *The Condition of Education, 1994*xix

Table A-4

Participation in Leisure Activities in Prior 12 Months By Educational Attainment, 1993				
	Less than high school	High school graduate	Some college	College graduate
Played Sports	18%	34%	49%	55%
Exercised	39%	55%	71%	75%
Visited Art Museum	7%	16%	35%	46%
Went to Sports Event	19%	33%	45%	51%

Source: National Endowment for the Arts, 1993xx

While some of the benefits of postsecondary education can, and have been, quantified, others are more implicit or indirect in nature, and less amenable to quantification. The mix of benefits that accrue to any one location or state depends on many factors, not the least of which is the variety of educational opportunities that are available. The type of education and related services provided by a major research university offer a different array of benefits than those provided by a community college or a vocational school. Access to the opportunities offered by all types of higher education is critical in order to maintain a comprehensive range of benefits to individuals, their families and communities, and to the state in general. But that opportunity is available only to those who can afford to pay for it, or have the knowledge and motivation to pursue alternative funding strategies.

The likelihood of college attendance is closely correlated with family income and the educational attainment of parents. As shown in Table A-5, high school completers from high-income families are 30 percent more likely to enroll in college immediately after high school than are high school graduates from low-income families.^{xxi} Similarly, students are much more likely to enroll in postsecondary education immediately after high school if their parents have at least a bachelor's degree.

Table A-5

Likelihood of College Attendance Immediately After High School	
Low-income Families	49%
Middle-income Families	63%
High-income Families	78%
Parent Education	
Less Than High School	45%
Bachelor's Degree or Higher	85%

Source: National Center for Education Statistics

Factors that influence whether a student will enroll in college after high school also bear directly on the projections of future enrollment in the state. Data from the 1990 census show Washington adults are 13 percent above the national average for those who have attained a bachelors degree or higher; this ranks the state at the 76th percentile overall. This level of parental education suggests that the offspring of these parents will be seeking higher education at greater-than-average rates, as well. The practice of the Washington State Legislature long has been to ensure that opportunity is widely and equitably available to Washington residents from all economic strata. To sustain that practice, financial aid programs for the less economically well off must be maintained.

WASHINGTON STATE STUDENT FINANCIAL AID PROGRAMS

State Need Grant (SNG)

The State Need Grant program was established in 1969, to assist low-income Washington residents who attend participating institutions. Funding for the program is provided from two sources: state appropriations, and matching monies from the federal government through the State Student Incentive Grant (SSIG) program. Filing a Free Application for Federal Student Aid (FAFSA) assures the student of consideration for this state grant. No separate application is necessary.

In 1998-99, about 51,500 students will receive grants totaling \$72.9 million. The average base grant is \$1,406. Individual grants vary. Full-time and part-time undergraduate students are eligible to apply. Students with dependents can receive a dependent care allowance.

State Work Study (SWS)

Established in 1974, this program provides financial assistance to eligible part-time and full-time students by stimulating and promoting their part-time employment. An equally important program purpose is the relationship of that employment to the student's academic pursuits or vocational goals. Funding for the program is provided through a state appropriation paired with an employer match. Filing a Free Application for Federal Student Aid (FAFSA) assures the student of consideration for the SWS program. No separate application is necessary.

In 1998-99, approximately 9,590 students will earn approximately \$20,000,000 (including the employer's share). The statewide master employer contract file lists 2,800 off-campus employers. Board staff annually process nearly 29,000 timesheets generated by students attending private institutions. Public institutions process their own student timesheets.

Educational Opportunity Grant (EOG)

The purpose of this grant is to provide an incentive to eligible place-bound financially needy students who have completed an Associate of Arts degree, or its equivalent, by enabling them to complete their upper-division study at eligible institutions which have existing enrollment capacity. A full-year grant award is \$2,500. For 1998-99, an estimated 900 students will be awarded grants. Applications for the 1999-2000 academic year are currently available from the Board.

Washington Scholars

This program was established to recognize and honor the accomplishments of three high school seniors from each legislative district; encourage and facilitate privately-funded scholarship awards; and, stimulate recruitment of outstanding students to Washington public and independent colleges and universities. High school principals nominate the top one percent of the graduating senior class based upon academic accomplishments, leadership, and community service.

Scholars may receive a grant for undergraduate study at Washington public or independent colleges and universities. Renewal each year is contingent upon maintaining a 3.30 G.P.A. The state grant for scholars attending independent schools is contingent upon the institution's agreement to match the award on a dollar-for-dollar basis with either money or a tuition and fee waiver. The maximum grant amount in 1998-99 is \$3,396.

Health Professional Loan Repayment and Scholarship Programs

The purpose of these programs is to encourage eligible health care professionals to serve in shortage areas. It provides financial support in the form of conditional scholarships to attend school, or loan repayment if the participant renders health care service in medically underserved areas or professional shortage areas in Washington State for no less than three years and no more than five years.

Loan repayment recipients receive payment from the program for the purpose of repaying education loans secured while attending a program of health professional training that leads to licensure in Washington State. Applications for the loan repayment program are available after November 15.

Scholarship awards are made on a competitive basis to applicants who have been accepted into or who are enrolled in an accredited program leading to eligibility for licensure in Washington State, in one of the designated health care professions. Award of the scholarship is conditioned on the recipient agreeing to work in a designated shortage area in his/her chosen field for a minimum of three years. Applications are available for the scholarship program after January 15.

The annual award amount for each health care profession is based on an assessment of reasonable annual eligible expenses and loan indebtedness incurred in training and education for each health care profession. Awards may be renewed for a period not to exceed five years for eligible participants who continue to meet all renewal criteria each year of the award. Recipients who do not provide service in a health professional shortage area in Washington State are required to repay the award plus penalty and interest.

Community Service Initiatives

The Board has funded eleven innovative community service projects for 1998-99, through a combination of federal SSIG dollars and SWS dollars. The projects provide comparative information regarding community service placements and evaluation data on job satisfaction, and the influence of community service on academic and career choice.

Schools receiving community service grants representing Washington Reading Corps and Related Literacy Efforts include: Columbia Basin College, Gonzaga University, Pacific Lutheran University, Lower Columbia Community College, and Eastern Washington University. Those with projects in other areas of service are: Central Washington University, Grays Harbor College, Pierce College/Medicine Creek Tribal College, and Western Washington University (with sites at The Evergreen State College, Seattle Central Community College, and University of Washington). Requests for proposals are issued each spring.

In addition, the Board continues its support of Best SELF and Campus Compact, and offers the option of an improved employer reimbursement rate for community service placements.

National Early Intervention Scholarship and Partnership (NEISP) Program

The Washington National Early Intervention Scholarship and Partnership program is designed to motivate participating at-risk students to complete high school and subsequently enroll in a program of postsecondary education. Washington is one of only nine states to be awarded a grant, which is automatically renewable for up to four additional years. The program is a collaborative effort of community-based organizations, local schools and colleges, community members and the Higher Education Coordinating Board. It is located at five separate sites: Tacoma, Wapato, Aberdeen, Spokane, and Inchelium.

Through a program of academic counseling, mentors, and informational seminars, students are encouraged to develop academic, study, work, and interpersonal skills, and to start educational and career planning. In addition, students devote time to community service activities in group or individual efforts. Participating students receive a stipend for the time they commit to the program, including hours devoted to community service activities. In addition to the stipend, participants will receive points that can be redeemed for a scholarship for later college attendance. In 1998-99, about 325 students will receive the scholarship.

Washington Award for Vocational Excellence (WAVE)

Established to honor students for outstanding achievement in vocational-technical education. Annually three vocational students in each legislative district receive the grant. The award is for no more than two academic years and may not exceed the annual undergraduate tuition and fees at public research universities. High schools, skills centers, and community and technical colleges nominate students to be considered for the award.

Western Interstate Commission for Higher Education (WICHE) Student Exchange

There are three exchange programs available to Washington residents. The **Professional Student Exchange** provides state support to optometry and osteopathy students enrolled out of state. Twelve students will receive yearly support fees ranging from \$9,100 to \$13,400 in 1998-99. Applications are available from the Board and are due October 15 of the year prior to professional enrollment.

The **WICHE Regional Graduate Exchange** programs are distinctive master's and doctoral programs in which qualified residents may enroll at reduced tuition rates in out-of-state programs not offered in Washington State. The 14 participating states offer 128 programs at 38 graduate schools. Graduate students apply directly to the schools they wish to attend and request admission as "WICHE" students.

Through the **Western Undergraduate Exchange (WUE)**, students may enroll in designated programs and schools in the 14 western states at 150% of resident tuition, rather than out-of-state tuition. Undergraduate students apply directly to the schools they wish to attend and request admission as "WUE" students.

**Washington Award for Excellence in Education
(CHRISTA MCAULIFFE AWARD)**

This program recognizes teachers, principals, and school district administrators for their leadership, contributions, and commitment to education. All recipients selected after January 1, 1994 receive a recognition award of \$2,500. Nomination forms are available through the Office of Superintendent of Public Instruction each January. Selections are made in March.

Community Scholarship Organization Matching Grants

Matching grants of \$2000 are offered to 501(C)(3) tax exempt community scholarship organizations that raise \$2000 for student scholarships. Twenty-five matching grants will be available in 1998-1999. Applications are available from the Board.

American Indian Endowed Scholarship

The purpose of this program is to create an educational opportunity for American Indians to attend and graduate from higher education institutions in the state of Washington. The endowment is made up of equal contributions from the state, and from private donors which include individuals, corporations and tribes. The interest earnings of the endowment are used each year to award scholarships to financially needy, resident American Indian students. Approximately ten to fourteen scholarships of \$1,000 each are awarded each year. Applications are available from the Board in the spring and selections are made by June.

Aid to Blind Students

This small grant program provides up to \$200 per term to needy blind students. Recipients are reimbursed for special equipment, services, and books and supplies required because of their visual impairment. Applications are available from the Board.

<u>1998-99 SFA PROGRAM APPROPRIATIONS</u>		
<u>Program</u>	<u>Appropriations</u>	<u>Awards</u>
SNG (Including SSIG)	\$72,900,000*	51,500
SWS (Including SSIG)	15,466,000*	9,590
EOG	2,420,000	900
Health Professional Loan Repayment & Scholarship	1,300,000	45
Washington Scholars	1,265,000	367
NEISP	800,000	260
WAVE	456,000	253
WICHE	220,000	32
Christa McAuliffe	197,500	79
Community Scholarship	50,000	25
American Indian Endowed Scholarship	22,000	19
Aid to Blind Students	2,000	5
Total	95,098,500	63,075

*Includes federal matching monies.

**TUITION (OPERATING AND BUILDING FEES)
Percent of Cost of Instruction Over Time
1977 - 1995**

	<u>1977-78 to 1980-81</u>	<u>1981-82 to 1992-93</u>	<u>1993-94</u>	<u>1994-95</u>
UW/WSU (RESEARCH)				
Resident				
Undergrad	25.0%	33.3%	36.3%	41.1%
Grad & Law	115% of u/g	23.0%	25.2%	28.4%
MD/DDS/DVM	160% of u/g	167% of grad.	167% of grad.	167% of grad.
Nonresident				
Undergrad	100.0%	100.0%	109.3%	122.9%
Grad & Law	115% of nonres u/g	60.0%	65.6%	73.6%
MD/DDS/DVM	160% of nonres u/g	167% of nonres grad.	167% of nonres grad.	167% of nonres grad.
CWU/EWU/WWU/TESC (COMPREHENSIVES)				
Resident				
Undergrad	80% of UW/WSU res u/g	25.0%	27.7%	31.5%
Grad	80% of UW/WSU res grad.	23.0%	25.3%	28.6%
Nonresident				
Undergrad	80% of UW/WSU nonres u/g	100.0%	109.4%	123.0%
Grad	80% of UW/WSU nonres grad.	75.0%	82.0%	92.0%
COMMUNITY COLLEGES				
Resident				
Undergrad	45% of UW/WSU res u/g	23.0%	25.4%	28.8%
Nonresident				
Undergrad	50% of UW/WSU nonres u/g	100.0%	109.3%	122.7%

Source: Higher Education Coordinating BoardXXii

For a number of years the state of Washington tied tuition at public higher education institutions to a given percentage of the operating cost of instruction. The fact that the percentage could and did change over time is indicative of changes in the viewpoints regarding who should pay for higher education and in the economic well being of the state. The cost-indexed policy was modified by the Legislature in 1995.

Since 1996, changes in the share of cost paid by students in the form of tuition has been loosely linked to changes in the state's per capita personal income (PCPI). Other states use various other methods to establish tuition rates; many leave tuition decisions up to institutions once state support has been established. In turn, these institutions may index to economic indicators other than PCPI, other tuition rates in the market in which they operate, or a combination of various considerations.

**FEDERAL STAFFORD LOAN PROGRAM
BORROWING LIMITS AND REPAYMENT SCHEDULE**

Several loan programs are available to students, the largest of which is the Federal Stafford Loan program. Two types of student loans are available through this program – subsidized and unsubsidized. The subsidized Stafford Loan is need-based. The unsubsidized loan is not need-based. It is available to any student whose education costs exceed the amount of financial aid awarded. The program also includes a loan for parents of dependent students. Since the federal government guarantees the loans, funds are widely available. The following tables show the annual and aggregate maximum amounts that can be borrowed through the Stafford Loan programs.

STAFFORD LOAN LIMITS		
	<u>Independent Students</u>	<u>Dependent Students</u>
	<u>Annual Maximums</u>	
Freshmen	\$ 6,625	\$ 2,625
Sophomores	\$ 7,500	\$ 3,500
Junior and Seniors	\$10,500	\$ 5,500
Graduate/Professional	\$18,500	N/A
Parent Loan for Undergraduate Students	Not Eligible	Cost of education less other aid
	<u>Aggregate Limits</u>	
Undergraduates	\$ 46,000	\$23,000
Graduate/Professional*	\$138,500	N/A
Parent Loan for Undergraduate Students	N/A	No Maximum

* Includes loans made at the undergraduate level

STAFFORD LOAN REPAYMENT CHART					
<u>Loan Amount</u>	<u>L</u>	<u># Payments</u>	<u>Monthly Payment</u>	<u>Interest Charges</u>	<u>Total Payments</u>
\$ 2,625		65	\$ 50.00*	\$ 642.61	\$ 3,267.61
\$ 5,250		120	\$ 64.39	\$ 2,477.14	\$ 7,727.14
\$ 9,250		120	\$113.45	\$ 4,364.48	\$13,614.48
\$13,250		120	\$162.52	\$ 6,251.83	\$19,501.83
\$17,250		120	\$211.58	\$ 8,139.17	\$25,389.17
\$23,000		120	\$282.10	\$10,852.23	\$33,852.23

Source: Northwest Education Loan Association

- Notes:
- The program's minimum monthly payment is \$50.00. To meet the required minimum payment, these monthly payments have a repayment period of less than 10 years.
 - The interest rate of Stafford Loans is variable with a ceiling of 8.25%.
 - This payment table is based upon the maximum allowable repayment period of 10 years, and the maximum interest rate of 8.25%.

SOURCES OF AID FOR STUDENTS

The largest portions of aid available to students include the following general categories (discussed in other parts of this paper):

- State funding to institutions – which supports some of the cost of education – and therefore is provided to all students who enroll. Tuition, the “price” of education charged to students, is dependent, to a large extent, on what portion of cost is not covered by state investment.
- State funding of major financial aid programs for individual students. In Washington, the largest state supported financial aid programs are the State Need Grant and State Work Study programs.
- Federal financial aid to individuals through grants, loans, work study, and tax credits.

Students who meet certain criteria can access other types of assistance. The following list, though not exhaustive, incorporates the major sources of assistance available to students attending Washington institutions.

NEED-BASED AND NON-NEED-BASED FINANCIAL AID PROGRAMS AVAILABLE TO WASHINGTON STATE STUDENTS, BY FUNDING SOURCE

NEED-BASED

Federally-Funded

Federal Pell Grant
Federal Supp.Ed’l Oppty Grant (SEOG)
Federal Work Study
Federal Perkins Loan
Federal Stafford Loan (subsidized)
Leveraging Educational Assistance Partnership

State Supported

State Need Grant
State Work Study

3.5 Percent Loan Program
(WICHE) Student Exchange
American Indian Endowed Scholarship
Educational Opportunity Grant
Aid to Blind Students
Three and Four Percent Tuition and Fee Waivers
Timber and Fishery Workers
Worker Retraining

Private/Institutionally Funded

Other Tuition and Fee Waivers
Institutional Scholarships and Employment
Private Scholarships

NON-NEED-BASED

Federally Funded

Federal Stafford Loan (non-subsidized)
Parent Loan for Undergraduates
Federal Hope Tax Credits
Federal Lifetime Learning Tax Credits
Educational IRAs
Tax Deductions for Education Loan Interest
AmeriCorps
Veterans Educational Benefits
Guard/Reserve Educational Benefits
Bureau of Indian Affairs Programs

State-Supported

Washington Scholars
Washington Award for Vocational Excellence
Christa McAuliffe Award
Specially Directed State Tuition and Fee Waivers
Health Prof. Loan Repayment and Scholarship
Reciprocity Agreements

Private/Institutionally-Funded

Institutional Scholarships and Employment
Paul Fowler Scholarship
Private Scholarships
Employer Internships
Employee Education Programs

FINANCIAL AID FOR STUDENTS ENROLLED THROUGH ALTERNATE DELIVERY SYSTEMS

In the 1960s and 1970s, when most federal and state financial aid programs were created, higher education was based, almost exclusively, on a traditional college model. Students attended classes on a college campus; they enrolled for a nine-month academic year; and they incurred standard expenses for living on campus or at home, purchasing books and supplies at the college bookstore, and transportation expenses for visits home or for commuting costs. Financial aid programs were established based on that traditional model.

Over time, efforts by Congress to ensure integrity, and to stem fraud and abuse in the federal financial aid programs have resulted in increasingly prescriptive student and institutional eligibility criteria and administrative requirements. In their present form, many of the laws and regulations governing federal student financial aid do not lend themselves to the emerging nontraditional educational delivery systems. (See table, below, for examples.)

Examples of Current Financial Aid Provisions That Impact Distance Learners

Institutional Eligibility

Current Provision: An institution is not eligible to participate in federal financial aid programs if: More than 50% of its courses are correspondence or telecommunications courses; or if 50% or more its regular enrolled students are enrolled in correspondence and/or telecommunications courses.

Issue: The availability of new technologies blurs the distinctions among correspondence, telecommunications, and residential courses. It also calls into question the validity of this rule in the changing environment.

Current Provision: Institutions must secure U.S. Department of Education approval of each new instructional site before financial aid may be awarded to students at that location.

Issue: The current backlog represents a major hurdle for institutions seeking to expand distance-based learning and is, perhaps, irrelevant.

Current Provision: The cost and credit load for coursework taken outside of the credential-granting institution are ineligible for financial aid funds, unless the “home” school enters into a consortium agreement with the “host” institution. By making the agreement, the home institution confirms that the credits taken at the other institution will be accepted as though they were earned at the home school.

Issues:

- The requirement for formal consortium agreements limits the financial aid options of distance-learning students to take courses from institutions that are not in consortia with the home institution (since neither the costs nor the credits are counted in the absence of a consortium agreement).
- The current limits in place for the percent of instruction that can be contracted represent obstacles to distance learners.

Student Budgets

Current Provision: Federal rules do not allow financial aid to cover living costs for students enrolled in correspondence courses.

Issue: Current rules distinguish between “correspondence” and “telecommunications” with regard to what costs can be covered with financial aid.

Current Provision: The budget allowance used to determine eligibility for financial aid assumes that the student will incur living costs in order to attend college. The allowance is based on a traditional nine-month academic year, or in quarter or semester increments if the student does not enroll for the full school year. The allowance is based on costs for the area in which the institution is located.

Issues:

- Should financial aid cover living costs for distance learners? If so, should the allowance vary by locale?
- How should a living allowance be established for students who complete their coursework on an accelerated schedule?
- How should student financial aid budgets take into account the different equipment and related expenses of students enrolled in telecommunications courses (e.g., computer, telephone line, printer, etc.)?

Measurement of Satisfactory Progress

Current Provision: To receive financial aid, students are required to enroll in and satisfactorily complete a minimum number of credits each term, and to maintain a specified grade point average. Time requirements are highly regulated by the U.S. Department of Education.

Issue: The traditional measurement of satisfactory progress will require a different approach for distance learners:

- Distance learners may start and end programs at different times;
- Seat time is not an essential measure of progress in distance learning;
- Work may progress at an accelerated or slower pace;
- Knowledge may be measured by competency, rather than by grades;
- Grading may vary from school to school, making the measurement of satisfactory progress difficult for students taking classes from more than one school at a time.

Calendar Issues

Current Provision: Many financial aid requirements are tied to timeframes and seat time.

Issues:

- For enrolled students to qualify for financial aid, programs must meet minimum length requirements (measured in credit or clock hours and weeks of instruction);
- Institutional academic years must be at least 30 weeks (with “week” defined in federal regulations, based on seat time);
- The last date of attendance is used to determine whether a student is owed a refund (and how

- much); and the date on which student loan repayment must begin;
- Disbursement of aid is highly regulated, and is also tied to the first day of classes;
 - Standardized timeframes and the use of seat time do not work well for many distance education programs;
 - Competency based distance learning programs may not use credit hours;
 - The standard 30-week “academic year” does not work for students who are progressing at a different pace.

Support Services

Current Provision: To participate in financial aid programs, institutions must provide a comprehensive set of student support services.

Issue: New ways of delivering student support services will be needed.

Most (nearly three-fourths) of the financial aid available to Washington students is provided by the federal government. Student eligibility and many of the administrative requirements for state-funded financial aid programs are designed to complement and be coordinated with federal programs, in order to maximize resources and ensure equity in the distribution of funds among eligible students. Similarly, state programs require that institutions be approved to participate in federal financial aid programs as a prerequisite to state eligibility. Therefore, standards established for federal financial aid programs are of direct relevance to the state’s programs, as well.

How – and the extent to which – federal financial aid programs should be modified to respond to the emergence of new higher education alternatives made possible by technology, was a topic of discussion during the federal government’s recent Reauthorization of the Higher Education Act. Congress recognized that significant change would be necessary to allow students and institutions to take advantage of the opportunities provided through distance education. However, they were concerned that restructuring aid to fit new ways of delivering higher education presents risks, as well as opportunities. They determined that further study should be undertaken before changing student aid provisions. To provide for such study, they adopted a Distance Education Demonstration program.

This demonstration program authorizes the selection of a small number of institutions/consortia (15 next year, and up to 35 additional institutions during the third year), each of which will be permitted to waive a limited number of specific rules in order to award financial aid to a specific population enrolled in distance learning programs. Based on the outcomes of these demonstration projects, Congress will consider possible changes to institutional and student financial aid eligibility criteria when the Higher Education Act is next reauthorized in five years.

Since state aid programs are designed to complement and be coordinated with the larger federal programs, the state should proceed cautiously in making changes that may later conflict with

federal modifications. However, the Board, in consultation with institutions and other interested parties, should begin to consider whether different aid programs might be needed or whether the policies and procedures for existing programs should be modified to enable students to engage in educational programs offered through technology.

HECB Legislative Report – 1999 Regular Session

May 1999

EXECUTIVE SUMMARY

Background

In 1999 the Legislature adjourned its regular session on April 25 after approving operating and capital budgets for 1999-2001 that include significant investments in higher education programs and services. However, legislators were unable to reach agreement on the state transportation budget and several other issues, and the Governor called them back to the capitol for a special session that began May 17. The special session had not been completed when this report was prepared.

The scope of the Legislature's support for higher education is revealed by the fact that the share of the state operating budget dedicated to higher education will increase from 11.5 percent in the current biennium to 12.3 percent during the 1999-2001 biennium. In the capital budget, higher education will receive 47 percent of the biennial bond authorization, down only slightly from the current level of 48 percent. In addition, higher education capital funding was augmented with the inclusion of \$30 million in the supplemental operating budget for projects in the community and technical college system.

The Legislature approved several precedent-setting initiatives for higher education during the 1999 session, including the following:

- **Creation of the Washington Promise Scholarship**, which is designed to help top-performing high school students from low- and middle-income families pursue their post-secondary education at institutions within Washington state. The first scholarships will be available to students who graduate this spring from the state's public and private high schools. The HECB will administer the new scholarship with the assistance of the Office of the Superintendent of Public Instruction and the state's public and private high schools.
- **Establishment of an enrollment pool** to be allocated by the HECB for high-demand education programs at the two- and four-year colleges and universities. In response to competitive proposals from the institutions, the HECB will distribute a total of 500 full-time student slots for the 2000-2001 academic year.
- **Creation of a matching-fund through which colleges and universities may expand technology instruction programs** in such fields as computer science and computer engineering. Institutions are required to obtain 50 percent of the project costs in matching funds from non-state sources. The HECB will administer this new initiative for the baccalaureate institutions. Similar provisions are included in the budgets of the Office of the Superintendent of Public Instruction and the State Board for Community and Technical

Colleges to stimulate high-tech training initiatives in the K-12 schools, and community and technical colleges, respectively.

In developing the higher education budgets, the Legislature responded favorably to several recommendations from the HECB, particularly in the areas of student tuition, financial aid and faculty salaries. The accompanying table compares HECB recommendations with legislative actions in all major priority areas. It also includes a listing of new and expanded program and grant initiatives for which the HECB received specific administrative and oversight assignments. A work plan for these legislative assignments will be discussed at the meeting on May 26.

Spokane-Area Higher Education Services Study: Spokane Center Disposition

May 1999

BACKGROUND

Substitute Senate Bill 6655 directed the Higher Education Coordinating Board (HECB), Eastern Washington University (EWU), and Washington State University (WSU) to examine fully how the state can best use its public investment in higher education in Eastern Washington and the Spokane area and continue to provide the highest quality for students. This directive called for each institution to prepare and submit a program plan for the Spokane area for HECB review and approval. Additionally, the legislation required the HECB to adopt recommendations concerning the disposition of the EWU Spokane Center facility.

SSB 6655 contemplated that the Eastern Washington University program plan might call for the relocation of a substantial level of programs, faculty, and students from Spokane to the Cheney campus. Hence, the 1998 Legislature asked the Board, upon approval of a program plan for Eastern in Spokane, to evaluate the need and benefits of retaining or disposing of the Spokane Center — the facility housing most of EWU's programs in Spokane.

At its April 14, 1999, meeting the Board approved the EWU program plan (Resolution 99-09), which included the following key components:

- Continue 20 programs in Spokane that serve 1,569 majors;
- Eliminate 1 program that serves 6 majors;
- Move 19 programs to Cheney to serve 205 majors (99 FTE);
- Designate the Honors Program, Creative Writing Program, and Music Program as centers of excellence; and
- Offer the six Spokane-based business programs at Cheney as well.

SPOKANE CENTER DISPOSITION

The Spokane Center is located in the commercial core of downtown Spokane. The University and the state acquired it in 1984 for \$2.7 million. The building contains 59,456 gross square feet and 38,420 assignable square feet of classroom, office, and support space. A total of \$1.8 million in renovation/improvements to the facility have been completed over the last 15 years. Replacement value, using the unit construction costs of the WSU Riverpoint facilities, is estimated to be \$18 million.

As part of the higher education facilities capacity study being conducted by the HECB, it has been determined that the student FTE capacity of the Spokane Center is 1,320. Actual fall 1998

student FTE enrollment at the Center was 681, as reported by the Office of Financial Management. An interesting characteristic of the Spokane Center's utilization is that the overwhelming majority of building use and FTE generation occurs in the late afternoon and evening hours. This utilization is consistent with the EWU's goal of serving working students in the Spokane area.

RECOMMENDATIONS

1. The EWU program plan approved by the Board in Resolution 99-09 calls for continuing a high level of enrollment in EWU Spokane programs. The relocation of 205 "majors" (headcount enrollment) and associated faculty and staff does not significantly reduce EWU's need for the Spokane Center to house EWU Spokane-based programs.

In view of the Spokane Center's strategic location, acquisition cost, estimated replacement value, and projected enrollment and utilization levels, *it is recommended that the state retain ownership of the facility.*

2. Retaining ownership also could stimulate or leverage collateral higher education access benefits. Specifically, the utilization characteristics of the Center suggest that state-owned instructional space could be made available to provide needed additional programs and capacity for lower-division community college enrollments.

Therefore, it is recommended that EWU and the Spokane Community College District evaluate the feasibility of sharing available instructional space in the Spokane Center and that the findings of this evaluation be reported to the Board by October 1, 1999.

Resolution 99-16 incorporating these recommendations is attached for Board consideration.

RESOLUTION NO. 99-16

WHEREAS, Substitute Senate Bill 6655 directed the Higher Education Coordinating Board (HECB), Eastern Washington University (EWU), and Washington State University (WSU) to examine fully how the state can best use its public investment in higher education in Eastern Washington and the Spokane area and continue to provide the highest quality for students; and

WHEREAS, this Legislative directive called for each institution to prepare and submit a long-term program plan for the Spokane area for HECB review and approval and for the HECB to adopt recommendations concerning the disposition of the EWU Spokane Center facility; and

WHEREAS, the HECB did adopt Resolution 99-09 at its meeting of April 14, 1999 which approves the continuation of most programs currently offered by EWU in Spokane at its Spokane Center facility.

THEREFORE, BE IT RESOLVED, that in view of the Spokane Center's strategic location, acquisition cost, estimated replacement value, and projected enrollment and utilization levels it is the recommendation of the HECB that the state retain ownership of the facility; and

BE IT FURTHER RESOLVED, that in view of the highly efficient use of the Spokane Center instructional space by the University in the afternoon and evening hours, that EWU and the Spokane Community College District evaluate the feasibility of sharing available instructional space in the Spokane Center and that the findings of this evaluation be reported to the Board by October 1, 1999.

Adopted:

May 26, 1999

Attest:

Bob Craves, Director

David Shaw, Secretary

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