

January 2010

Draft Minutes of December 15, 2009 Board Meeting

HECB members present

Ethelda Burke
Bill Grinstein
Roberta Greene
Earl Hale
Nita Rinehart
Sam Smith

Welcome and Introductions

Vice Chair Earl Hale opened the meeting at Highline Community College at 10:00 a.m. The members of the board and the audience introduced themselves.

Highline Community College President Jack Bermingham said his campus is located in an impoverished area and the student body is very diverse. In addition to associate degree education and training, the college focuses on raising basic skills through adult basic education, aiding transition from welfare to work, and providing resources for dislocated workers and the under- or unemployed members of the community. Additionally, Highline Community College provides training for professional education advancement, technology, entrepreneurship and other business skills.

The college collaborates with the city and other business/community organizations, but many of its public sector partners are experiencing financial difficulties due to the current economic downturn. Consequently, student access is a growing challenge.

On another front, Highline Community College has been recognized by Northwest Jobs as the best place to work in the area.

November 19 Meeting Minutes Approved

<p>Action: Ethelda Burke moved for approval of the minutes of the Board's November 19, 2009 meeting. Bill Grinstein seconded the motion, which was unanimously approved.</p>

Report of the Executive Director

HECB Deputy Director and Acting Executive Director Don Bennett provided an update on the following agency programs and higher education-related activities:

- Federal Appropriations Act and its implications for the state budget and higher education
- Governor’s budget – its impact on higher education and financial aid
- Interview on TVW’s “The Impact” – discussion of tuition policy
- Presentations to legislative committees
- Meeting with the College Success Foundation and legislative leaders regarding the College Bound Scholarship

Revised Tuition Policy Recommendations

In November, the Board tabled consideration of a motion to adopt a resolution approving the tuition policy recommendations. At its December meeting, the Board discussed a revised Tuition Policy Report and Recommendations, based on two central principles:

1. Tuition policy should reflect the state’s commitment to public postsecondary education as a public good.
2. Tuition policy should further the goals of the state’s *Strategic Master Plan for Higher Education*, which calls for substantially increasing degree and certificate production.

Grinstein reviewed the report’s recommendations:

- The state is the **majority shareholder** in its public, higher education institutions. Tuition needs to be stable, predictable, and affordable to ensure all state residents can participate.
- Resident, **undergraduate tuition rates should be set by the Legislature** using the following guideline: tuition levels may not exceed the 60th percentile of tuition and fees at comparable Global Challenge State institutions.
- There should be **further differentiated tuition** levels among the four-year institutions based, in part, on institutional role and mission and the types of communities served.
- The Legislature should **reject the high-tuition, high-financial-aid funding model**.
- The state should conduct a **comprehensive review of higher education finance** in Washington to provide a basis for determining costs and common indicators for evaluation of performance and accountability

He said high tuition will increase student debt; reduce access, and lower state support. He suggested that a better understanding of education cost is needed. Sam Smith said the state needs to make sure the Legislature understands what is needed to make college affordable.

Public Comment

Mike Reilly, assistant director, Council of Presidents, expressed concern with the tuition study process and how the HECB got there. The report suggests that this was a collaborative effort, but Reilly said the baccalaureates were not involved in the latest iteration of the study. He asked everyone not to lose sight of performance agreements and the relationship between tuition, state funding, and financial aid.

Earl Hale noted that while there are disagreements on how to get there, the Board and the institutions share the same goals.

<p>Action: Bill Grinstein moved for approval of the revised tuition policy recommendations (Res 09-36). Sam Smith seconded the motion, which was unanimously approved.</p>

Preliminary 2011-13 Budget Guidelines and Fiscal Priorities

The Board's 2011-13 fiscal priorities balance the goals of state higher education policy with the reality of current and near-term economic circumstances. For the 2011-13 biennium, this means serving more students with fewer resources.

Jim Reed, HECB policy and planning coordinator, discussed the guidelines to be used by public colleges and universities in developing operating and capital budgets for the 2011-13 biennium. State law requires the HECB to "review, evaluate and make recommendations" on the institutions' budget proposals. Consistent with the Board's tuition recommendations, the 2011-13 budget guidelines ask institutions to submit differentiated tuition rates with their budget requests.

Action: **Sam Smith** moved for approval of the 2011-13 operating and capital budget guidelines and fiscal priorities (Res 09-37). **Nita Rinehart** seconded the motion, which was unanimously approved.

Governor's Proposed 2010 Supplemental 2009-11 Budget

Reed described the Governor's budget as "abysmal." State law requires the Governor to submit a balanced budget with no revenue increases, but the state has a \$9 billion shortfall going into the 2009-11 biennium. Additionally, 71 percent of the budget cannot be legally cut due to state or federal law.

HECB Director for Student Financial Assistance, John Klacik, said the Governor's proposed budget, which she publicly stated is not a budget she "can live with," would eliminate many of the state's financial aid programs and force deep cuts in State Need Grant. In addition, it would reduce total operating funding for higher education by another \$89 million on top of cuts already made in the 2009-11 budget.

The State Need Grant program would be reduced by \$146 million for the 2010-11 academic year. About 15,000 students who now receive aid would be ineligible. Awards for the remaining 56,500 students would be cut in half.

Programs scheduled for suspension or elimination include:

- State Work Study
- Passport for Foster Youth Promise
- Washington Scholars Child Care Matching Grants
- Washington Award for Vocational Excellence (WAVE)
- Future Teachers Conditional Scholarship and Loan Repayment
- GET Ready for College Math and Science Conditional Scholarship.

The policy implications of the proposed cuts on these programs are discussed in detail on the board's website at www.hecb.wa.gov.

Smith said students from the lowest income bracket and those working their way through college will be most affected by these cuts. Grinstein asked Klacik to provide the Board directly with data showing the distribution of student aid recipients by type of institution: community college transfers, independent/private, regional, or research.

Hale inquired about the impact of the Governor's budget proposal on the institutions. Doug Wadden, UW executive vice provost, said the University of Washington's Husky Promise Scholarship is in jeopardy because approximately \$18.9 million of the Husky Promise commitment is fulfilled with State Need Grant funding. Additionally, UW is facing increasing utility costs on top of the 21 million plus state funding cut. He said tuition increases alone will not solve the funding shortage. Tuition must be seen in concert with financial aid and state support. "This is a very dangerous gamble for the Governor," Wadden observed.

Reilly noted that when the federal stimulus funding goes away, the baccalaureate institutions' funding support will go down to the 2001 levels. Sherry Burkey, WWU government relations director, said there is real concern from students and parents. More and more parents are losing their jobs so some students are unable to pay housing and dining contracts. She urged everyone to stay on message about maintaining state support for higher education.

Violet Boyer, president & CEO of the Independent Colleges of Washington, talked about the impact of financial aid cuts on students enrolled in the state's private colleges. While the future of Washington State hinges on expanding student access, less aid will mean more and more students will seek employment rather than go to college. Work is an important part of the college experience but too much work is not good for students. It takes them longer to graduate and costs more to the state.

A representative from the Washington Student Association said that tuition and access are not the only problems for students. Student support affects the quality of education for students. For example, students are being turned away from a UW writing class due to reduced staff.

To help the Board make the case for students and the institutions, Hale and Smith asked those present to provide data showing the implications of the Governor's budget proposal on their institutions.

Former state senator and current HECB member Nita Rinehart said this is an excellent time to offer support and suggestions to individual legislative decision makers who are wrestling with the budget. We need to focus not just on one piece but to advocate for all.

The meeting adjourned at 11:30 a.m.