

July 2010

Draft Minutes of May 13, 2010 Board Meeting

Board members present

Jesus Hernandez
Charley Bingham
Ethelda Burke (via conference phone)
Gene Colin (via conference phone)
Bill Grinstein
Earl Hale
Andrew Helm

Welcome and Introductions

Chairman Jesus Hernandez opened the meeting at 9:30 a.m. and asked the Board and the audience to introduce themselves. President Elson Floyd gave a short welcome address.

Tribute to Departing Student Member

The Board adopted **Resolution 10-11**, recognizing Andrew Helm, a WSU Doctor of Pharmacy candidate, for his one-year service as the HECB student member. Andrew actively engaged in board discussions and ably represented the concerns, issues, and interests of students and their families.

Students interested in serving on the HECB can apply online through the Governor's Boards and Commissions Office at: www.governor.wa.gov/boards/application/application.asp. HECB student members serve one-year terms beginning July 1 through June 30.

Consent Agenda Items Approved

Action: Gene Colin moved for approval of three consent agenda items:

- March meeting minutes;
- Two new degree programs:
 - CWU, Bachelor of Science in Actuarial Science (**Resolution 10-08**), and
 - UW Tacoma, Bachelor of Arts in Sustainable Urban Development (**Resolution 10-09**)
- Proposed Rules for the State Need Grant program and Washington Award for Vocational Excellence (**Resolution 10-10**).

Andrew Helm seconded the motion. The consent agenda items were unanimously approved.

Executive Director's Report

Don Bennett, interim executive director, briefed the Board on the year-end performance of the Guaranteed Education Tuition (GET) Program. GET enrollment will reopen September 15, 2010.

2010 Legislative Session

Christopher Thompson, director of government, college & university relations, provided a brief review of the 2010 legislative session. Two HECB legislation requests were adopted:

- 1) Allows the agency to offer a retirement benefit plan under the TIAA/CREF program to select employees.
- 2) Authorizes the HECB to implement the recommendations of the System Design Plan to review, approve, and recommend proposals for major expansion of higher education facilities or programs made by either institutons or local authorities.

A number of other higher education/HECB bills were adopted, including:

- Financial aid from lottery contributions.
- The Opportunity Expres Program.
- Nursing program in Everett to be offered through a partnership between Everett Community College and UW Bothell.
- Elimination of many state boards, commissions and committees, including the HECB Advisory Council.

2010 Supplemental Budget

Fiscal Policy Analyst Rick Heggie discussed the 2010 higher education operating and capital supplemental budget. The Legislature used a combination of program reductions, new state taxes, federal revenue, transfers and reserves to balance the state's 2010 supplemental budget. It represents an 18 percent reduction from the maintenance level and 3 percent reduction from the 2009-11 budget as enacted.

The cuts in the operating budget are made up of:

- Higher education reductions of 6.5 percent from FY 2011 levels
- Temporary layoffs
- Elimination/reductions in HECB financial aid
- Higher education maintenance fund shifts.

Further higher education reductions will lead to significant programmatic cuts.

The supplemental capital projects include financing for Balmer Hall at UW, and UW Tacoma land acquisition. It also covers the WSU Student Information Systems and debt service on the Instructional Resource Center at Bellingham Technical College, plus a number of state bond projects.

HECB agency funding reductions include a 4 percent cut in general administrative funding totaling \$354,000; reductions on employee compensation of \$255,000; and a \$143,000 cut based on the assumption that OFM's Small Agency Client Services Unit (SAC) will take over the work of small agencies on budget, accounting and payroll.

Supplemental Budget Impacts on Student Financial Aid

- State Need Grant – lowest income students are held harmless from tuition increases; award and income cutoff levels mirror current year structure. Rising student demand means fewer eligible students will likely be served.
- State Work Study – reduced by \$7.4 million. To mitigate reductions, the budget proviso directed elimination of non-resident students, and increases in employer match rates.
- Health Professional Loan Repayment/Scholarship – reduced by \$4 million.
- WICHE Professional Student Exchange program – reduced by \$210,000.
- Future Teacher Conditional Scholarship – reduced by \$1 million.
- GET Ready for Math and Science – 2010-11 cohort will likely be the last.
- Washington Scholars – reduced by \$562,000.
- Washington Award for Vocational Excellence (WAVE) – reduced by \$308,000.
- Educational Opportunity Grant – reduced by \$2.6 million.
- State Expansion of GEAR UP – reduced by \$500,000.
- Childcare Matching Grants – \$75,000 funding eliminated.

WSU Research Commercialization

WSU Provost Warwick Bayly, and Keith Jones, executive director, office of intellectual property administration/WSU Research Foundation, discussed WSU research and commercialization activities, including the STARS program. Jones said WSU's research programs in global health, clean technology, genetically-modified crops, farm animal commercialization, and food processing technology hold great promise for commercialization and long-term reward, but the odds of developing a breakthrough business are formidable.

Washington Pathways for Native American Students

Rachelle Sharpe, associate director of student financial assistance, reported the findings of a research study on attendance and financial aid trends for Washington Native American students. This work is in line with the state's master plan goal of increasing the participation rates of underrepresented students.

Native American students in Washington attend more than 40 postsecondary institutions and participate in college at a rate greater than their proportional presence in the population. They are just as likely to apply for and receive financial aid as other groups and a little less likely to borrow to attend college. They also experience a greater gap than other groups in what they can afford to pay and the total cost of college.

HECB staff presented the research findings at a session of the Pathways Conference held in SeaTac on February 18, 2010. The Pathways Conference was the culmination of a larger study on Native American Students funded by several national organizations with recommendations on how to improve access to higher education for Native American students.

HECB Key Activities Plan

Jim Reed, HECB policy coordinator, discussed a tentative timeline for board committees and board activities leading to the implementation of the strategic master plan and adoption of the 2011-2013 budget recommendations.

In 2011, the HECB and the state's public two- and four-year higher education institutions are required to revise the 10-year *Strategic Master Plan for Higher Education*, endorsed by the Legislature in 2008. The Legislature will consider the revised plan in 2012.

The HECB is required to adopt operating and capital budget recommendations for the state's public higher education institutions by October and November 2010 respectively. The Board is scheduled to hear institutional operating budget proposals on September 16, at Highline Community College in Des Moines, and to vote on them on October 20, at Gonzaga University in Spokane. A vote on capital budget recommendations will be held at the Board's November 16 meeting at WSU Vancouver.

Academic Progress Reports

Randy Spaulding, HECB academic affairs director, presented the numbers and types of new degrees being approved, along with data on off-site enrollments. The HECB approved 12 new degree programs at the state's baccalaureate institutions from March 2009 to March 2010. Five of these were in the fields of science, technology, engineering, and mathematics (STEM) fields.

The five STEM programs and their institutions of origin are:

- UW Bothell: **B.S. in Electrical Engineering; M.S. in Computing and Software Systems**
- UW Tacoma: **B.S. in Information Technology and Systems**
- UW Seattle: **Master of Geographic Information Systems, Master of Pharmaceutical Bioengineering**

Also approved were 12 off-site extensions of existing programs designed to serve nearly 500 FTE students. Four of the extensions are primarily distance delivery and eight use centers and teaching sites at a total of five different locations.

Overall, enrollment in the 84 degree programs approved by the HECB between 2004 and 2009 totaled 2,219 in the 2008-09 academic year. This was within 10 percent of the total projected enrollment, Spaulding reported.

Most new programs met their enrollment targets. Fifteen were well below projections and seven substantially exceeded projections. Two of the under-performing programs are being eliminated. Institutions have plans to address the remainder of under-enrolled programs.

Minimum College Admission Standards

The HECB is developing additional revisions to the state's Minimum College Admission Standards to address course alignment with the State Board of Education's new CORE 24 high school graduation requirements, credit for college testing, and alignment with national standards.

Several board members agreed that closer alignment of high school graduation requirements and college admissions standards continues to be a high priority for the Board.

The meeting adjourned at 3:00 p.m.