



June 2011

Update to the HECB Strategic Master Plan

The HECB is required by law to update its Strategic Master Plan this year. The last two HECB meetings, March 31 and May 19, focused on the first two goals of the Plan – 1) to increase educational attainment; and 2) to promote economic development and innovation. The Work Session at the June 30 HECB meeting will explore progress made and next steps for the third goal, which concerns accountability.

Goal 3 of the Master Plan declares the need to monitor and fund higher education for results. Included in this goal are the following strategies:

- Develop facilities, technology, distance learning.
- Provide funding tied to GCS benchmarks.
- Focus accountability on SMP goals.
- Explore financial incentives for educational attainment.

Progress has been made in most of the above strategies that support Goal 3, although much still remains to be done.

Strategy #1: Develop Facilities, Technology, Distance Learning to Promote Student Access and Success

The economic downturn during the past several years has had a chilling effect on state investment in “bricks and mortar” type projects. Progress in technology and distance learning, while also affected by lack of financial investment, has arguably fared better. Two major recent initiatives have focused on using technology and distance learning to provide greater access and opportunities for success for students.

During the 2011 Legislative Session, Western Governor’s University was recognized as a regionally accredited, non-profit, online degree granting institution. WGU is self-supporting and will expand access to higher education for Washingtonians. The State Board for Community and Technical Colleges has already worked out an articulation agreement with WGU to provide baccalaureate completion opportunities for Washington transfer students.

In May of 2009, Governor Gregoire signed into law House Bill 1946 which directed the Higher Education Coordinating Board to convene a higher education technology transformation taskforce. This taskforce developed a plan to improve the efficiency, effectiveness, and quality of public higher education relative to the strategic and operational use of technology and presented its recommendations to the Legislature in December 2010.

Strategy #2: Provide funding tied to GCS Benchmarks

Little actual progress has been made in providing funding tied to benchmarks in Global Challenge States (GCS), although steps have been taken to lay the groundwork over the next two biennia.

E2SHB 1795, “Enacting the Higher Education Opportunity Act,” granted tuition-setting authority to the four-year public universities beginning in AY 2011-12 and ending in 2014-15. From AY 2015-16 through 2018-19, tuition-setting authority at the public universities will be limited based on state funding levels and levels at similar institutions in GCS states. The legislation also contains detailed accountability requirements (discussed below).

Strategy #3: Focus Accountability on Master Plan Goals

Progress has been made in exploring accountability as a lever to focus attention on what matters most in higher education. Over the past several years, interest in accountability for higher education has ramped up nationally. Washington has been no exception.

Accountability is a powerful tool to promote student access and completion. The K-12 system has had common, transparent, public measures for a long time. The higher education enterprise, with its research and community education functions and the diverse missions of its institutions, has not been held to the same level of public scrutiny as the K-12 sector – in large part because of the difficulty in finding common measures to evaluate performance – that has now changed.

The 2005 State Higher Education Executive Officers (SHEEO) agency published a report entitled “Accountability for Better Results: A National Imperative for Higher Education.”¹ The report called for the states to adopt new agreed-on accountability measurements focused on a few explicit goals, and decried the use of cumbersome, overdesigned, confusing, and inefficient accountability measures.

New measures would help higher education and states to make better informed policy and budgetary decisions, close achievement gaps, and promote greater equity in allocating resources, the report asserted. However, in Washington’s case, as with many other states, the devil is in the details.

Currently, there are multiple accountability initiatives in the state. The challenge is to align these efforts so that the measures focus on what is most important in higher education, without being overly complicated and burdensome. Alignment of the measures with the HECB’s Master Plan three major goals (educational attainment; economic development and innovation; and monitoring and funding higher education for results) provides focus.

¹ The National Commission on Accountability in Higher Education. (March 2005). “Accountability for Better Results: A National Imperative for Higher Education.” Denver: State Higher Education Executive Officers. Retrieved Dec. 28, 2010 from www.sheeo.org/account/accountability.pdf

Current accountability efforts include:

- The HECB's Accountability Report, required by HB 3103. The third Accountability Report was published by the HECB this past January 2011. Results are reported for seven public baccalaureate institution measures, and the community and technical college system's six Student Achievement Initiative measures (in place of their previous metrics).

The following metrics are currently collected every year and reported every two years:

- Bachelor's degree production
 - High-demand bachelor's degree production
 - Graduate and professional degree production
 - Freshman retention
 - Six-year graduation rates for first-time, full-time freshmen
 - Three-year graduation rates for transfer students with associate degrees
 - Bachelor's degree recipients who did not accumulate excess credits
 - New for community and technical colleges: Student Achievement Initiative's six momentum points
 - New GMAP measures for public baccalaureate institutions:
 - *Baccalaureate graduation rate*
 - *Five-year graduation rate*
 - *Time-to-degree for native and transfer students*
- The Governor's Government Management (GMAP) program in Education and Economic vitality.²
 - In June 2010, the National Governors Association announced its *Complete to Compete*³ initiative, with common metrics to monitor progress and outcomes in all 50 states. Both the Legislature and the Governor's Office have great interest in fully participating in the *Complete to Compete* initiative. The Governor's Higher Education Funding Task Force, which completed its recommendations in Fall 2010, strongly recommended adoption of the NGA *Complete to Compete* metrics.
 - E2SHB 1795 contains numerous metrics that institutions will need to report. A number of these metrics are "sub-sets" of larger metrics and split results by student demographics and other characteristics. The metrics provide rich information concerning higher education's performance. Aligning institutional databases to support such an extensive accountability tool will, however, require considerable effort.

² Information about the Governor's Education GMAP Initiative is available at <http://www.accountability.wa.gov/reports/education/default.asp> and Economic Vitality GMAP initiative at <http://www.accountability.wa.gov/reports/economy/default.asp>

³ National Governor's Association. (2010). Complete to compete: Common college completion metrics. <http://www.nga.org/Files/pdf/1007COMMONCOLLEGEMETRICS.PDF>

Strategy #4: Explore Financial Incentives for Educational Attainment

The Strategic Master Plan charged the HECB to convene a task force of representatives of the Office of Financial Management, institutions, and other stakeholders to design a performance funding demonstration project for inclusion in the 2009-11 biennial budget.

The impetus for this project was, in part, the SBCTC's Student Achievement Initiative, begun in 2006. The initiative evolved into a limited performance funding system for the community and technical colleges. A small amount of the total SBCTC budget is provided annually as an incentive for institutions that meet specific performance improvement goals related to student success.

An attempt to establish performance agreements between the Legislature and the four-year institutions occurred in 2008, when the Legislature passed a bill establishing a performance agreement structure and process. The HECB was directed to facilitate a series of meetings between institutions and legislators to determine what would be measured and how these performance metrics could be linked to funding. This effort languished after the full effects of the recession became apparent.

This year, the Legislature approved E2SHB 1795, which requires the four-year institutions each to negotiate an institutional performance plan with the Office of Financial Management every two years that includes expected outcomes that must be achieved by each institution in the subsequent biennium. The HECB is assigned to develop an accountability monitoring and reporting system to support this effort.

At a minimum, an individual institutional performance plan must include time and credits to degree; retention and success of students from low-income; diverse or under-represented communities; baccalaureate degree production for resident students; and degree production in high-employer demand programs of study and critical state need areas.

This law also establishes a joint selective legislative task force on the baccalaureate funding formula that is directed to review the basis for the state funding of public institutions offering baccalaureate degrees, and prepare and approve a recommended state operating budget method that offers greater efficacy, transparency, and accountability for 37 baccalaureate institutions receiving public funds.