

WASHINGTON
HIGHER
EDUCATION
 COORDINATING BOARD

February 2009

Draft Minutes of January 23, 2009 Board Meeting

Board members present

Charley Bingham	Earl Hale, Vice Chair
Gene Colin	Jesus Hernandez, Chair
Roberta Greene, Secretary	Nita Rinehart
Bill Grinstein	Sasha Sleiman

Welcome and introductions

Chairman Jesus Hernandez opened the meeting at 9:00 a.m. and asked the Board and the members of the audience to introduce themselves. He then asked former chair Bill Grinstein to summarize the actions taken by the Board at its special December meeting, including the election of the Board's 2009 officers. Hernandez thanked the members for their trust in electing him chair of the Higher Education Coordinating Board.

2009 Board Officers and Committees

<p><u>Executive Committee</u></p> <ul style="list-style-type: none"> • Jesus Hernandez, chair • Earl Hale, vice chair • Roberta Greene, board secretary • Gene Colin, financial aid chair • Charley Bingham, fiscal chair • Sam Smith, education chair • Bill Grinstein, immediate past chair 	<p><u>Education Committee</u></p> <ul style="list-style-type: none"> • Sam Smith, chair • Ethelda Burke • Bill Grinstein • Nita Rinehart
<p><u>Financial Aid Committee</u></p> <ul style="list-style-type: none"> • Gene Colin, chair • Charley Bingham • Roberta Greene • Sam Smith • Sasha Sleiman 	<p><u>Fiscal Committee</u></p> <ul style="list-style-type: none"> • Charley Bingham, chair • Ethelda Burke • Roberta Greene • Earl Hale

Tribute to Chancellor Charles Mitchell

Grinstein introduced Dr. Charles Mitchell, who served as chancellor of Seattle Community Colleges since 2003. Roberta Greene read the board resolution, which expressed the Board's appreciation to Dr. Mitchell for his outstanding contributions as chancellor of the Seattle Community College District. Mitchell thanked the Board and spoke briefly about his 27 years of service to Washington higher education.

Action: Roberta Greene moved for approval of the board resolution (09-01) paying tribute to Chancellor Charles Mitchell. Bill Grinstein seconded the motion, which was unanimously approved.

Basic Education Finance Task Force

Ann Daley introduced former State Treasurer Dan Grimm, chair of the task force appointed by Gov. Christine Gregoire to explore ways of implementing a new, comprehensive financing formula for kindergarten through 12th grade. Grimm was a state representative for 12 years, Senate Ways and Means Committee chair for six years, and State Treasurer for two terms.

Grimm started by expressing his personal thanks to Earl Hale in his former role as executive director of the State Board for Community and Technical Colleges. Grimm commended Hale for his exemplary transparency, diligence, and well-founded recommendations.

The 2007 Legislature created the Joint Task Force on Basic Education Finance to review the current basic education definition and funding formulas and to develop a new definition and funding structure that aligns with the basic education provisions in current law, and with the final report of Washington Learns. The task force consisted of eight legislators, the Superintendent of Public Instruction, a representative of the Governor's Office, and four members appointed by the Governor.

According to Grimm, the final report includes: recommended levels of funding, compensation, and staffing; enhancements for special education, struggling students, and early learning; and direction on levy equalization, data reporting, and accountability and oversight.

Board questions included the following:

- What are the incentives for removing teachers who are not succeeding?
- Was the research on the benefits of advanced teaching credentials conducted in Washington? (Answer: conducted nationally)
- To what degree did the task force look at technology?
- What role do parents play on student performance?
- Where is the locus for change in the education system? What's the role of a state policy initiative in initiating changes? What impact will the report have on the institutions? (Answer: The college and university system is the nexus.)
- What are the next steps from here? (Grimm's answer: "We need to educate leaders and instill in leaders a willingness to initiate. I urge the HECB to do so.")

The final report of the Basic Education Finance Task Force can be found at:

www.wsipp.wa.gov/rptfiles/09-01-2201.pdf.

Consent agenda items for approval

- December meeting minutes
- Master of Clinical Health Services and Extended Master of Clinical Health Services, University of Washington - *Resolution 09-02*

Action: Charley Bingham moved for approval of the consent agenda items. Bill Grinstein seconded the motion, which was unanimously approved.

Executive Director's report

- **Reviewed reforms in state government** – as in shared services (building management, information services, personnel services, benefits administration) and elimination of some boards and commissions.
- **State and federal economic stimulus** – Dick Thompson is coordinating interaction with the state's congressional delegation and National Governor's Association. Increases are in student aid, science and research, education and facilities.
- **Agency budget** – we continue to manage to an 8 percent cut for FY09 in the general fund-state portion of the HECB administrative budget, as proposed in the Governor's 2009 Supplemental budget. We are achieving these savings from unfilled positions, efficiencies and reductions in travel, equipment purchases, and contracted services. No reductions are being taken in financial aid grants to students.
- **System design update** – study group, steering committee, scope of study, and near-term schedule. The HECB is launching a major review of the higher education delivery system and how it should change in light of future needs. A concept called "expand on demand" would approve new programs and facilities based on demonstrated demand. Given the realities of the current fiscal crisis, using this time to design an optimal set of strategies and complementary institutions that will meet the long term needs of the state's citizens is a good approach.
- **College Bound program signups**, combined with last year, now total over 20,000 applicants. The largest number of applicants comes from the Seattle-Tacoma area, while the largest percentage of eligible signups comes from the Tri Cities area.
- **Title II RFPS for educators** are ready to be issued out. The grants are funded primarily by federal No Child Left Behind Act money, and directed at professional development for practicing K-12 educators. At least three projects will be awarded up to \$400,000/year each for 3 years.

Daley also reported on her meetings with legislators and presentations to various groups to talk about the master plan and the importance of long-term planning during tough economic times. She invited the board members to join her in this outreach effort. Hale suggested including the system redesign work in her presentations.

2009 legislative session report

Chris Thompson, HECB director for government relations, highlighted the higher education bills and activities in the current session.

The HECB has two request bills: legislation authorizing the HECB to offer higher education annuities and retirement income plans; and legislation authorizing the governing boards of public baccalaureate institutions and the State Board for Community and Technical Colleges to continue to set tuition for all students except resident undergraduates in 2009-10 and subsequent years.

Additional tuition proposals are expected to be discussed this session. In her budget proposal, Gov. Gregoire directed the HECB to examine a "graduated tuition" policy that would vary based on the ability of students and their families to pay tuition.

Senate Ways and Means Committee leaders introduced SB 5460, which would immediately impose a 12-month ban on salary increases for exempt employees of state agencies and higher education institutions. The bill also would ban creation of new positions or filling of vacant positions until July 1, 2009. Spending for out-of-state travel, personal service contracts or equipment costing more than \$1,000 would be prohibited. Exceptions to the position ban would be allowed for reasons of public health, safety, law enforcement, and revenue collections.

Several bills have been introduced related to financial aid. There are proposed revisions to the work study program, the American Indian Endowed Scholarship program, the Promise Scholarship, and Lifelong Learning Accounts. And, there is a broad effort to re-brand financial aid programs under one umbrella called "opportunity grants."

Update on student financial aid programs

Student Financial Assistance Director John Klacik provided an overview of state, federal and institutional aid in Washington, and a detailed accounting of state aid program expenditures in the 2007-08 academic year, as well as projected spending for the 2008-09 academic year. He reported that nearly 83,000 Washington college students received state-sponsored financial aid totaling about \$216 million during the 2007-08 academic year. The amount of aid provided for needy Washington students increased from \$199 million, and was distributed to about 76,000 students in 2006-07. About 61 percent of all student financial aid in the state comes from federal sources.

In November, the HECB passed a resolution urging lawmakers to provide continued State Need Grant funding at a level sufficient to offset any tuition increases. The State Need Grant program is the state's largest, providing assistance to low-income undergraduates whose current income is 70 percent or less of the median family income (income of \$52,500 or less for a family of four). In 2007-08, nearly 70,100 students received need grants totaling \$182 million.

Klacik's report included a review of the state GEAR UP program, which has expanded to 25 additional school districts.

Earl Hale suggested that the next report on financial aid include not just tuition but also the current economic picture to help everybody better understand what "keeping up with need" means. Additionally, the report should show what would happen if support is lower than expected, Charley Bingham said, keeping in mind the state's goal to do less harm to those who are really underserved.

Ensuring an adequate supply of well-qualified math and science teachers

Jennifer Wallace, executive director of the Professional Educator Standards Board (PESB), talked about the PESB's charge from the legislature: to quantify current and projected supply and demand of math and science teachers and recommend how to meet the demand.

A survey of the school districts showed three types of shortages: recruitment/retention, training, and distribution. A task force reviewed current programs, data, research, best practices, and strategies for Washington state.

The task force believes that ensuring an adequate supply of well-qualified teachers requires an ongoing commitment and centralized coordination and oversight. Recognizing the current tough fiscal times, the task force and the PESB identified options for meeting the demand in terms of anticipated level of cost: best immediate versus longer-term investments.

The no/low cost act now options include:

- Creating an adjunct teaching corps of part-time math and science faculty at higher education institutions;
- Removing unnecessary entry barriers to Washington's Alternative Routes Teaching program;
- Ensuring math and science teacher preparation is adequately prioritized by public institutions; and
- Targeting information on alternative routes to teaching for math and science professionals facing layoff from current employment.

Hernandez said some districts don't seem to be getting teachers with real world capabilities. Wallace responded that PESB is trying to put in place a more evidence-based teaching certification and evidence-based pedagogy assessments to correct this problem.

Responding to Daley's offer on how the HECB can be supportive of the PESB's efforts, Wallace said there is no access in some regions for educator programs. There was a question of whether the HECB should reinstate service region responsibilities for public institutions. This would mean a designated public institution would be responsible for ensuring access to a given region through direct provision of program, or ability to point to other programs in the region.

There was a suggestion to undertake discussions with the institutions on teacher supply and demand in the context of the HECB's program approvals function and the master plan goals.

Hernandez said the issues above should be brought to the Board's Education Committee for further discussion.

The benefits of investing in higher education – a white paper

Fiscal Policy Analyst Sarah Norris presented a white paper describing higher education's return on investment. The research shows that:

- Higher education spending produces immediate economic benefits;
- A more educated population earns higher wages and produces additional tax revenues;
- Washington's research institutions serve as incubators for growth and innovation; and
- Higher education produces societal benefits that reduce the demand for state services.

Millions of Washington residents have benefited from investments in our higher education system. Consistent funding is one way to ensure that the state's colleges and universities continue to play a pivotal role in leading the state and its citizens to long-term economic success and stability.

Board members reacted positively to the presentation. Grinstein suggested using it as a campaign; Daley liked the idea. She said education is usually on the chopping block during economic downturns. The legislators and the public need to know that if we are not educating our citizens, we are paying in the long run with social and penal costs. Rinehart agreed, saying the Board needs

to help legislators see the value of long-term planning. Bingham said the paper should include data showing that decrease or delay in funding are seen after several years in increased prison populations, displaced workers, and higher social and penal costs.

Hale suggested packaging the white paper and inviting college and university presidents to HECB outreach efforts with Ann and the board. Hernandez said there should be a mass media blitz.

Washington tuition and fee study

Pam Mead, fiscal policy director, described how Washington's public higher education tuition policies have evolved over time, from fairly straightforward cost-sharing approaches to those that emphasize differences in sector, to approaches that link tuition to external indices. Recent approaches have allowed institutions greater flexibility to set tuition rates within broad state guidelines. In previous years, the Board has shown interest in tying tuition to external benchmarks, such as per capita personal income. In the current session, the Governor's budget assigns responsibility to the HECB to study graduated tuition policy.

Board discussion included putting reasonable caps on tuition, the sticker shock of the high tuition/high financial aid model, the relationship between state policy and tuition, of students incurring huge debts and not being able to afford college. Hernandez said his inclination is to continue the current policy that allows the institutions to set tuition rates for all sectors except for resident undergraduate students; and to keep the tuition conversation going.

Mead also presented Washington tuition and fee rates in comparison with Global Challenge States and national peer groups, and discussed the Governor's proposed budgets for higher education.

Articulation and Transfer report

Randy Spaulding, academic affairs director, reviewed the transfer measures and policies and practices being used to increase the number of students who successfully transfer from two-year colleges to baccalaureate institutions.

The *2008 Strategic Master Plan for Higher Education* includes a goal of increasing the number of baccalaureate degrees awarded by 13,800 annually, so that state citizens are in a better position to compete for jobs that require a bachelor's degree or higher. A key strategy for increasing bachelor's degree output is to increase the numbers of students who transfer successfully from the community and technical colleges to the four-year institutions.

Students who transfer from two- to four-year institutions make up more than 40 percent of those earning degrees annually in Washington. More than 70 percent of the students who access higher education in our state do so first at a two-year college.

Statewide cross sector groups and offices continue to work on numerous initiatives to improve Washington's transfer and articulation system as identified in the master plan:

- Further alignment of institutional policies and practices to ensure that students have flexibility in designing their path to a degree; and
- Dissemination of the right information to students at the right time.

This report will be brought back to the Board for adoption at its February meeting.

Accountability report

Daley briefly described the various efforts designed to monitor outcomes in Washington's higher education system. The 2004 Legislature required the Higher Education Coordinating Board to develop an accountability and reporting system. The community and technical colleges have a new accountability measure that is based on student achievement focused directly on student outcomes. There also is legislation regarding performance agreements between the state and each institution to align goals, outcomes, and levels of resources needed to achieve the goals of the master plan. The current report was just one more piece of the puzzle.

Jan Ignash, HECB policy, planning and research deputy director, provided additional comment.

Thompson reported on the progress of each baccalaureate institution on performance targets established by the HECB, the Council of Presidents, and the Office of Financial Management, on the following areas:

- Bachelor's degree production
- High-demand bachelor's degree production
- Graduate and professional degree production
- Freshman retention
- Graduation rates for first-time, full-time freshmen
- Graduation rates for transfer students with associate degrees
- The proportion of bachelor's degree recipients who did not accumulate excess credits.

The data indicate that overall degree production is rising and efficiencies are occurring in the state's higher education system. Specifically, the number of bachelor's degrees awarded in 2008 was 3,469 above the baseline. At the end of the 2008 academic year, graduate and professional degree production had increased 19.1 percent compared to the baseline. Collective graduation rates for the baccalaureate institutions rose from 61 to 70.3 percent between the baseline period and 2007-08. Graduation rates for students who transfer with an associate degree also have increased statewide. Freshman retention rates remain relatively steady at 85 percent.

Action: **Roberta Greene** moved for approval of Resolution 09-03, adopting the Accountability Report, and directing staff to transmit the report to the appropriate legislative committees. **Charley Bingham** seconded the motion, which was unanimously approved.

The **meeting adjourned** at 5:00 p.m.