WASHINGTON HIGHER EDUCATION COORDINATING BOARD

PRELIMINARY BOARD MEETING AGENDA
Seattle Central Community College,
Broadway Edison Bldg, Room BE1110
1701 Broadway, Seattle
October 21, 2004

Approximate Times			
8:00 A.M.	***INFORMAL BREAKFAST*** *No official business will be conducted at this time.*		
9:00 A.M.	**WELCOME AND INTRODUCTIONS**		
	• Bob Craves, HECB Chair • Bea Kiyohara, Vice President of Development Services Seattle Central Community College		
9:10 to 9:25 A.M.	**CONSENT AGENDA ITEMS**	**Outcome**	TAB 1
	1. September Board Meeting Minutes	Adoption	
	2. 2005 HECB Meeting Calendar *Resolution 04-23*	Adoption	
	3. Appointment of Board Officers and Committee Members	Adoption	
	4. Future Teachers Conditional Loan *Resolution 04-24*	Approval of Permanent Rules	
	5. New Degree Program Masters in Education in Inclusive Teaching Strategies @ Central Washington University *Resolution 04-25*	Approval	
9:25 to 9:40 A.M.	**DIRECTOR'S REPORT**	**Outcome**	
	Overview on agency activities and developments	Discussion	

9:40 to 11:30 A.M.	**COMMITTEE REPORTS**	**Outcome**	TAB 2
9:40 to 10:15 A.M.	**Fiscal Committee Report**		
	Operations and Capital Budget Recommendations *Resolution Adoption scheduled as last Agenda Item for today - Approximately 4:00 P.M.*	Adopt Resolution *	
	1. Operating Budget *Public Comment*	Discussion Testimony	
10:15 to 10:30 A.M.	***BREAK***		
10:30 to 11: 30 A.M.	**COMMITTEE REPORTS**	**Outcome**	TAB 3
	Fiscal Committee Report (*continued)*		
	2. Capital Budget *Public Comment*	Discussion Testimony	
11:30 to 12:00 Noon	**LEGISLATIVE REPORT**	**Outcome**	TAB 4
	HECB Legislative Session Overview	Information	
12:00 Noon to 1:00 P.M.	***LUNCH***		
1:00 to 4:00 P.M.	**STATEWIDE 2004 STRATEGIC MASTER PLAN**	**Outcome**	TAB 5
	Cost Estimates and Implementation Plan		
	Staff Briefing	Discussion and Possible Adoption	
	Public Comment	Testimony	
4:00 P.M.	**Fiscal Committee Report** ** Continued from 9:40 A.M. Agenda Item*	**Outcome**	TAB 1
	FY 2005-07 Operating and Capital Budget *Resolution 04-26*	Adoption	
5:00 P.M.	**ADJOURNMENT**		

HECB Meeting Calendar

Date	Location
December 10, 2004; Friday	Tacoma Community College
January 27, 2005; Thursday	State Investment Board Bldg. Board Room

Future HECB Staff Action Items

Item	Due Date

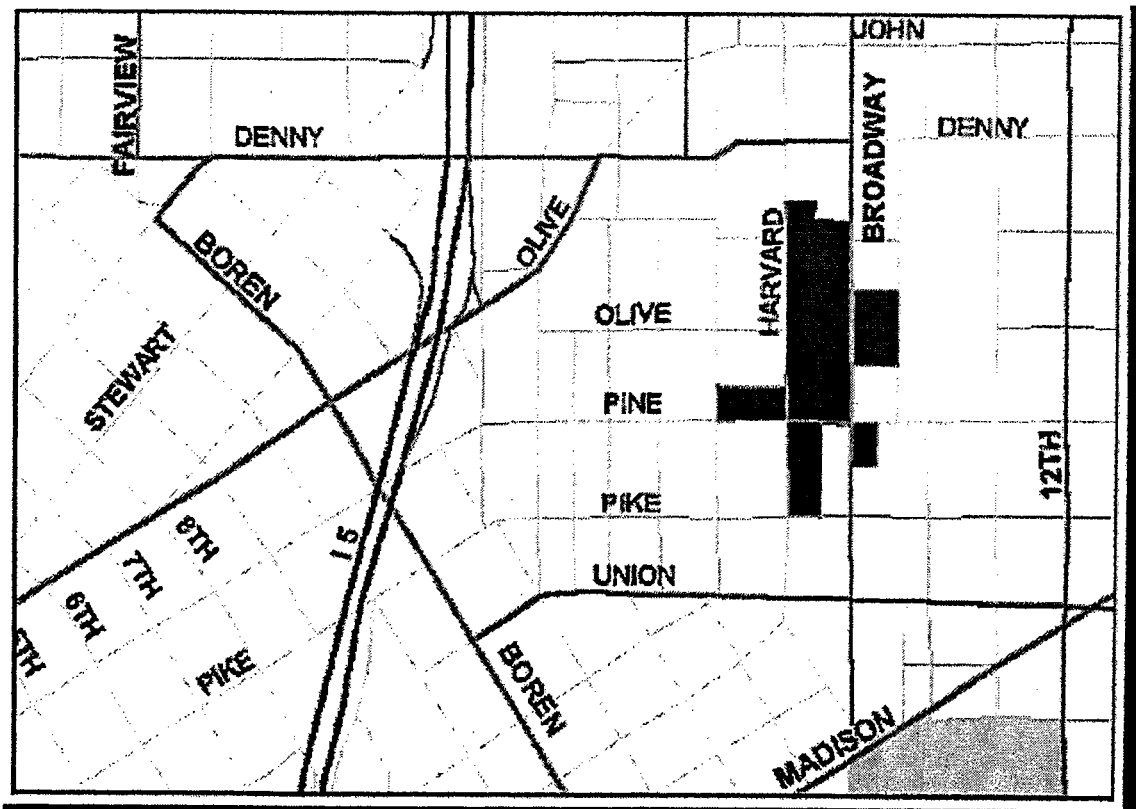
If you are a person of disability and require an accommodation for attendance, or need this agenda in a alternative format, please call the HECB at (360) 753-7800 as soon as possible to allow us sufficient time to make arrangements.

SEATTLE Central Community College

1701 Broadway, Seattle 98122
Broadway Edison Building, BE1110

FROM Interstate 5 Northbound
Take Olive Street exit - #166 (under the Washington State Convention and Trade Center) and follow Olive Way east to Denny Street and turn right. Go up the hill and turn right on Broadway. Follow Broadway south to Pine. Park on the empty gravel lot at the corner of Broadway and Pine. The Broadway Edison building is across the street.

FROM Interstate 5 Southbound
Take Denny Way exit and go straight through the first light. At the second light, turn left onto Denny Way. Follow Denny Way east to Broadway. Turn right, and follow Broadway south to Pine. Park on the empty gravel lot at the corner of Broadway and Pine. The Broadway Edison building is across the street.



WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

October 2004

Minutes of September 16 Meeting

HECB Members Present

Bob Craves, chair
Roberta Greene
Jesus Hernandez
Bill Marler
Mike Worthy
Joan Yoshitomi

Director's report: The size and shape of the state's higher education system
During public hearings on the draft master plan over the past year, institutional representatives spoke about the need to more clearly define the size and shape of the state's higher education system. To present a context for this issue, and at the same time provide useful background information for budget discussions, Jim Sulton presented maps and tables illustrating the current size and shape of the state's higher education system -- including the location and number of public and private colleges and universities and current state funding levels, as well as statistics on student enrollment and the numbers of degrees conferred.

Policy issues that must be addressed include the capacity crunch and the need to accommodate more and more students. Sulton called for a conscious deliberation regarding the role of both public and private institutions, and said the 2004 Strategic Master Plan is one of inclusion, not exclusion. The state must consider the private colleges as an additional resource in meeting the higher education needs of its students.

Sulton discussed various options for earning and conferring degrees -- including the state's learning centers – and the two-plus-two model, as well as the future of branch/urban campuses.

Finally, Sulton asked the board to consider the role and mission statements that have been approved by the governing boards at the various institutions over the past decade, and the relationship between the board's policy proposals and those goals.

Minutes of July meeting approved

ACTION: Roberta Greene made a motion to approve the minutes of the board's July meeting. **Joan Yoshitomi** seconded the motion, which was unanimously approved.

2005-07 state revenue and budget projections

Marty Brown, director of the state Office of Financial Management, presented a preliminary six-year budget outlook. Brown described a total potential budget gap of about one billion dollars, with pensions and healthcare insurance expected to be the biggest costs. Additionally, spending limits imposed under Initiative 601 will be a factor during the next biennium, restricting state spending to about $170 million less than projected revenues.

Re: the effect of I-601 limitations on Initiative 884 – which would create an additional one billion dollars for education per year. Brown said that I-884 would likely take some revenue out of the system and as a result, would lower the state's spending limit by approximately $70 million in the first biennium.

As a final item, Brown described the Priorities of Government project, and how it has been helpful in shaping the budget process. Both gubernatorial candidates seem to like the framework, he said. Brown thinks prioritization of both the operating and capital budgets will be an ongoing function of the budget process.

Overview of institutional budget requests

HECB Director for Fiscal Policy, Gary Benson, presented an overview of the institutions' 2005-07 budget requests. Total higher education spending for the 2003-05 biennium is about $2.7 billion. Maintaining the same programs into the next biennium without policy changes would cost about $2.9 billion. In addition, adding $587 million in performance level increases (as requested by each of the institutions and the HECB) would bring the total requested amount for the 2005-07 biennium to $3.45 billion – a 28 percent increase over the current biennium.

In the current 2004-05 academic year, funded enrollments total 216,000 FTEs. Over the next two-year period, the institutions have requested an additional 16,000 FTE enrollments, for a total of 232,000 FTE enrollments at the close of the biennium. Community and technical colleges are requesting an additional 10,000 new enrollment slots.

The six four-year institutions also have requested $720,620,000 in capital funding, utilizing a prioritized list that is similar to that of the two-year system. The community and technical colleges are requesting $470,359,243.

Institutional budget requests

Presidents and staff of the six public baccalaureate institutions -- including the director of the North Snohomish, Island, Skagit consortium (NSIS), the executive director of the State Board for Community and Technical Colleges and two community college presidents, presented their 2005-07 budget requests.

University of Washington and Washington State University
Presidents Mark Emmert (UW) and Lane V. Rawlins (WSU) presented a joint budget request to highlight the need to sustain the vitality of the state's two research universities. Emmert spoke about the challenges facing his institution and the continuing decline in state funding at the same time that enrollment has continued to grow. The two presidents requested funding to expand enrollment, by 1,030 FTEs at WSU and 1,037 at the UW. Emmert said increased enrollments must also correspond with increased funding for faculty in order to guarantee the faculty-to-student ratio that is needed to see students through to degree completion. Rawlins pointed out that performance contracts would ensure institutional accountability.

The four elements in the UW/WSU request are:

1. A core funding proposal that addresses the funding gap with comparable public universities and would support faculty, programs, technology and operations at a competitive level;
2. A research and technology transfer proposal;
3. An enrollment proposal for additional student FTEs to help meet projected growth in demand; and
4. A capital budget proposal to restore existing facilities and expand capacity.

In response to a comment that insufficient funding may be forcing the research institutions toward privatization, both presidents said they want their institutions to remain public. Both presidents said they would support enrollment management as long as relevant issues are addressed and student choice remains paramount.

Eastern Washington University
President Steve Jordan's presentation showed the linkages between EWU's strategic plan, the 2004 Strategic Master plan for Higher Education, and EWU's 2005-07 operating and capital budget request. EWU's biennial operating package includes four key elements: enrollment, salaries, a self-insurance premium, and collective bargaining.

EWU is currently overenrolled by 900 students, and expects another 270 FTEs during FY 2006. Jordan is requesting FY 2006 funding only for the 900 unfunded FTEs. The second major item in EWU's operating budget request is for salary increases: 5 percent in FY 2006 and 3 percent in FY 2007. Jordan said EWU's average faculty salary of $54,745 is 11.9 percent below the AAUP (American Association of University Professors) average faculty salary of $62,158.

Jordan said it is time to shape the state's higher education system by considering the role of university centers and two-plus-two programs and the value that regional universities bring into the mix along with the research institutions – balancing access, cost and quality over the entire system

Central Washington University
President Jerilyn McIntyre and staff began their presentation by describing CWU's structure, programs, and successes. McIntyre said Central is the fastest-growing baccalaureate degree-granting institution in the state, with an annual enrollment of 8,649 that is projected to total more than 9,000 during the 2004-05 academic year.

One key item in CWU's operating budget request targets enrollment stabilization and recovery. In 2000, CWU's budget was reduced by 397 FTEs, and in 2004, funding was restored for only 246 FTEs. CWU is requesting 2005-07 funding for the remaining 151 FTEs, as well as core enrollment funding for an additional 890 FTEs. Funding for faculty and staff cost of living allowances and recruitment and retention are also included in CWU's biennial budget request.

Finally, CWU recommends four goals for state-level higher education planning:

- Provide incentives for transfer and articulation;
- Fund core enrollments;
- Develop a coherent tuition policy; and
- Balance high-demand enrollments with adaptable training for the future.

Western Washington University
President Karen Morse summarized WWU's 2005-07 operating budget goals, with improved faculty and staff salaries at the top of the list. Western's average faculty salary is$57,448; $4,297 less than the institution's peer average of $61,745.

Morse said another area of concern is the diminishing level of state-supported enrollment compared to actual enrollment. In 1991, the difference between budgeted and actual enrollment was 81 FTE. This number has grown to 263 FTE in 2003-04, and is expected to reach 321 in 2005. Significant declines in state funding in 1994-95 and 2002-03 have led to double-digit tuition increases during the same period: 14.4 percent and 14 percent respectively.

Morse requested funding to continue managing Western's enrollment growth -- including high-demand enrollment, as well as support for additional faculty positions to keep pace with enrollment increases. To help increase efficiency and offset dwindling state funding, Western will continue to develop local and regional economic partnerships and expand fundraising partnerships with the state.

North Snohomish, Island and Skagit County Consortium (NSIS)
Consortium director Larry Marrs provided background information on NSIS. The North Snohomish, Island and Skagit County higher education consortium is a partnership of eight colleges and universities that are represented at the University Center at Everett Station:

Edmonds Community College	Everett Community College
Central Washington University	Washington State University
Eastern Washington University	Skagit Valley College
University of Washington	Western Washington University (fiscal agent)

The NSIS operating budget request falls into three categories:

1. Maintain the carry-forward budget level of service;
2. Maintenance level funding to cover increased costs of facility rent and other building operations;
3. Provide student FTE support to increase upper division student enrollment at Everett Station by 50 FTE students per year.

The Evergreen State College
After describing how Evergreen is responding to the goals in the 2004 Strategic Master Plan, President Les Purce presented the highlights of Evergreen's 2005-07 budget request, including:

- $4.5 million to increase the number of faculty and staff; provide support to students and upgrade technology;
- $2.2 million for increased enrollments (200 FTEs);
- $1.9 million for stewardship and sustainability of facilities, operations and funding partnerships;
- $1.3 million for maintenance-level adjustments, including utility rate increases and HECB high demand enrollments; and
- $1 million for faculty and staff recruitment and retention.

Four-year institutions' capital budget priorities
Les Purce, Council of Presidents chair, and Terry Teal, COP executive director, presented the public baccalaureates' single prioritized and ranked list of capital projects for the 2005-07 biennium, which was developed following the HECB capital budget criterion framework. The institutions' governing boards have unanimously approved a requested funding level of $504 million that is considered "essential" in the prioritized list.

Creation of a single prioritized list for the public four-year institutions' capital projects is now required by law (HB 2151) and was inspired by the highly successful prioritized listing used by the two-year system.

State Board for Community and Technical Colleges (SBCTC)
SBCTC Executive Director Earl Hale provided an overview of the two-year system's 2005-07 operating budget request. The two-year colleges' budget focuses on access, faculty and staff compensation, and maintenance and operation of new facilities.

Bellevue Community College President Jean Floten provided highlights. The two-year colleges' budget request includes $84.75 million to fund 5,000 new enrollments in each year of the 2005-

07 biennium. Ten percent of all new enrollments would be used to provide training for occupations where skilled workers are needed; $10 million would help sustain programs for adult basic education; and $7.05 million would train an additional 7,000 students who are currently employed

Other priorities in the SBCTC request are geared toward staff and faculty salary increases, recruitment and retention, compensating faculty for updating their skills, improving part-time faculty pay, and increasing the amount of instruction provided by full-time faculty.

Finally, Steve Wall, Pierce College District president, presented the two-year system's prioritized capital budget request. The colleges are requesting $10.3 million to maintain and operate new facilities that will be used during the 2005-07 biennium. Wall said that classrooms at community and technical colleges are fully utilized 32 hours a week, compared to an average of 22 hours per week at the baccalaureate institutions. Wall emphasized that the colleges' capital requests are needed to solve student access problems.

Former board members honored
Chang Mook Sohn and Miguel Bocanegra, whose terms on the board expired on June 30, were honored with resolutions from the board and plaques of appreciation.

Public comment
Wendy Radar-Konofalski of the Washington Federation of Teachers (AFT) and Ruth Windhover, representing the Washington Education Association (WEA), encouraged the board to support funding for faculty salaries, recruitment and retention and other measures/requests on behalf of Washington's full- and part-time faculty members.

The meeting was adjourned at 4:30 p.m.

BOB CRAVES
Chair

James E. Sulton, Jr., Ph.D.
Executive Director

STATE OF WASHINGTON

HIGHER EDUCATION COORDINATING BOARD

917 Lakeridge Way SW • PO Box 43430 • Olympia, WA 98504-3430 • (360) 753-7800 • FAX (360) 753-7808 • www.hecb.wa.gov

RESOLUTION NO. 04-21

WHEREAS, Chang Mook Sohn has been a member of the Higher Education Coordinating Board since November 1995; and

WHEREAS, He also has served as executive director of the Washington State Office of the Forecast Council for the past 20 years, and has taught economic theory, strategy and policy at Saint Martin's College, The Evergreen State College, and Western Oregon State College at Monmouth; and

WHEREAS, Chang Mook has brought dignity and thoughtfulness to board deliberations on a wide range of higher education issues, from budget requests and recommendations to financial aid policy; and

WHEREAS, As a member of the board's fiscal and financial aid committees, Chang Mook has consistently advocated for optimal use of state resources; and

WHEREAS, Chang Mook is well-respected throughout state government and the community for his honesty, integrity, and wisdom;

THEREFORE, BE IT RESOLVED, That the members and staff of the Higher Education Coordinating Board extend their deepest gratitude and appreciation to Chang Mook Sohn for his many years of service to the board, the higher education community, and the people of Washington.

Adopted:

September 16, 2004

Attest:

Bob Craves, Chair

Gene Colin

Roberta Greene

Jesus Hernandez

Bill Marler

Herb Simon

Sam Smith

Michael Worthy

Joan Yoshitomi

BOB CRAVES
Chair

James E. Sulton, Jr., Ph.D.
Executive Director

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RESOLUTION NO. 04-22

WHEREAS, Governor Locke appointed Miguel Bocanegra to serve as the student member of the Higher Education Coordinating Board in September 2003; and

WHEREAS, Miguel is studying law at the University of Washington, after earning a bachelor's degree at the university in 2001; and

WHEREAS, His dedication to the community includes serving on the Farm Worker Rights Clinic Committee, an initiative of the University of Washington, and various community organizations to create a law clinic to serve indigent farm workers in Eastern Washington; and

WHEREAS, Miguel has ably represented the concerns, issues, and interests of Washington students and their families throughout his one-year term; and

WHEREAS, As a member of the board's financial aid committee, Miguel has demonstrated a strong commitment to helping our state's neediest students go to college; and

WHEREAS, He has consistently advocated for affordable higher education and expanded opportunity for all students, with a special focus on students who are first in their families to go to college or from groups that are historically under-represented in higher education;

THEREFORE, BE IT RESOLVED, That the members and staff of the Higher Education Coordinating Board extend to Miguel Bocanegra their thanks and appreciation for his time, commitment, and dedication to higher education, and wish him continued success.

Adopted:

September 16, 2004

Attest:

Bob Craves, Chair

Gene Colin

Roberta Greene

Jesus Hernandez

Bill Marler

Herb Simon

Sam Smith

Michael Worthy

Joan Yoshitomi

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

2005 Board Meeting Calendar

Date	Location
January 27, Thurs	**State Investment Board Bldg.** Board Room 2700 Evergreen Parkway NW, Olympia 98505
March 4, Fri *HECB Advisory Council*	**General Administration Bldg.** Auditorium 210 - 11th Avenue SW, Olympia 98504
April 5, Tue	**Utilities & Transportation Commission** Chandler Plaza Bldg., Commission Hearing Room 206 1300 S Evergreen Park Drive SW, Olympia 98504
June 23, Thurs *HECB Advisory Council*	**Pierce College, Puyallup** College Center Building, Multi-purpose Room 1601 39th Avenue SE, Puyallup 98374
July 28, Thurs	**Yakima Valley Community College** Deccio Higher Education Center, Parker Room 16th Avenue & Nob Hill Blvd, Yakima 98907
September 22, Thurs *HECB Advisory Council*	**Pacific Lutheran University** University Center, Regency Room 1010 122nd S, Tacoma 98447
October 27, Thurs	**Central Washington University** Barge 412 400 E University Way, Ellensburg 98926
December 13, Tue *HECB Advisory Council*	**University of Washington, Tacoma** 1900 Commerce, Tacoma 98402

RESOLUTION NO. 04-23

WHEREAS, The Higher Education Coordinating Board is required to adopt an annual calendar of regular meeting dates for publication in the State Register; and

WHEREAS, The Executive Committee of the Board reviewed and approved a proposed 2005 meeting schedule at its meeting on October 21, 2004;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts the attached HECB 2005 meeting calendar.

Adopted:

October 21, 2004

Attest:

Bob Craves, Chair

Gene Colin, Secretary

WASHINGTON
HIGHER
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COORDINATING BOARD

October 12, 2004

TO: HECB Members

FROM: Jim Sulton

SUBJECT: **PROPOSED BOARD COMMITEE CHARGES AND MEMBERSHIP FOR 2005**

Attached for the board's review and approval are proposed board committee charges and memberships for the upcoming year. You, as part of our process, have reviewed the material. I appreciate the time and attention the board members have given.

I look forward to a very productive cycle of board and committee meetings during the upcoming year.

Attachment:

- Proposed Board Committee Charges and Membership for 2005

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

2004-05 HECB Officers and Committees

Board chair, Bob Craves
Board vice chair, Roberta Greene
Board secretary, Gene Colin

HECB Executive Committee

The Executive Committee acts on behalf of the full board in evaluating the job performance of the executive director, recommending a legislative agenda for the HECB, and establishing membership of the fiscal, policy and financial aid committees. Between regularly scheduled full board meetings, the executive committee may act for the board on matters where a timely response is required, subject to full board approval at its next regularly scheduled meeting. This committee also fulfills numerous managerial responsibilities, such as setting schedules for board meetings, retreats and arranging meetings with governing boards or institutions of higher education.

Board Chair
Board Vice Chair
Board Secretary
Committee Chairs

HECB Fiscal Committee

The Fiscal Committee has responsibility for policy development and issue management relative to statewide budget planning and decision making in statewide higher education. This committee prepares operating and capital budget recommendations for public colleges and universities, which includes the following duties:

- Identifying budget priorities and funding levels for higher education
- Developing guidelines that outline budget item prioritization
- Reviewing and evaluating operating and capital budget requests

The Fiscal Committee also has responsibility for reviewing the agency's operating budget request, reviewing agency budget reports as submitted biannually by the Executive Director, and reviewing agency audit reports.

Herb Simon, Chair
Roberta Greene
Bill Marler
Mike Worthy
Alternate: Sam Smith

HECB Education Committee

The Education Committee develops guidance on all matters pertaining to higher education's trilateral mission of instruction, research and public service. The committee promotes awareness, knowledge and information about state level policies and practices related to the advancement of higher education. The committee's scope of work includes such areas as accountability, P-16 linkages, accreditation, new degree program approval and existing program review.

Sam Smith, Chair
Gene Colin
Jesus Hernandez
Joan Yoshitomi
Alternate: Anthony Rose

HECB Financial Aid Committee

The Financial Aid Committee has responsibility for policy formulation and guidance in the area of student financial assistance for Washington's students. The Higher Education Coordinating Board is the State's central provider of financial assistance aimed toward helping students gain access to higher education. The committee is responsible for the periodic evaluation and review of state aid programs; the preparation of recommendations to the legislature on financial aid issues; the development of financial aid budget recommendations to the full board; and rule-making for the student financial aid programs.

Gene Colin, Chair
Roberta Greene
Anthony Rose
Joan Yoshitomi
Alternate: Bill Marler

HECB Policy Committee

The policy committee has primary responsibility for the development of the statewide strategic master plan for higher education every four years, including scheduled public hearings and reviewing policy proposals offered in the interim and final versions of the plan. This committee reviews policy reports prepared by agency staff pursuant to legislative direction, and submits them as necessary for adoption by the full board. This committee may also consider matters relative to fiscal, financial aid, academic or other policy areas. It reviews issues that overlap multiple policy areas.

Roberta Greene, Chair
Gene Colin
Jesus Hernandez
Bill Marler
Alternate: Mike Worthy

WASHINGTON
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COORDINATING BOARD

October 2004

Future Teachers Conditional Scholarship and Loan Repayment Program

Adoption of Final Rules

Staff recommend that the board adopt final rules for the Future Teachers Conditional Scholarship and Loan Repayment program. A full report was presented at the July 22, 2004 board meeting. In July, the board authorized staff to begin the formal rulemaking process to implement the program changes, as directed by the Legislature in HB 2708.

Staff consulted with many interested parties and incorporated changes to the draft rules prior to beginning the formal rulemaking process. Staff held a formal public comment period and public hearing, but received no requests for changes.

Except for a technical correction, the rules presented for adoption are identical to the proposed rules presented at the July meeting. The proposed rules for adoption are attached.

Background

The program encourages students to become teachers by offering monetary benefits in exchange for service as teachers in Washington public K-12 schools. The 2004 Legislature modified the program in such a way that it can be a flexible vehicle for targeting teacher shortage areas in the state as well as targeting particular kinds of students to become teachers.

In selecting students, the board is to emphasize factors such as superior academic achievement, bilingual ability, and a commitment to teaching in a shortage area. Priority is given to individuals seeking endorsement in selected subject matter shortage areas such as math, science, or special education. For the 2004-2005 academic year, the statute requires that priority also be given to bilingual applicants.

The monetary benefits may be delivered through either a conditional scholarship or a loan repayment. A conditional scholarship is a loan that is forgiven in exchange for service. A loan repayment is the repayment of a portion or all of a student's federal student loans in exchange for teaching service.

Public Comment

Staff consulted widely with interested parties in K-12 education, higher education, the Legislature, and organizations representing communities in need of bilingual teachers. Considerable public comment was received during this period and was incorporated into the proposed rules. A public hearing was held on September 7, 2004. Public comment on the proposed rules was accepted through the close of business September 10, 2004. No public comments requesting changes were received.

Technical Correction

Staff recommend that one technical correction be incorporated into the rules to ensure clarity. The change makes clear that, for fiscal year 2005, bilingual applicants will receive priority. Bilingual applicants do not have to teach in a teacher shortage area in order to receive priority.

The recommended change is to WAC 250-65-110 (3) - Selection of Participants.

> (a) Once all initial eligibility criteria are met, the committee will give priority to ~~individuals seeking certification or an additional endorsement in math, science, technology, or special education. For fiscal year 2005, additional priority will be given to such individuals who are also bilingual.~~
>
> > *(i) Individuals seeking certification or an additional endorsement in math, science, technology, or special education; and*
> > *(ii) For fiscal year 2005, individuals who are bilingual.*

RESOLUTION NO. 04-24

WHEREAS, The Legislature passed House Bill 2708 revising the Future Teacher Conditional Scholarship and Loan Repayment Program (RCW 28B.102); and

WHEREAS, House Bill 2708 became law on June 10, 2004; and

WHEREAS, The Higher Education Coordinating Board is directed by RCW 28B.102.030 to adopt rules as necessary to implement the program; and

WHEREAS, The board directed staff at the July 22, 2004 meeting to proceed with the process required to adopt permanent rules to implement the new program; and

WHEREAS, Staff solicited feedback from interested parties and incorporated those comments into the proposed rules before beginning the formal rulemaking process; and

WHEREAS, Staff held a public hearing on the proposed rules on September 7, 2004, but received no public comments; and

WHEREAS, The Higher Education Coordinating Board staff recommend a technical correction to the proposed rules to clarify that bilingual applicants do not have to teach in a teacher shortage area in order to receive priority in fiscal year 2005;

NOW, THEREFORE BE IT RESOLVED, That the Higher Education Coordinating Board adopts Chapter 250-65 WAC as revised.

Adopted:

October 21, 2004

Attest:

_____

Bob Craves, Chair

_____

Gene Colin, Secretary

Chapter 250-65 WAC

FUTURE TEACHER CONDITIONAL SCHOLARSHIP AND LOAN REPAYMENT PROGRAM ((~~CHAPTER 28B.102 RCW~~))

NEW SECTION

WAC 250-65-070 Purpose. The purpose of this act is to encourage outstanding students to enter the teaching profession in the state of Washington.

NEW SECTION

WAC 250-65-080 Program definitions. (1) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between July 1st and June 30th.

(2) "Approved education program" means an education program in the state of Washington that focuses on knowledge and skills generally learned in preschool through twelfth grade. Approved education programs may include, but are not limited to:

(a) K-12 schools under Title 28A RCW; or

(b) Other educational sites in the state of Washington primarily supported with state or federal funding, as determined by the board.

(3) "Board" means the higher education coordinating board.

(4) "Classroom teaching service" means employment, as a classroom teacher holding a residency or professional certificate, in an approved education program on at least a half-time basis. This also includes comparable employment as a substitute teacher or in part-time teaching positions.

(5) "Conditional scholarship" means a loan made by the board that is forgiven in whole or in part if the participant renders service as a certificated classroom teacher in an approved education program in the state of Washington.

(6) "Continuous enrollment" means the period of time a participant is enrolled without stopping, except for the equivalent of one term per academic year, such as a summer term.

(7) "Continuous teaching service" means certificated

classroom teaching service for at least the equivalent of forty full-time days in an academic year.

(8) "Educational plan" means a plan or schedule approved by the board that designates how many credits participants will complete each term to qualify for loan forgiveness or loan repayment benefits. The plan will include an anticipated completion date.

(9) "Eligible student" means a student:

(a) Registered at least half-time;

(b) Demonstrating high academic achievement;

(c) Who is a resident student as defined by RCW 28B.15.012 and 28B.15.013;

(d) With a declared intention to complete an approved preparation program that leads to residency teacher certification or is required for earning an additional endorsement; and

(e) Committed to certificated classroom teaching service in the state of Washington.

(10) "Eligible institution" means an institution with an approved "institutional agreement to participate in the Washington state-funded student financial aid programs" on file with the board. The institution must have a policy relating to the continuance of aid for students who enroll in, but do not complete, the number of credit or clock hours required to maintain satisfactory progress toward completion of his or her degree or program objective.

(11) "Equalization fee" means an additional amount charged to a conditional scholarship participant who fails to complete the required certificated classroom teaching service. This fee is added to make the cost of the program similar to the cost incurred by participants borrowing from the primary federal student loan program for undergraduate students.

(12) "Forgiven" or "to forgive" or "forgiveness" means to render service as a certificated classroom teacher in an approved education program in the state of Washington in lieu of monetary repayment.

(13) "Full-time student" or "full-time enrollment" means the minimum credits per term required by an institution for full-time enrollment status, or twelve credits per term, whichever is less. Half-time enrollment shall be half that amount.

(14) "Full-time year equivalent" means the period equivalent to one full-time academic year of certificated teaching service. For the purposes of service obligation accrual and loan forgiveness, a full-time year of certificated teaching service shall be at least one hundred eighty days. Service obligations for partial year program benefits will be prorated on this standard. Loan forgiveness and loan repayment benefits for partial teaching years will also be prorated on

this standard.

(15) "Institution of higher education" or "institution" means a public or private college, community college or university which:

(a) Physically delivers classroom instruction within the state of Washington and whose program of study will advance students toward residency teacher certification requirements; and

(b) Is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(16) "Loan repayment" means a federal student loan that is repaid in whole or in part if the participant renders service as a certificated classroom teacher in an approved education program in the state of Washington. The ratio of loan repayments to years of teaching service shall be the same as established for the conditional scholarship program.

(17) "Monetary repayment of a conditional scholarship" means that portion of the conditional scholarship that is not forgiven due to certificated classroom teaching service and is instead repaid by the participant according to the terms of the promissory note.

(18) "Participant" means an eligible student who has received a conditional scholarship award or loan repayment benefit under this chapter.

(19) "Program benefits" means the awarding of funds to conditional scholarship participants or the promise to repay federal student loans for loan repayment participants.

(20) "Residency teacher certification" means the certificate issued by the office of superintendent of public instruction authorizing an individual to teach in a specified subject in the state of Washington, without conditions such as additional training, supervision by another teacher or limitation on duration. The certificate is known as a "residency certificate."

Limited certificates, such as conditional, emergency, and substitute certificates, are excluded.

(21) "Satisfy" means to pay-in-full either through the rendering of certificated classroom teaching service or monetary repayment in fulfillment of the participant's contractual obligation.

(22) "Teacher shortage area" means a shortage of elementary or secondary school teachers in a specific subject area, discipline, classification, or geographic area, as determined by the office of superintendent of public instruction.

(23) "Teaching plan" means a plan or schedule approved by the board that designates the period of time over which a participant will provide teaching service in exchange for forgiveness of a conditional scholarship or receipt of loan repayment benefits. The plan will include an anticipated date

by which all teaching service will be provided.

(24) "Tuition and fees" means the representative average tuition, service fees, and activity fees as determined by the board for the public research, regional, and community colleges.

NEW SECTION

WAC 250-65-090 Administration. The higher education coordinating board shall administer the future teacher conditional scholarship and loan repayment program.

(1) The higher education coordinating board may provide conditional scholarships and loan repayments to eligible students from:

(a) Funds appropriated to the board for this purpose;

(b) Private donations;

(c) Federal funds given to the board for this program; or

(d) Other funds deposited to the future teachers conditional scholarship account.

(2) When a duty or responsibility of the board is referenced in these regulations, the authority needed to discharge that responsibility lies with the executive director or his or her designee.

(3) The board shall have the following administrative responsibilities:

(a) Adopt necessary rules and guidelines.

(b) Enter into agreements with participating institutions, and billing and collection agencies as may be necessary.

(c) Select students to receive conditional scholarships and loan repayments, with the assistance of a selection committee.

(d) Provide conditional scholarship awards and loan repayment benefits to students.

(e) Verify completion of certificated classroom teaching service from participants in exchange for loan forgiveness or loan repayment.

(f) Collect and manage monetary repayments from participants who do not fulfill their teaching obligations.

(g) Work with the office of superintendent of public instruction and appropriate educational organizations to publicize the program directly to qualified individuals.

(h) Post additional information, including a fact sheet and an application, on the board's website.

(i) Solicit and accept grants and donations from public and private sources for the program.

(4) Receipts.

Receipts from the payment of the principal or interest or

any other subsidies to which the board as administrator is entitled, which are paid by or on behalf of participants in the conditional scholarship program under this section, shall be deposited in the future teachers conditional scholarship account, as established in RCW 28B.102.080, and may be used to cover the costs of granting conditional scholarships and loan repayments, maintaining necessary records, and making collections. The board shall maintain accurate records of these costs. All receipts beyond those used to pay such costs shall fund conditional scholarships and loan repayments to eligible students.

NEW SECTION

WAC 250-65-100 Student eligibility criteria. In order to be eligible for program benefits, a student must:

(1) Be registered at least half-time when:

(a) A scholarship disbursement is issued; or

(b) A loan repayment agreement is signed.

(2) Be classified as a resident student of the state of Washington for tuition and fee purposes as defined by RCW 28B.15.012 and 28B.15.013.

(3) Be in good standing and maintaining satisfactory academic progress according to the institution's normal requirements.

(4) Declare an intention to complete either an approved preparation program leading to residency teacher certification or a program required for an additional endorsement.

(5) Not be enrolled in or planning to pursue a degree in theology.

(6) Plan to be employed as a certificated classroom teacher in an approved education program in the state of Washington.

(7) Submit an application to the board by the requested deadline.

(8) Submit an educational plan for board approval.

(9) Attend an eligible institution while receiving program benefits.

NEW SECTION

WAC 250-65-110 Screening and selection of participants. (1) Selection committee.

The board may select participants based on an application process conducted by the board or the board may utilize selection processes for similar students in cooperation with the professional educator standards board or the office of superintendent of public instruction. If the board selects participants for the program, it shall establish a selection committee for the screening and selecting of the conditional scholarship and loan repayment participants. If a selection committee is established, it may include (but shall not be limited to) representatives from the professional educator standards board, the office of superintendent of public instruction, the Washington education association, the state board for community and technical colleges, the colleges of education, and other community organizations.

(2) Role of selection committee.

The committee will act on behalf of the board to select participants and alternates from the pool(s) of eligible applicants who have submitted applications to the board. The committee will also advise board staff and the board on recommended changes in the program administration, including the application and selection procedures for future competitions.

(3) Selection of participants.

(a) Once all initial eligibility criteria are met, the committee will give priority to:

(i) Individuals seeking certification or an additional endorsement in math, science, technology, or special education; and

(ii) For fiscal year 2005, individuals who are bilingual.

(b) The committee may consider, but are not limited to, the following items in the ranking and providing of conditional scholarships awards and loan repayments benefits:

(i) Ability to act as a role model for students.

(ii) Applicant's statement evidencing commitment to the teaching profession, especially in a shortage area.

(iii) Bilingual ability.

(iv) Class level equal to upper division or graduate standing.

(v) Community contributions.

(vi) Leadership ability.

(vii) Length of time to complete teacher certification or additional shortage area endorsement.

(viii) Recommendation from a school teacher or official describing the applicant's qualifications as a current or potential teacher.

(ix) Superior scholastic achievement.

(4) Criteria for renewal.

If sufficient funds are available for renewing program benefits, previous participants will be required to submit renewal information to the board by the stated deadline. The

board may consider, but is not limited to, these factors in approving renewal requests:

(a) Confirmation that the participant still plans to be a certificated classroom teacher in an approved education program in the state of Washington.

(b) An updated educational plan. Failure to complete an educational plan as previously approved by the board may result in the denial of a participant's renewal request.

(c) Verification that the participant is in good standing and maintaining satisfactory academic progress according to the institution's normal requirements.

(5) Five-year limit.

Participants are eligible to renew program benefits for a maximum program participation of the equivalent of five academic years of full-time study.

NEW SECTION

WAC 250-65-120 Program benefit amounts. (1) A participant's program benefit shall not exceed the amount of tuition and fees at the institution of higher education attended by the participant or full-time resident undergraduate tuition and fees at the University of Washington during the same academic year, whichever is lower.

(2) Participants who enroll for additional course work after the completion of an academic year of full-time eligibility may be eligible for additional program benefits equivalent to a third semester or fourth quarter. In this case, the participants would be assumed to be beginning their second academic year of program eligibility. For example, a student attending a semester college who received full-time program benefits for fall, spring and summer, will have received benefits for the equivalent of 1.5 academic years.

(3) Participants enrolled less than full-time shall receive the following prorated program benefits for terms of part-time enrollment:

(a) Enrollment of 9.0 - 11.9 credit hours per term equals three-quarter enrollment. This shall be equal to seventy-five percent of the full-time program benefit.

(b) Enrollment of 6.0 - 8.9 credit hours per term equals half-time enrollment. This shall be equal to fifty percent of the full-time program benefit.

(4) Participants who receive program benefits for part-time enrollment shall have their terms of eligibility reduced on a prorated basis. For example, a participant receiving program

benefits on the basis of half-time enrollment for two academic years will have used one academic year of eligibility.

NEW SECTION

WAC 250-65-130 Agreement with the board, teaching service obligations, and post attendance process. The conditions described in this section apply to participants in both the conditional scholarship program and the loan repayment program, unless otherwise noted.

(1) Agreement with the board.

(a) Each participant shall enter into an agreement with the board, hereafter known as the "promissory note" or "contract," agreeing to comply with the rules, regulations, and guidelines of the conditional scholarship or loan repayment programs. The promissory note or contract establishes an obligation on the part of the student to teach in an approved education program for each year of program benefit received.

(b) The promissory note is signed by conditional scholarship participants. The note serves as the legal document verifying the participant's understanding of the opportunity to have the conditional scholarship forgiven in exchange for certificated classroom teaching service and the obligation to repay the conditional scholarship, with interest and an equalization fee, if certificated classroom teaching service is not provided.

(c) The contract is signed by loan repayment participants. The contract details the period of time it is in effect, the documentation needed to verify federal student loan indebtedness, the loan repayment benefit to be paid in exchange for certificated classroom teaching service, and the consequences of not providing said teaching service in the agreed-upon time frame.

(2) Teaching service obligations.

(a) Loan forgiveness and loan repayments are provided at the higher rate of:

(i) One full-time academic year of loan forgiveness or loan repayment will be given for the equivalent of two full-time years of certificated classroom teaching service; or

(ii) One full-time academic year of loan forgiveness or loan repayment will be given for the equivalent of one full-time year of certificated classroom teaching service in geographic or subject-matter shortage areas, as specified by the office of superintendent of public instruction.

(b) Loan forgiveness or loan repayments for certificated

classroom teaching service for less than a full-time academic year shall be prorated. No forgiveness or repayment shall be granted for certificated classroom teaching service equivalent to less than forty full-time days. No forgiveness or repayment shall be granted without a board-approved teaching plan on file.

(c) If a participant's selection for the conditional scholarship and loan repayment program is predicated, in part, on providing teaching service in a teacher shortage area, the participant will be required to provide proof of such service before receiving loan forgiveness or a loan repayment.

(d) For participants receiving loan forgiveness or loan repayments for a portion of an academic year, the required certificated classroom teaching service shall be prorated. The following examples show how this works in practice.

(i) If a participant receives loan forgiveness or a loan repayment for one-third of a full-time academic year's enrollment, the required certificated classroom teaching service is two-thirds of an academic year; or one-third of an academic year, if the participant teaches in a shortage area.

(ii) If a participant receives loan forgiveness or a loan repayment for two and one-half full-time academic years' enrollment, the required certificated classroom teaching service is five full-time academic years; or two and one-half full-time academic years, if the participant teaches in a shortage area.

(e) Loan repayment examples.

(i) If a loan repayment participant receives one year of full-time benefit (with annual tuition and fees of four thousand dollars) in exchange for two full-time years of certificated classroom teaching service, half the benefit (two thousand dollars) will be paid at the end of the first full-time teaching year (with appropriate verification of service) and half the benefit will be paid at the end of the second teaching year. If the participant teaches full-time in a shortage area for a complete academic year, he or she will receive the entire full-time benefit of four thousand dollars at the end of the first full-time teaching year.

(ii) If a loan repayment participant receives two years of full-time benefit (with annual tuition and fees of three thousand dollars, for a total benefit of six thousand dollars) in exchange for four full-time years of certificated classroom teaching service, one-quarter of the benefit (one thousand five hundred dollars) will be paid at the end of the first full-time teaching year (with appropriate verification of service), one quarter of the benefit will be paid at the end of the second teaching year, and so forth. If the participant teaches full-time in a shortage area for two complete academic years, he or she will receive one year's full-time benefit (three thousand dollars) at the end of the first full-time teaching year and one year's full-time benefit at the end of the second full-time

teaching year.

(3) Grace period.

All participants are eligible for a six-month grace period following the completion of their educational program. During this time, no interest accrues and no payments are required of conditional scholarship participants and no teaching service is required of loan repayment participants. The grace period begins the first day of the month after:

(i) A participant completes the program of education culminating in the residency teacher certification or additional shortage area endorsement; or

(ii) The last term in which a participant is continuously enrolled, whichever date comes first.

(4) Deferments and leaves of absence.

A deferment is a board-approved period during which no interest accrues and no principal payments are required of conditional scholarship participants. A leave of absence is a board-approved break in continuous teaching service that preserves a participant's eligibility to receive additional loan repayments. The board may approve deferments and leaves of absence that include, but are not limited to:

(a) The participant's continued enrollment in, or return to, an approved educational program on at least a half-time basis in the school of education of an institution of higher education.

(b) The participant has a temporary total disability. The participant shall provide medical verification of the disability. The deferment shall not exceed three years.

(c) Other circumstances as determined by the board.

(5) Post attendance process for conditional scholarship participants.

(a) Process overview.

When a participant in the conditional scholarship program completes the teacher certification or endorsement program, he or she will provide a copy of the certificate or endorsement to the board. The participant's account moves into a six-month grace period. When the participant obtains a teaching position, he or she provides evidence to the board of that position. The participant's account will be placed in teaching status for that academic year. At the end of the academic year, the participant will provide verification to the board of the teaching service performed. The board will determine the loan forgiveness, if any, to provide in exchange for the teaching service performed and apply that forgiveness to the participant's account. The cycle of teaching position evidence, teaching service verification, and loan forgiveness repeats until the participant has provided sufficient teaching service to satisfy the obligation to the board.

(b) Failure to provide teaching service.

If the participant does not complete the intended educational program, does not obtain a teaching position before the end of the grace period, or is not in deferment status, the participant's account moves into monetary repayment status.

(c) Monetary repayment of conditional scholarships.

Should the participant in the conditional scholarship program not be eligible for loan forgiveness, the conditional scholarship principal and equalization fee must be fully repaid with interest beginning at the end of the grace period or deferment period, whichever is later, according to the following terms:

(i) The minimum monthly monetary repayment rate shall be set by the board, but shall not be less than fifty dollars per month.

(ii) The maximum period for monetary repayment shall be ten years, with payments of principal and interest accruing quarterly, commencing the first quarter following the completion of a participant's grace period or deferment period, whichever date is later.

A conditional scholarship participant making monetary repayments who obtains a qualified teaching position may earn loan forgiveness to satisfy the balance of his or her obligation. No refunds for monetary repayments are made due to teaching service performed after a payment is submitted to the board.

(d) Collection of monetary repayments of conditional scholarships.

The board is responsible for collection of monetary repayments of conditional scholarships and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum monetary repayments are made. Collections shall be pursued using the full extent of the law, including wage garnishment if necessary.

(e) Completion of obligation.

A conditional scholarship participant's obligation to the board ceases:

(i) When the participant provides sufficient teaching service to satisfy the obligation accompanying the conditional scholarship funds received; or

(ii) When the participant repays the balance of principal, interest, and loan equalization fee through monetary repayment; or

(iii) In the event of the participant's total and permanent disability or death.

(f) Forbearance.

The board may approve an additional limited deferment of payment of principal based on special circumstances, such as a financial hardship of the participant in the conditional scholarship program. The participant's account will be assessed

interest during the period of forbearance.

(g) Interest rates.

The board shall annually determine the interest rate on conditional scholarship accounts in monetary repayment status. The annual interest rate shall generally parallel the current rate for new loans in the primary federal student loan program for undergraduate students. Interest charges begin to accrue at the conclusion of the grace period for conditional scholarship participants not in deferment who are not providing certificated classroom teaching service.

(h) Equalization fee.

Participants in the conditional scholarship program who do not enter certificated classroom teaching service by the conclusion of the grace period or other approved deferments shall incur an equalization fee of not more than three percent of the remaining unforgiven conditional scholarship balance. The board shall determine this fee annually. The equalization fee shall be added to the remaining principal balance and be repaid by the participant.

(6) Post attendance process for loan repayment participants.

(a) Process overview.

When a participant in the loan repayment program completes the teacher certification or endorsement program, he or she will provide a copy of the certificate or endorsement to the board. The participant shall provide evidence to the board at the end of each academic year that the requisite teaching service has been provided. Upon receipt of the evidence, the board shall pay the participant the agreed-upon amount for one year of full-time teaching service or a prorated amount for less than full-time teaching service. To qualify for additional loan repayments, the participant must be engaged in continuous teaching service and have a board-approved teaching plan on file.

(b) Failure to provide teaching service.

If the participant does not complete the intended educational program, or does not obtain a teaching position before the end of the grace period, or does not maintain continuous teaching service according to the approved teaching plan, or is not in an approved leave of absence, the board's agreement to provide loan repayment benefits to the participant may be voided.

(c) Direct payment option.

The board may, at its discretion, arrange to make the loan repayment directly to the holder of the loan repayment participant's federal student loan.

(d) The board's obligations to a loan repayment participant ceases:

(i) When the terms of the agreement have been fulfilled; or

(ii) When the participant fails to maintain continuous teaching service according to the board-approved teaching plan; or

(iii) When all of the participant's federal student loans have been repaid; or

(iv) In the event of the participant's total and permanent disability or death.

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

Masters of Education in Inclusive Teaching Strategies
Central Washington University

Introduction

Central Washington University (CWU) is seeking Higher Education Coordinating Board approval to offer a Masters of Education in Inclusiveness Teaching Strategies. The program is a collaborative effort by faculty from various departments within the College of Education to bring together a set of existing courses in a coherent course of study that would prepare teachers to effectively address the multiple academic, social, and cognitive characteristics that students bring to the classroom.

Program Need

The proposal demonstrates a need to align teacher training programs with the educational needs of students in preschool through grade 12. The program would respond to that need by providing teachers with skills that prepare them to work effectively in diverse classrooms. In addition, teachers need to be better prepared to deal with the impact of Washington's educational reform efforts, which place greater emphasis on improving student achievement for all learners.

Specifically, the CWU program would prepare teachers to develop and use teaching strategies that would enable them to foster high achievement in a classroom environment in which students with a variety of special needs remain in the "mainstream" classroom throughout the day. While existing programs at CWU offer the opportunity for students to specialize in a specific area (e.g. reading or special education), CWU does not currently offer a program to train generalists who are prepared to readily adapt to a changing classroom environment. The challenges posed by inclusion policies are further exacerbated by a shortage of qualified special education and English as a Second Language teachers in the public schools, placing greater responsibility for specialized services on mainstream teachers.

Program Description

The Masters of Education in Inclusiveness Teaching Strategies is designed for teachers who already hold a Washington state teaching credential. The program could be completed in two years, consisting of 48-50 quarter credits. Courses are divided across a variety of disciplines, categorized as Community, Assessment, Curriculum, Reading Strategies, Classroom Management, and Educational Foundations.

The program is expected to accommodate four FTE students in the first year and grow to nine FTE students at full enrollment by the fifth year. The program would draw on existing courses offered by 12 tenured and four tenure-track faculty from the CWU College of Education. Administration of the program would be shared by the Department of Curriculum and Supervision and the Department of Teacher Education Programs within the College of Education.

Assessment and Diversity

The proposal outlines three categories of assessment: assessment of instruction, program assessment, and assessment of student learning outcomes.

Instruction: Students would assess the program through course evaluations, supplemental questionnaires, and an overall program assessment. Faculty also would review each other's classroom activities through peer review and instructor self-assessment of performance indicators in each course.

Program: Baseline data would be collected in the first two years, and an evaluation process would be developed using both quantitative and qualitative information. Indicators would include the quality of applicants, program retention, and program completion rates. Qualitative indicators would come from graduate surveys administered upon completion of the program, and follow-up surveys of students. Finally, the teacher education program, of which the inclusive teaching strategies program would be a part, would undergo an internal review during the 2005-2006 academic year as part of the university-wide institutional review process.

Student Learning Outcomes: Student learning outcomes would be established for each course in the curriculum. In addition, all candidates would be required to demonstrate the following competencies through a comprehensive written examination, degree project, or thesis. Masters candidates would:

- demonstrate knowledge and skills needed to work with colleagues, agencies, and parents;
- administer, score, and interpret formal and informal assessments;
- develop and evaluate curricula that addresses students who are typical, at-risk, and have special needs;
- demonstrate knowledge and skills needed to teach reading to diverse populations, from initial literacy experiences to reading across the content areas;

- demonstrate knowledge and skills for addressing management needs of individuals and groups of students;
- critically assess the methodological and theoretical contents of professional literature;
- evaluate the strengths and limitations of articles in professional literature; and
- design a project/thesis that addresses the methodological and theoretical content of professional literature.

The program would follow CWU's Center for Teaching and Learning policies and procedures to recruit and retain a diverse student body. Offered at centers throughout the state, the master's program would cater to certified teachers within the service areas of each center, and the students would reflect the diversity of the local pool of certified teachers.

Review Participants

Two external evaluators reviewed the proposal and provided feedback, Arthur K. Ellis, director, Center for Curriculum Studies, Seattle Pacific University; and Rich Wilson, director, School of Education and Intervention Services, College of Education and Human Development, Bowling Green State University. Overall, both reviewers gave a positive evaluation of the program and indicated the program would address a need in teacher training.

Ellis noted that the strength of the faculty would be a clear benefit of the program and thought the topics addressed were both appropriate and responded to what is anticipated to be a long-term trend in education. Ellis recommended that the proposal should be more clear on the assessment methods, and questioned whether faculty modeling would be used as a means to demonstrate excellence in the program. He also wanted to be sure that the program was sufficiently challenging to allow for student growth.

Wilson cited the level of collaboration apparent in the proposal and its emphasis on reading and English as potentially beneficial to generalists in the field. Wilson observed that more math and science emphasis would strengthen the program. Wilson also raised a question about program administration, and asked for clarification on how the program would deal with moderate or severe special needs students, because the program is not designed as a special education program.

The proposal includes a response to each of these concerns with appropriate clarifications.

Don Bantz, academic vice president and provost, The Evergreen State College, submitted a letter indicating support for the program, but expressed concern that new resources were not identified.

Robert Bates, provost and academic vice president, Washington State University, submitted a letter indicating the program received a positive review from faculty of the College of Education, Edward Helmstetter, chair of Department of Teaching and Learning; and Dennis Warner, associate dean of the College of Education. Warner notes, "…teachers with skills to work in inclusive classrooms are much in demand in the state and region."

Program Costs

Because the program utilizes existing faculty and courses currently offered by the school, CWU does not anticipate substantial added costs with the addition of this program. The proposal does include a budget that represents a reallocation of existing resources. No new funding is anticipated in the proposed budget.

Staff Analysis

The program would be an efficient use of resources, building on existing expertise and course offerings to design a degree pathway that responds to the changing demands placed on teachers, and would align with K-12 efforts to enhance teaching as a means to improve student achievement. The proposal is a response to the need to train teachers to effectively work in an increasingly diverse setting. The multiple demands placed on teachers through K-12 reform efforts, as well as growing diversity in the schools require many educators to continue their studies to develop skills that will enable them to more effectively respond to student needs.

The level of collaboration among the college of education faculty would present a model for students and is an important aspect of this proposal. Bringing faculty together to address the demands of the modern classroom should prove a benefit to both teachers and their students. The use of existing expertise and resources to develop a unique and responsive program of study is commendable and timely. Outside reviewers have expressed support for the program and reinforced the statements of faculty that this is an important and needed course of study now and for the foreseeable future.

Recommendation

Based on the materials provided, the program appears to be an excellent use of resources that will address the needs of teachers and their students. The Central Washington University Masters in Inclusiveness Teaching Strategies is recommended for approval, effective October 21, 2004.

RESOLUTION NO. 04-25

WHEREAS, Central Washington University proposes to establish a Masters of Education in Inclusiveness Teaching Strategies; and

WHEREAS, The program represents a collaborative effort by faculty that will build on existing expertise and course offerings to respond to a clearly stated need in light of the changing demands placed on teachers and students; and

WHEREAS, The external reviews attest to the high quality of the program and faculty, and to the demand for the skills developed in this program; and

WHEREAS, The assessment and diversity initiatives are appropriate for the program; and

WHEREAS, The costs are reasonable;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Central Washington University proposal to establish a Masters of Education in Inclusiveness Teaching Strategies, effective October 21, 2004.

Adopted:

October 21, 2004

Attest:

Bob Craves, Chair

Gene Colin, Secretary

RESOLUTION NO. 04-26

WHEREAS, The Washington Higher Education Coordinating Board (HECB) is a citizens board appointed by the governor and confirmed by the senate and is required to make budget recommendations for higher education funding to both the governor and the legislature; and

WHEREAS, These recommendations are to be based on a review and evaluation of the operating and capital budget requests from the four-year institutions and the community and technical college system and how well these requests align with the board's budget priorities, the missions of the institutions, and the statewide strategic master plan for higher education; and

WHEREAS, The Board adopted the *2004 Strategic Master Plan for Higher Education* where it described its vision, goals, and specific proposals for improving the higher education segment of the state's education system; and

WHEREAS, The strategic master plan includes two goals: (1) increasing the opportunities for students to earn degrees and (2) responding to the state's economic needs; and

WHEREAS, The board has identified budget priorities linked to meeting the goals identified in the strategic master plan. These priorities include: increasing enrollments, including enrollments in high-demand fields; improving the quality of higher education by, among other things, increasing faculty and staff salaries; expanding student financial aid; providing increased funding for basic research; helping community college students to transfer; and improving the student data system; and

WHEREAS, The legislature passed and the governor signed into law House Bill 2151 which provided that the public four-year institutions work with the board and the Council of Presidents to prepare a single prioritized individual ranking of institutional capital projects; that the State Board for Community and Technical Colleges was to continue to submit a single prioritized ranking of proposed community and technical college capital projects; and that the board was to develop criteria for prioritization of these projects; and

WHEREAS, The legislature passed and the governor signed into law Senate Bill 5908 which authorized approximately $750 million in general obligation bonds over three biennia, beginning in 2003-05, to provide additional capital funding for higher education; and

WHEREAS, The citizen governing boards of the public higher education institutions have submitted operating and capital budget requests for the 2003-05 biennium;

THEREFORE, BE IT RESOLVED, That the board endorses the operating and capital budget requests approved by the citizen governing boards of the public higher education institutions; and

THEREFORE, BE IT FURTHER RESOLVED, That the board has determined that reaching the goals outlined in the strategic master plan in the 2005-07 biennium would be accomplished by making investments of $848 million in the 2005-07 biennium; and

THEREFORE, BE IT FURTHER RESOLVED, That the public institutions clearly explain to the governor, legislature, and the HECB how these additional resources have been used and the benefits that have accrued; and

THEREFORE, BE IT FURTHER RESOLVED, That the board recommends that in the 2005-07 biennium the governor and legislature:

1. Provide $848 million in additional state investments in the higher education operating budget to begin to accomplish the goals outlined by the HECB, and

2. Provide a total of up to $1.04 billion in capital funding with resources from state General Obligation Bonds, local institutional capital project account funds, and reimbursable bonds to be financed from the Education Construction Fund.

Adopted:

October 21, 2004

Attest:

_____

Bob Craves, Chair

_____

Gene Colin, Secretary

WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

October 2004

Fiscal Committee Report:
Higher Education Coordinating Board
Draft 2005-07 Higher Education
Operating and Capital Budget Recommendations

Overview

The Higher Education Coordinating Board (HECB) is directed by state law (RCW 28B.76.210) to submit recommendations on the proposed 2005-07 higher education budgets and on the board's priorities to the Office of Financial Management by November 1, 2004. Budget recommendations are to be submitted to the legislature by January 1, 2005.

The board is to review and evaluate the operating and capital budget requests from the four-year institutions and the State Board for Community and Technical Colleges (SBCTC). This review is to be based on how well the requests align with the board's budget priorities, the missions of the institutions, and the *2004 Strategic Master Plan for Higher Education.*

The board is to collaborate with the four-year institutions and the State Board for Community and Technical Colleges, along with other appropriate organizations, to identify budget priorities and the levels of funding for higher education. The recommendations from the board are not to be a sum of the requests from the multiple institutions, but reflect the prioritized funding needs of the overall system of higher education.

The four-year institutions, the SBCTC, and the HECB submitted their 2005-07 budget requests to the Office of Financial Management and the HECB in early September. The institutions and the SBCTC reviewed their requests with the board on September 21, 2004.

The board is aware of the state's fiscal condition and the estimated $1.1 billion dollar mismatch in the 2005-07 biennium operating budget outlook. Expected carry-forward budget pressures exceed the forecasted level of revenues available for this period. The board is also aware that Initiative 884 is on the ballot in November. This initiative would raise an additional $1 billion per year in state revenue dedicated to education purposes. More than $400 million per year, or more than $800 million in the 2005-07 biennium, would be dedicated to higher education.

In July 2004, the board adopted the *2004 Strategic Master Plan for Higher Education*. In this plan, the board described its vision, goals, and specific proposals for improving the higher education segment of the state's education system. Several overarching points of context framed and focused the entire report:

- Continuing the status quo is not good enough. Washington has an excellent higher education system, but its quality cannot be taken for granted. The board believes the state system is not funded as well as it should be and it is not working as effectively as it could for students, institutions, and policy-makers.

- The state must focus on a limited number of priorities. Washington must resist the impulse to identify an ever-expanding list of well-intended goals, strategies, and new programs. Instead, the state must relentlessly limit itself to the highest priorities. In the master plan, the board's highest priorities are restricted to two goals: (1) increasing the number of students who complete their studies and earn college degrees, certificates, and other credentials of success and (2) making the higher education system more responsive to the needs of the state economy.

- Washington must have both a well-funded higher education system and one that is responsive to performance measurement and accountability. The board is committed to advocating higher state spending for colleges and universities, including increased financial aid for deserving students. It also endorses accountability for performance, because the taxpayers of Washington deserve to know two things: (1) that the public's investment in higher education is being well used and (2) that the state coordinating board is doing its part to build a strong system.

Goals for higher education in Washington

The goals and strategies presented in the *2004 Strategic Master Plan for Higher Education* include the following:

1. Increase opportunities for students to earn degrees

The 2004 strategic plan calls for a 12 percent increase in the number of students who earn college degrees per year by 2010, supported by a major increase in student enrollment. Currently, 58,000 students per year receive two-year, four-year and graduate degrees, so this goal represents an increase of 7,000 graduates each year.

2: Respond to the state's economic needs

The plan calls for a coordinated strategy to improve the collective economic responsiveness of the state's colleges and universities. Under this plan, more students would earn degrees in "high-demand" fields where careers are plentiful, the number of students who complete job training

programs would increase by 18 percent, and the number of adults enrolled in adult basic education or English as a Second Language programs who increase their skills would increase by 19 percent.

Strategic policy proposals to support the goals

Funding for student success: The state should fundamentally change the way it finances higher education by linking funding more closely to results. Funding increases should reward colleges whose students are successful. Success can be measured in many ways, based on the mission of the college or university and the goals of students.

Allocating student enrollments: The state should provide additional resources to fund the necessary enrollment slots at the two-year and four-year colleges and universities by the 2009-11 biennium to meet the board's degree goals.

Increasing degrees in high-demand fields: In many programs, colleges cannot serve all the students who want to enroll, while employers cannot find enough skilled workers to fill projected job openings. The state should increase by 300 per year the number of students who earn degrees in these "high-demand" fields.

Keeping tuition affordable and predictable: Tuition increases at public colleges should be no more than 31 percent over any consecutive four-year period (7 percent annual increases compounded over four years). No annual increase should exceed 10 percent.

Expanding student financial aid: To help financially needy students meet the rising costs of a college education, the state should expand several state financial aid and scholarship programs. The plan also calls for a new pilot program to aid adults who attend college part-time while working full-time.

Planning for regional higher education needs: A comprehensive planning process will respond to regional needs for expanded college capacity and greater economic responsiveness.

Helping transfer students earn bachelor's degrees: The state needs a barrier-free transfer system to help community college transfer students earn bachelor's degrees at four-year colleges and universities as efficiently as possible. A statewide course equivalency system would help students learn which two-year college courses they should take for specific majors at each four-year college and university.

Helping students make the transition to college: Students who aren't prepared for college often fail to achieve their goals. Educators must clearly communicate to K-12 parents and students what it means to be "ready for college." Then, the state must make sure classes for 11th and 12th grade students adequately prepare them to enter college.

Increasing accountability for student success: Accountability is the backbone of a successful educational system and Washington needs to redesign its current accountability system to measure progress toward the statewide goals.

Measuring student success with an improved data system: Detailed information about student success is essential to understand current trends and to plan for future improvements. Washington lacks the kind of coordinated data system needed by state policy-makers, so the plan calls for a student-focused data system to evaluate progress toward state goals and to identify and eliminate barriers to student success.

Reducing barriers for non-traditional students: The state must pursue several strategies to meet the higher education needs of "non-traditional" students – including unemployed adults, students whose first language is not English, and those who need to balance college with work and family obligations.

State law regarding higher education budget recommendations

RCW 28B.76.210 – Budget priorities and levels of funding – Guidelines for institutions – Review and evaluation of budget requests – Recommendations

(1) The board shall collaborate with the four-year institutions including the council of presidents, the community and technical college system, and when appropriate the work force training and education coordinating board, the superintendent of public instruction, and the independent higher educational institutions to identify budget priorities and levels of funding for higher education, including the two- and four-year institutions of higher education and state financial aid programs. It is the intent of the legislature that recommendations from the board reflect not merely the sum of budget requests from multiple institutions, but prioritized funding needs for the overall system of higher education.

(2) By December of each odd-numbered year, the board shall distribute guidelines which outline the board's fiscal priorities to the institutions and the state board for community and technical colleges. The institutions and the state board for community and technical colleges shall submit an outline of their proposed budgets, identifying major components, to the board no later than August 1st of each even-numbered year.

(3) The board shall review and evaluate the operating and capital budget requests from four-year institutions and the community and technical college system based on how the requests align with the board's budget priorities, the missions of the institutions, and the statewide strategic master plan for higher education under RCW 28B.76.200.

(4) The board shall submit recommendations on the proposed budgets and on the board's budget priorities to the office of financial management before November 1st of each even-numbered year, and to the legislature by January 1st of each odd-numbered year.

(5) Institutions and the state board for community and technical colleges shall submit any supplemental budget requests and revisions to the board at the same time they are submitted to the office of financial management. The board shall submit recommendations on the proposed supplemental budget requests to the office of financial management by November 1st and to the legislature by January 1st.

[2004 c 275 § 7; 2003 c 130 § 3; 1997 c 369 § 10; 1996 c 174 § 1; 1993 c 363 § 6; 1985 c 370 § 4. Formerly RCW 28B.80.330.]

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

2005-2007 Higher Education Operating Budget Recommendations

Goals of the 2004 Strategic Master Plan for Higher Education

Goal 1: Increase opportunities for students to earn degrees

The specific goal is to increase the number of associate, bachelor's, and graduate degrees earned annually in Washington at both public and private institutions.

- The goal for associate degrees is to have students earn 23,500 such degrees in 2009-10, an increase of nearly 1,700 or 8 percent from 2002-03.
- The 2009-10 goal for bachelor's degrees is 30,000, an increase of 4,000 or 16 percent from 2002-03.
- For graduate degrees, including master's, doctoral, and professional degrees (such as law and medical), the 2009-10 goal is 11,500, representing a 1,300 or 13 percent from 2002-03.

These goals were developed by analyzing several sets of data: the demographics of Washington's population in the prime degree-seeking age groups, economic projections for the state, and comparisons to other states. For the purpose of these budget recommendations, intermediate targets are presented. Degree-granting institutions in Washington report annually to the U.S. Department of Education on the number of degrees earned by their students.

Master plan goals for degrees issued by all Washington colleges and universities

	2002-03	2005-06	2006-07	2009-10
Associate Degrees	21,806	22,500	22,800	**23,500**
Bachelor's Degrees	25,942	27,500	28,000	**30,000**
Graduate Degrees	10,156	10,600	10,800	**11,500**

Goal 2: Respond to the state's economic needs

Specific targets for this goal have been set in the areas of: (a) increased completion in the state's high-demand programs; (b) increased numbers of students prepared by the state's community

and technical colleges to enter the workforce; and (c) increased numbers of adults enrolled in adult basic education in the state's community and technical colleges who increase their literacy skills. These latter two targets are based on goals adopted by the State Board for Community and Technical Colleges (SBCTC).

The Higher Education Coordinating Board (HECB) is proposing a specified amount of funding be provided annually for increasing enrollments and completions in high-demand fields. The amount of increase is $10 million per year. The goal for high-demand completions is strictly limited to the expansion of these programs. It is not related to the ongoing activity in existing high-demand programs.

The SBCTC has a performance measure for "prepared for work." This term is defined to include students who completed a vocational degree or certificate, apprenticeship program, or a unique training program, or students majoring in vocational programs who have left college after completing 45 vocational-level credits with a GPA of 2.0.

Another SBCTC performance measure is "increased adult literacy." This refers to the number of adults enrolled in adult basic education (ABE/GED) or English as a second language (ESL) who increase their literacy skills. The baseline is the number of students who made statistically significant gains or earned a GED or high school diploma during one academic year.

Master plan goals for students completing programs or demonstrating skill gains

	2002-03	**2005-06**	**2006-07**	**2009-10**
High-Demand Completions			600	**1,500**
Prepared for Work*	22,319	22,800		**25,000**
Increased Adult Literacy*	17,275**	18,150		**20,525**

* These goals are based on goals adopted by the State board for Community and Technical Colleges.
** The State Board for Community and Technical Colleges revised the adult literacy performance measure in 2004; this baseline is for 2003-04.

For the most part, actions already taken by the legislature and the institutions during the 2003-05 and prior biennia will determine whether the 2005-07 biennium goals are met. It takes several years for students to move through higher education. For example, with a four-year program, if enrollments are increased for the 2002-03 academic year and the institution responds by increasing the number of freshman students, initial results may not be seen until the 2005-06 academic year. Likewise, actions taken in the 2005-07 biennium will determine whether the specific goals set for the 2007-09 and 2009-11 biennia will be met.

Strategies to support state higher education goals in 2005-07

Fiscal Committee Proposal
Higher Education Coordinating Board
2005-07 Higher Education Operating Budget Recommendations

		$ Millions
Current Biennium		$2,697.6
Maintenance Level (amount necessary to continue current services)		$2,862.2
Strategies		
Allocating Student Enrollments		
Associate degrees, prepared for work & adult literacy: 10,000 FTEs over two years at $5,650 per FTE	$84.8	
Bachelor's degrees: 8,000 budgeted FTEs over two years at $6,303 per FTE	$92.0	
Graduate degrees: 2,100 budgeted FTEs over two years at an average $15,000 per FTE	$59.0	
COLAs for all faculty and staff: 3.2% in FY06 and 1.6% in FY07	$97.0	
Additional salary increase for faculty/exempt staff to make progress when compared to institutional peers (5% each year)	$143.0	
Program improvements to close the gap between Washington institutions and their peers	$80.0	
Increasing enrollments in high-demand fields	$30.0	
Expanding student financial aid	$160.0	
Helping transfer students earn bachelor's degrees	$1.6	
Measuring student success with improved data system	$0.5	
Research	$100.0	
Total Increase		$847.9
Total Proposed Budget		$3,710.1
Percentage increase 2005-07 over 2003-05		38%

- ## Funding for student success

While a funding proposal is not specifically described in this budget recommendation, the HECB remains committed to moving toward a funding system that rewards success rather than enrolling students. Success may be defined in many ways, but the central concept is degree or program completion. The concept of funding success represents a significant change in conducting business and will take time to plan and implement.

During 2005-07, the HECB will lay the groundwork to support a change in the funding mechanism. The board proposes that higher education funding be apportioned on the basis of enrollment during 2005-07, but that the funding system be gradually transformed beginning with the 2007-09 biennium. The board will collaborate with the state higher education community and the legislative and executive branches of state government in designing a new funding methodology and an action plan for putting it in place.

- ## Allocating student enrollments ($556 million)

Shares between public and private institutions

From 1991 through 2003, the number of bachelor's degrees earned at private colleges and universities increased from 5,026 to 6,281. Most of this growth has occurred since 1997. The share of total bachelor's degrees in Washington being earned at the private institutions declined from 26 percent in 1991 to 22 percent in 1997 and has increased to 24 percent in 2003. Since 1997, the share of bachelor's degrees being earned at institutions belonging to the Independent Colleges of Washington[1] grew from 4,399 to 4,964, while their share of total degrees in the state remained constant at 19 percent. Other private non-profit institutions increased their share from 3 percent to 4 percent of the total degrees earned as the number of degrees earned increased from 628 to 945.[2] Private for-profit institutions went from less than 0.5 percent in 1997 to 1 percent in 2003 as they grew from 65 degrees to 372.[3]

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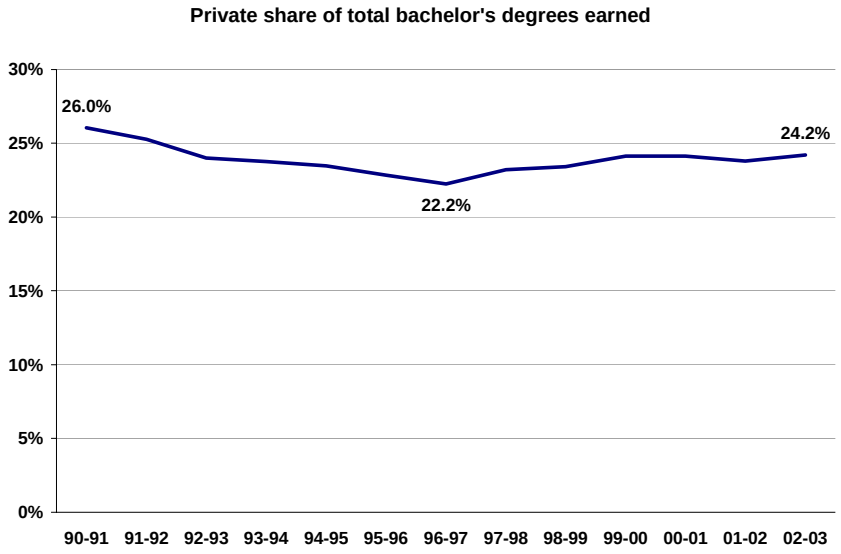
[1] Bachelor's degrees earned in 2002-03: Seattle University (845), Pacific Lutheran University (785), Gonzaga University (667), Seattle Pacific University (641), University of Puget Sound (586), Whitworth College (425), Whitman College (378), Saint Martin's College (282), Walla Walla College (279), and Heritage College (76).

[2] Bachelor's degrees earned in 2002-03: City University (345), Northwest College of the Assemblies of God (227), Cornish College of the Arts (118), Antioch University-Seattle (94), Bastyr University (79), Henry Cogswell College (49), Trinity Lutheran College (20), Puget Sound Christian College (10), and Faith Evangelical Lutheran Seminary (3).

[3] Bachelor's degrees earned in 2003: University of Phoenix-Washington (221), ITT Technical Institute-Seattle (68), Digipen Institute of Technology (34), Crown College (32), and Northwest College of Art (17).

The share of bachelor's degrees being earned at Washington's private institutions reached a low of 22% in 1997 and has increased to 24% since then

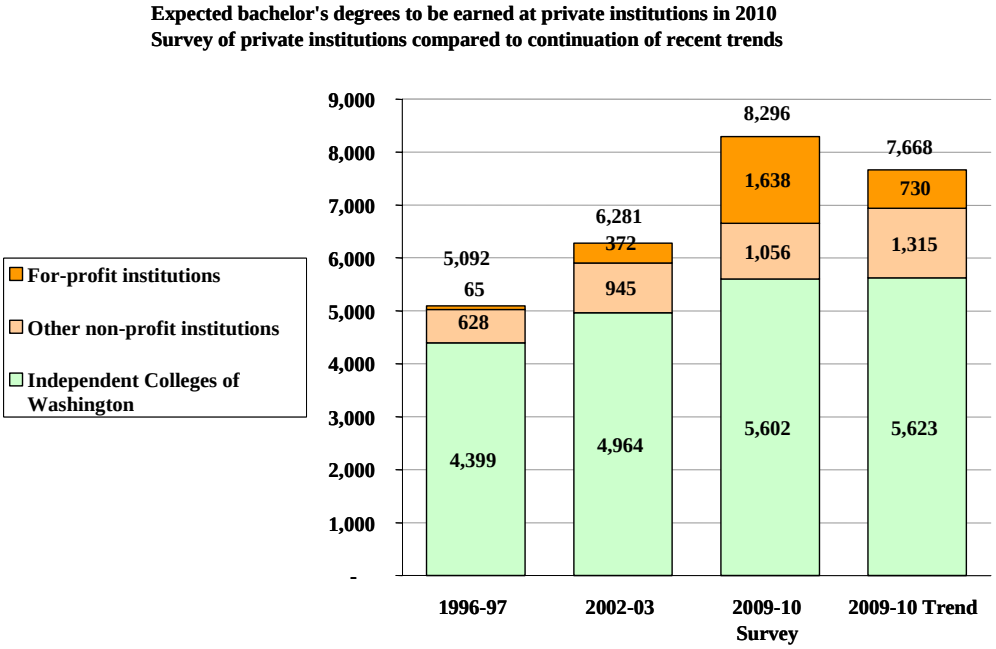


In spring 2004, the HECB surveyed the non-profit and for-profit baccalaureate institutions in Washington. These colleges were asked how many bachelor's degrees they expected to award in 2010. This response was compared to the trend from 1997 to 2003. Overall, the institutions' expectations totaled nearly 8,300 bachelor's degrees, or 28 percent of the HECB's 30,000 bachelor's degree goal for 2010. If the past trends continued, the total would be 7,700, or 26 percent of the goal.

The share of degrees issued by the Independent Colleges of Washington would remain constant at 19 percent. The survey results and the trend analysis yield similar results. The other non-profit institutions would remain at 4 percent of the total. There is a difference of 300 degrees between the survey results and the trend data – due to the fact that the two institutions that had the greatest growth between 1997 and 2003 did not participate in the 2004 survey (for this survey they were assumed to have no growth; the trend analysis assumed they would grow as in the past). The for-profits could range from 2 percent (trend) to 5 percent (survey) of the total bachelor's degree goal. This range was influenced by one institution that issued no bachelor's degrees in 2003 but said it expected to issue 900 in 2010.

For the purposes of this budget recommendation, it is assumed that private institutions in Washington would provide 25 percent of the bachelor's degrees earned in 2005-06 and 2006-07. This is midway between the actual results for 2002-03 and a reasonable expectation for 2009-10. The expectation is that 6,875 bachelor's degrees in 2005-06 and 7,000 bachelor's degrees in 2006-07 would be earned at private institutions. There are no strategies contained in this recommendation that would purport to alter this trend.

By 2010 the private baccalaureate institutions expect to produce 7,700 to 8,300 bachelor's degrees



Degree and performance goals for public institutions

This budget recommendation sets interim targets for degrees to be earned (associate, bachelor's and graduate degrees) and several performance measures (high-demand completions, workforce ready, and adult literacy). These targets can be converted into the educational activity that needs to take place to produce the results. For example, over the four years from 1999-00 to 2002-03, the comprehensive universities (CWU, EWU, TESC, and WWU) provided 5.2 million undergraduate student credit hours. One student credit hour is one student taking one hour of instruction per week. A full-time equivalent student takes 45 credit hours over the course of an academic year. During this four-year period, the comprehensive universities awarded nearly 30,000 bachelor's degrees. On average, then, over this four-year period, there was one bachelor's degree earned for every 175 student credit hours of instruction.[4] Or, this can be stated as one bachelor's degree earned per 3.89 full-time equivalent students.

[4] This average is less than what normally is required to earn a bachelor's degree – 180 credits. There are many factors that influence this average. Students taking extra courses, dropping classes, dropping out of school, failing and retaking courses, etc., would push the average upwards. Students importing credits from other colleges, such as transfer students from community colleges, would lower the average.

Full-Time Equivalent Enrollments per Degree
1999-00 to 2002-03

Bachelor's Degrees	
UW-All Campuses	3.40
WSU-All Campuses	4.05
Research Average	3.62
CWU	3.73
EWU	4.54
TESC	3.13
WWU	3.94
Comprehensive Average	3.89
Total All Public Four-Years	3.73

Graduate Degrees (Masters, Doctorates, and Professional)	
UW-All Campuses	3.14
WSU-All Campuses	4.06
Research Average	3.35
CWU	1.64
EWU	2.05
TESC	2.41
WWU	1.59
Comprehensive Average	1.87
Total All Public Four-Years	3.05

Source: HECB analysis using enrollment data from OFM and degree data from IPEDS

New public enrollments

As stated in the introduction, it may be too late to make decisions to ensure that the degree targets for the 2005-07 are met. However it is imperative that the enrollments be added so that the 2007-09 and 2009-11 targets can be met. The requested enrollments are allocated between the community and technical college, baccalaureate, and graduate sectors. The additional enrollment for bachelor's degrees and graduate degrees are not earmarked for particular institutions. Instead, parameters are provided on how many full-time equivalent students will be provided per expected degree and a cost per student. Institutions are then free to negotiate with

the legislature on whether these conditions are adequate and the number of additional students they are willing to accept, and the accompanying degrees.

Community and technical colleges

The State Board for Community and Technical Colleges prepared its budget request by linking its performance targets with the additional students needed to meet these targets. Built into this request are expected efficiency improvements. It is expected that ratios between degrees, certificates, and program completions compared to full-time students will be reduced. The SBCTC request is for an additional 5,000 FTE students in 2005-06 and another 5,000 FTE students in 2006-07, for a total of an additional 10,000 FTE students during the 2005-07 biennium.

Four-year undergraduate students

The budgeted enrollment level at the four-year institutions for 2004-05 is 87,639 FTE students. This is for both undergraduate and graduate students. Based on the split between actual undergraduate and graduate enrollments in 2002-03, the estimated number of budgeted undergraduates in 2004-05 is 70,616. The number of degrees that would be earned from this level of enrollments, using the four-year average of degrees per FTE student, would be 18,936.

The public sector bachelor's degree target is 20,625 in 2005-06 and 21,000 in 2006-07. These targets represent growth of nearly 1,700 degrees in 2005-06 over the "budgeted" level from 2004-05 and another 400 in 2006-07. At the comprehensive university average of 3.89 FTE students per bachelor's degree, the budgeted enrollment growth needed to meet the bachelor's degree targets is 6,600 in 2005-06 and another 1,400 in 2006-07. The 2005-07 biennium total budgeted enrollment growth is 8,000 FTE students.

Four-year graduate students

The estimated number of budgeted graduate students in 2004-05 is 17,000. Over three-fifths of these students are at the University of Washington, with another quarter at Washington State University. The number of graduate degrees that would be earned from this level of budgeted enrollments, using the four-year average of graduate degrees per FTE student by institution, would be 5,565.

The public sector graduate degree targets are 6,150 in 2005-06 and 6,260 in 2006-07. Using the average number of FTE students required per degree at each institution, the required number of additional FTE students is 1,800 in 2005-07 and another 300 in 2006-07. The total budgeted FTE enrollment growth over the 2005-07 biennium is 2,100.

Funding for new enrollments/degrees at peer level ($236 million)

The question of what is the "right amount" to spend on higher education is key to the discussion of higher education funding. States generally choose one of two methods to fund public higher education: (1) funding formulas or (2) cost per student. Formulas spell out student-faculty ratios, faculty teaching loads, administrative overhead, etc. Benchmark institutions are chosen to determine the "right" ratios, loads, and percentages. The "right" amount for a Washington institution is what is done at other institutions of a similar nature. Looking at the cost per student, the step of developing formulas is dropped. The "right" amount per student is what occurs at other similar institutions – the formulas are implied. These similar institutions are "peer" institutions.

The current lists of Washington public four-year institutions' peers were established in 1988 when the legislature expressed concern about the narrowness of the peer lists then in use. A Special Joint Study Group (JSG) on Higher Education was formed composed of members of both houses of the legislature, the executive branch, and the board. This group endorsed a new set of peer institutions and recommended using these new peer groups as external benchmarks to measure the adequacy of financial support for higher education. The JSG also established a funding goal for Washington institutions to achieve the 75th percentile level of the comparison groups over four biennia, beginning in 1989.

The criteria used to establish the peer groups reflect a national perspective. The peer groups include institutions that are similar in size, program offerings, student mix, and research orientation. More specifically, the Carnegie Commission's classification of institutions is used as the basis for selecting comparison groups (peer group numbers include the Washington institutions):

- The national comparison group for the University of Washington is all public institutions in the Carnegie classification "Research Universities category 1 with medical schools" (25 institutions).
- The national comparison group for Washington State University is all public land grant universities in the Carnegie classification "Research Universities categories 1 and 2 with veterinary schools" (23 institutions).
- The national comparison group for Central, Eastern, and Western Washington Universities is all public institutions in the Carnegie classification "Comprehensive Colleges and Universities category 1" (278 institutions). For these budget recommendations, The Evergreen State College is included in this comparison.

In FY 2003, the peer institutions for the University of Washington were funded at an average rate per student 30 percent higher than for the UW. The peer institutions for Washington State University were funded at an average rate 14 percent higher than WSU. The peer group for the comprehensive institutions was funded 16 percent higher than the Washington institutions.
The budget recommendations for funding new students at the baccalaureate institutions are based on increasing the average appropriation for 2004-05 by the amount indicated in the peer analysis.

Governmental Funding Per FTE Enrollment
Washington Institutions Compared to their Peers
Based on Fall FTE Enrollments

	FY2001	FY2002	FY2003
UW-All Campuses	$9,223	$9,046	$8,673
Peer Average	$12,148	$12,071	$11,310
Percent Difference	32%	33%	30%
WSU-All Campuses	$9,737	$9,761	$9,250
Peer Average	$11,283	$11,138	$10,587
Percent Difference	16%	14%	14%
Comprehensives (average)	$5,350	$5,363	$4,998
Peer Average	$6,254	$6,222	$5,789
Percent Difference	17%	16%	16%

Bachelor's degree programs ($92 million)

For undergraduate programs, the recommendation is based on funding levels at the comprehensive institutions. The average state appropriation to the comprehensive institution for 2004-05 is $5,434 per FTE enrollment. Increasing this amount by 16 percent to reflect the higher appropriations at peer institutions results in a funding level of $6,303 per student.

Graduate degree programs ($59.0 million)

For graduate programs, a weighted average is used for current state expenditures at the research and comprehensive institutions. This weighted average was increased by an amount equal to the average per-student funding gap between the UW and WSU and their respective peer institutions. The average amount of $15,000 per graduate FTE enrollment was used in this recommendation.

Community and technical college programs ($84.8 million)

Citing an analysis performed by the HECB for the 2003-05 biennial operating budget request, the SBCTC has requested that new community and technical college enrollments be funded at an average of $5,650 per FTE enrollment. This amount is based on the average level governmental spending per student at community colleges in the western states.

Faculty and staff salaries ($240 million)

As is done with funding per student, comparisons are made with peer institutions regarding faculty salaries. Average faculty salaries at the peer institutions are 3 percent to 18 percent higher than at Washington institutions.

2003-04 Faculty Salaries
Washington Institutions Compared to Their Peers

	UW-Seattle	WSU-All Campuses	CWU	EWU	TESC	WWU
Professors						
Average Salary	$93,181	$80,022	$64,470	$62,596	$57,686	$67,700
Peer Average (Mean)	$101,797	$94,907	$75,770	$75,770	$75,770	$75,770
Percent Difference	9%	19%	18%	21%	31%	12%
Associate Professors						
Average Salary	$66,717	$60,327	$52,472	$51,232	$44,418	$53,651
Peer Average (Mean)	$69,276	$67,331	$59,923	$59,923	$59,923	$59,923
Percent Difference	4%	12%	14%	17%	35%	12%
Assistant Professors						
Average Salary	$63,231	$55,011	$44,195	$46,109	$39,701	$46,564
Peer Average (Mean)	$59,598	$58,146	$49,955	$49,955	$49,955	$49,955
Percent Difference	-6%	6%	13%	8%	26%	7%
All Professors (3 Ranks Combined)						
Average Salary	$79,894	$65,974	$54,607	$54,745	$54,995	$57,224
Peer Average (Mean)	$82,453	$77,810	$62,158	$62,158	$62,158	$62,158
Percent Difference	3%	18%	14%	14%	13%	9%

Cost-of-living adjustment ($97.0 million)

The salary recommendation has two steps. The first is to provide all staff with a cost-of-living adjustment equal to what unionized staff have negotiated with the institutions and the state. This would be 3.2 percent in the first year of the biennium and 1.6 percent in the second year. The estimated cost for the biennium is $97 million.

Additional salary increase for faculty and exempt staff ($143 million)

The HECB fiscal committee recommends additional funding to provide the equivalent of annual salary increases of 5 percent for faculty and exempt staff at the two-year and four-year colleges and universities in an attempt to bring salaries in Washington closer to the average of the peer institutions.

Program enhancements ($80 million)

In addition to increasing faculty salaries to bring funding levels in Washington more in line with funding levels at similar institutions in other states, there are other programmatic needs. This funding pool is designed cover non-salary enhancements that will improve the quality of the institutions.

- **Increasing enrollments in high-demand fields ($30 million)**

The strategic master plan and the agency's budget request included specific funding for increased high-demand enrollments at the two-year and four-year institutions. The 2005-07 biennium request is for $30 million.

Funding for competitive grants to the public baccalaureate institutions and community and technical colleges complements general enrollment funding that is appropriated directly to the institutions. The funds requested will support high-demand enrollments at an average of $11,000 per FTE at the four-year institutions and at an average of $5,650 per FTE in the two-year system. Enrollments funded through this program will respond to the economic development needs of the state and its regions by increasing the number of highly skilled students who earn degrees or certificates in key occupational fields, such as biotechnology and health care.

The evolution of Washington's economy from one based on manufacturing to one that rewards knowledge, skills, and education has been well documented. However, state higher education funding to help Washington residents benefit from growth in knowledge-intensive, high-income sectors has been stagnant at best. Inflation-adjusted per-student funding for the state's colleges and universities has steadily eroded since the early 1990s.

In this environment, it is critical for the state to align its limited resources for public higher education with the needs of the economy. Traditional liberal arts education must remain a core component feature of the state's higher education system because the skills it imparts are central to business and career success. However, the state also must respond to student and employer demands in fields where current or projected job creation outpaces the capacity of the higher education system to produce trained graduates. This means targeting new funds and program development efforts to health care, biotechnology, and other fields that address statewide and regional opportunities and priorities.

High-demand programs have two primary elements: (1) instructional programs or fields in which student enrollment applications exceed available slots and (2) career fields in which employers are unable to find enough skilled graduates to fill available jobs. This definition recognizes both excess student demand for a program and high societal need for graduates in given fields. Satisfying both elements is critical. Fulfilling student demand without subsequent placement with employers will quickly lead to flooding the job market with unemployed graduates. Expanding programs because of employer demand without a queue of students will lead to unused capacity. Plus, a shortage of workers is not necessarily the result of limited

instructional capacity but could be symptomatic of the working conditions and/or wages in the occupation – problems that need to be addressed by other means.

High Demand Funding Proposal and Outcomes

Dollars in Millions

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Grants to HECB, SBCTC and/or institutions	$10	$20	$10	$20	$10	$20
"Carryforward" appropriations to institutions and/or SBCTC			$20	$20	$40	$40
Total GF-S	$10	$20	$30	$40	$50	$60
Biennial Total		**$30**		**$70**		**$110**
Average state cost per FTE	$10,000					
FTEs in high-demand programs	1,000	2,000	3,000	4,000	5,000	6,000
Completers		**600**	**900**	**1,200**	**1,500**	**1,800**

- **Keeping tuition affordable and predictable**

Tuition and fees should not increase by more than 31 percent during any consecutive four-year period (average increases of 7 percent compounded). Annual tuition increases should be spread as evenly as possible over this four-year period and no annual increase should exceed 10 percent.

- **Expanding student financial aid ($160 million)**

The strategic master plan and the agency's budget request included expansion of several financial aid programs to attain the board's long-term financial aid goals and also the creation of a new pilot program to aid adults who attend college part-time while working full-time. The cost estimates for these program improvements have been developed assuming tuition increases of 7 percent per year during the 2005-07 biennium.

State Need Grant ($125.8 million)

The board's goal is to extend a State Need Grant (SNG) to all students whose family incomes are no more than 65 percent of the state's median income, with grants equal to the full value of public sector tuition.

By removing the cost of tuition as a barrier to access, grants will go to the state's lowest-income students – meeting the full cost of tuition at public institutions; allowing students to enroll and persist in college; and improving their likelihood of earning degrees.

Service would be provided to about 66,200 students, representing an increase of about 12,100 over the current service level. About 54,100 students received tuition based SNG awards in 2003-04.

The State Need Grant is Washington's primary student aid program for low-income students. It helps resident students afford to go to Washington's public and independent colleges and universities, as well as private vocational schools. The board partners with the institutions of higher education to deliver the SNG program in a manner that minimizes administrative costs and delivers maximum benefit to students and the state.

The HECB's primary policy goals for the program are to serve students whose family incomes are no greater than 65 percent of the state's median family income (MFI), with grants equal to the full value of public sector tuition and fees. Currently, the effective service level is at 55 percent MFI. This is equal to annual income of about $36,500 per year for a family of four. At 65 percent, the annual income cutoff for a family of four would be about $43,000.

State Work Study – maintain purchasing power ($9.2 million)

Washington has done more than any other state to make work opportunities a part of how financially needy students meet college costs. The State Work Study program (SWS) is the state's investment in "self-help" for low- and middle-income families and provides a significant alternative to student borrowing. This proposal would maintain State Work Study's purchasing power, based on a model that estimates the influence of increased college costs while maintaining the number of students served at nearly 9,500 students and serving new enrollments in the same proportion as the current SWS program.

The SWS program provides financially needy students from low- and middle-income families with the opportunity to work in fields related to their academic and vocational interests. It pairs students with businesses willing to employ and pay the students while receiving a partial reimbursement for the instruction, training, and supervision they provide.

State Work Study – opportunities in high-demand fields ($600,000)

Employers frequently report that practical experience is a critical element to success in high-demand fields. The funds requested would be available to needy State Work Study students who enroll or seek to enroll in high-demand academic and training programs. This proposal would enable colleges to help students find part-time work placements that respond to local and statewide high-demand priorities and would enable students to affirm their interests in these fields earlier in their college careers – which has been found to increase student persistence. The funds would be used to reimburse employers for a portion of the wages paid to student employees.

The requested funds would be administered in a competitive manner among participating colleges and universities proposing student employment efforts to connect students enrolled or

interested in enrolling in high-demand fields with relevant student employment opportunities. The request should assist approximately 90 students in FY 2006 and 180 in FY 2007.

Educational Opportunity Grant ($1.5 million)

Washington state ranks 33rd in the nation in the number of baccalaureate degrees earned per 1,000 residents in the 20-29 age group. An investment in EOG-eligible community college transfer students is an efficient way to increase the number of placebound Washington students who earn bachelor's degrees. This proposal directly supports the HECB master plan goal to increase the number of baccalaureate graduates by increasing the number of EOG recipients, by 50 percent, over the next two years. This equates to serving 300 more students by the end of the 2005-07 biennium.

The state has made significant investments to create opportunities for its residents to complete two-year degrees through its funding of a robust community college system. The EOG program was created as one way for the state to capitalize on this investment by giving these financially needy "placebound" students an incentive to complete a four-year degree. The incentive would take the form of a $2,500 grant that would be designed to reduce student borrowing and would be renewable for one more year. "Placebound" students are understood to be those students with family, medical, employment, or financial barriers to overcome and are often understood to be older "non-traditional" students.

Washington Scholars ($630,000)

The purpose of the Washington Scholars program is to recognize and honor the accomplishments of outstanding high school seniors. The program is intended to stimulate the recruitment of outstanding students to Washington public and private colleges and universities by providing a financial incentive for Washington's best and brightest students to go to college in Washington. The financial incentive is a scholarship worth the value of tuition and fees at any of the state's public colleges and universities and up to the value of research institution tuition and fees, if the recipient attends a private four-year college. It can be received for up to four academic years.

This proposal maintains the purchasing power of the Washington Scholars program. Funding increases for Washington Scholars are linked to tuition and fee increases. As tuition increases, so should the scholarship, on a dollar-for-dollar basis.

Washington Award for Vocational Excellence ($39,000)

The Washington Award for Vocational Excellence (WAVE) is the state's merit-based award for outstanding vocational student achievement. The Workforce Education and Training Coordinating Board administers the program. The HECB is the fiscal agent for the program. Both boards recommend the scholarship be fully funded.

This proposal maintains the purchasing power of the program. Funding increases for the WAVE are linked to tuition and fee increases. This proposal assumes a 7 percent per year increase in tuition. As tuition increases, so should the scholarship, on a dollar-for-dollar basis.

Washington Promise Scholarship ($20.4 million)

Funds are requested to increase the amount of each Promise Scholarship to the value of community college tuition and fees. Consistent funding and predictable awards will improve the linkage between the K-12 system and higher education by motivating students in middle and high school to study hard and prepare for college. The effectiveness of the program to motivate student performance is dependent on both the predictability and value of the monetary award.

The Promise Scholarship program is intended to be a commitment to K-12 students from low- and middle-income families – that if they meet certain academic and other requirements, the state will help pay for their college costs. To be eligible, a student must graduate in the top 15 percent of his or her high school class, meet an income cutoff of 135 percent of the state's median family income (for 2004-05, that equals about $89,900 for a family of four), and attend an accredited college in the state of Washington. Students may also meet the academic criteria by scoring 1,200 or better on the Scholastic Aptitude Test I (SAT), or 27 or better on the ACT.

The program provides a two-year grant for outstanding graduating high school students. The program has operated since FY 2000. In FY 2004, about 7,000 students received awards and an estimated 7,500 students will receive awards in FY 2005. In the 2005-07 biennium, the number of recipients is expected to grow to about 7,625.

The maximum grant award authorized by statute is equal to community and technical college tuition and fees. The actual grant award is a prorated amount dependent upon the number of enrolled students and the available appropriation. For 2004-05, the award is equal to slightly more than 51 percent of community college tuition.

Funding for the program as a percentage of two-year college tuition has been inconsistent and compromises the ability of the program to act as a positive influence to encourage superior academic performance in high school. The opportunity presented by this proposal is to raise the grant amount to the full value of community and technical college tuition, thereby greatly improving the predictability that there will be a significant award for high academic achievement.

Pilot financial aid project for low-income full-time workers ($2 million)

Financial aid for full-time workers to pursue part-time education will enable more workers to gain valuable skills, thereby improving the quality of Washington's workforce. In 2000, some 953,000 Washington residents over 25 years old had a high school diploma, but no additional post-secondary education. Many of these workers do not have enough income to pay for part-time courses. Because they are working full-time, they do not usually have time to take the

minimum six credits currently required to qualify for financial aid. A pilot program would allow the state to serve this population, assess demand, and evaluate its impact.

The Washington financial aid community, state higher education agencies, and representatives from employers and labor would collaboratively design a pilot grant program for select institutions or regions within the following general criteria:

- Eligibility. The program would be for low-income workers who have dependents and who work at least 35 hours per week. Recipients would have to demonstrate financial need according to the federal methodology used for other state financial aid programs.
- Enrollment. Recipients would qualify if attending a college for five credits or less. (Students enrolled for six or more credits are already eligible for federal, state, and institutional aid.)
- Grant amount. Total grant assistance would equal the cost of tuition and required fees at a public institution, plus an allowance for books and supplies. Recipients could use the grant at private institutions, but the grant amount would be linked to public tuition and fees.

- **Helping transfer students earn bachelor's degrees ($1.6 million)**

The board's strategic master plan and the agency's budget request include a proposal to develop a statewide course equivalency system that would help students learn which two-year college courses they should take for specific majors at each four-year college and university.

A statewide advising system would help improve transfer efficiency. It would include a single Web site where students can enter a course taken at any college and determine its equivalent at any other college in the state. Students would also have the ability to send their transcripts electronically and have them evaluated for applicability toward a specific degree.

House Bill 2382, enacted in 2004, identified a need for improved efficiency in student transfer. The legislation directed the HECB to establish a work group to assist it in creating a statewide course equivalency system. The board is scheduled to make a progress report in January 2005 and the cost estimate for the equivalency system may be revised at that time.

- **Measuring student success with an improved data system ($0.5 million)**

The strategic master plan and the agency's budget request include a proposal to develop a student-focused data system to evaluate progress toward state goals and to identify and eliminate barriers to student success. In addition, House Bill 3103, enacted in 2004, directs the HECB to make policy decisions based on objective data analysis and to assemble an advisory group to determine data needs and cost-effective methods for accessing data. The HECB's goal is to create a data warehouse similar to one managed by the two-year college system, with student-level data for analysis and eventual linking with other data sources.

- **Research ($100 million)**

The University of Washington and Washington State University have made a joint proposal for new and expanded research initiatives. Their proposal would cost $20.5 million in the 2005-07 biennium. The joint proposal has three basic elements:

(1) Research initiatives:

- University of Washington

  -- Support the development of expertise in selected research areas that has the potential to benefit the state. These areas include nanotechnology, photonics and opto-electronic, cyber-science and data mining, proteomics, integrative environmental research, global human health, and large science projects.
  -- Provide optional support (operations and maintenance) for research facilities.

- Washington State University

  -- The university proposes to develop and use new technologies for health and job creation by investing in several targeted areas, including biomedical genomic sciences, health-related bioproducts, infectious diseases and pests, and sustainable food systems.

(2) Coordinated Technology Transfer: The proposal also would support coordinated UW Tech Transfer (formerly the Office of Intellectual Property and Technology Transfer) and WSU Office of Research Activities to enhance the transfer of university-based discoveries to benefit the state's economy.

(3) Joint Project: Policy Consensus Center: The proposal would permanently fund a jointly sponsored UW/WSU Policy Consensus Center.

In addition, the HECB believes that an additional $80 million should be made available for future research proposals in the 2005-07 and ensuing biennia.

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

2005–2007 Capital Budget Recommendations

Policy Context – A New Approach

In adopting the 2003-2005 capital budget, the legislature enacted two laws that have had a significant influence on how the state responds to the future capital budget needs of the higher education system:

- ESSB 5908: Building Washington's Future Act
- ESHB 2151: Prioritization of Higher Education Capital Project Requests

ESSB 5908: Building Washington's Future Act

The legislature enacted Engrossed Substitute Senate Bill 5908, the "Building Washington's Future Act" in response to the Gardner-Evans "Higher Education Leadership Project" (HELP) proposal. The legislation authorizes the State Finance Committee to issue, subject to legislative appropriation, approximately $750 million in general obligation bonds over three biennia, beginning in 2003-2005, to provide additional capital funding for higher education.

In adopting ESSB 5908, the legislature established a clear intent for the additional capital funding:

> *"(the) new source of funding not displace funding levels for the capital and operating budgets of the institutions of higher education. It is instead intended that the new funding will allow the institutions, over the next three biennia, to use the current level of capital funding to provide for many of those urgent preservation, replacement, and maintenance needs that have been deferred. This approach is designed to maintain or improve the current infrastructure of our institutions of higher education, and simultaneously to provide new instruction and research capacity… This new source of funding may also be used for major preservation projects that renovate, replace, or modernize facilities to enhance capacity/access by maintaining or improving the usefulness of existing space for important instruction and research programs."*[1]

[1] Engrossed Substitute Senate Bill 5908.

ESHB 2151: Prioritization of Higher Education Capital Project Requests

Engrossed Substitute House Bill 2151 recognized that clear priorities for capital project expenditures would be needed to support significant future investments in higher education facilities.

In adopting ESHB 2151, the legislature stated that:

> *"… a capital investment in higher education facilities is needed over the next several biennia to adequately preserve, modernize, and expand the capacity of the state's public two-year and four-year colleges and universities. This investment is needed to responsibly preserve and restore existing facilities and to provide additional space for new students. Further, the legislature finds that capital appropriations will need to respond to each of these areas of need in a planned, balanced, and prioritized manner so that access to a quality system of higher education is ensured.*
>
> *It is the intent of the legislature that a methodology be developed that will guide capital appropriation decisions by rating and individually ranking, in sequential, priority order, all major capital projects proposed by the two-year and four-year public universities and colleges. Further, it is the intent of the legislature that this rating, ranking, and prioritization of capital needs will reflect the state's higher education policies and goals including the comprehensive master plan for higher education as submitted by the higher education coordinating board and as adopted by the legislature."*[2]

Specifically, ESHB 2151 did the following:

- **Directed the public four-year institutions,** beginning in the 2005-2007 biennium, to work with the Higher Education Coordinating Board (HECB) and the Council of Presidents (COP) to prepare a single prioritized individual ranking of institutional capital projects.

- **Directed the State Board for Community and Technical Colleges (SBCTC)** to continue to submit a single prioritized ranking of proposed community and technical college capital projects.

- **Directed the HECB** to develop criteria for the prioritization of these projects and include them in the board's 2005-2007 Capital Budget Guidelines.

[2] Engrossed Substitute House Bill 2151.

HECB's 2005-2007 Capital Budget Guidelines: Priorities, Framework, and Methodology

The HECB adopted its 2003-2005 capital budget guidelines and distributed them to the higher education institutions in December 2003. The guidelines call for the capital investments to support the goals and strategies of the board's Strategic Master Plan for Higher Education and outline the following priorities for capital projects:

- Are needed for life/safety or immediate repairs to facilities, systems, and infrastructure.
- Reduce the backlog of preservation, renewal, and replacement needs of higher education facilities, systems, and infrastructure.
- Improve the functionality and efficient use of academic spaces (instructional, research, support), which are essential to the role and mission of the institution.
- Provide additional capacity at community and technical colleges to alleviate critical space deficiencies and overcrowding.
- Allow for the completion of major new capacity projects at the comprehensive institutions and the continued development of the branch campuses and off-campus centers for higher education.
- Provide capacity for delivering high-demand programs.

These priorities are closely aligned to the priorities identified by the House Capital Budget Committee's 2002 Interim Work Group on Higher Education Capital Budget and Facilities.[3] The work group identified the following priorities: (1) reduce the preservation backlog; (2) provide new space to increase access at the community and technical colleges; (3) fund renovations and replacements that are critical to preserving access to current instructional space or to the mission of the institution; and (4) address unique access and mission issues as high priorities for capital appropriations.

In addition to fiscal priorities, the guidelines also outlined a framework and methodology for the two-year and four-year institutions to use in preparing their prioritized lists of capital projects.

- **Two-year institutions:** The guidelines directed the SBCTC to use its existing process to evaluate, prioritize, and rank capital projects for the two-year institutions. This system has been in place for many years and is familiar to state policymakers.
- **Four-year institutions:** The board recognized that many considerations lead to the determination of the relative priority of a capital project. In addition to assessments of a facility's physical condition or estimates of space need, other considerations shape an institution's biennial capital budget request. These considerations include an institution's role and mission, long-term strategic plan, and areas of current program emphasis and priority.

[3] The work group was chaired by Representative McIntire and included Representatives Esser, Kenney, and Cox. Additionally, members of the Senate Capital Budget Subcommittee and Senate Higher Education Committee participated on an ad-hoc basis. Work group participants included representatives of the HECB, the Office of Financial Management, the Council of Presidents, the public four- and two-year institutions, the State Board for Community and Technical Colleges, and staff of the Joint Legislative Audit and Review Committee.

Summary of the 2005-2007 Higher Education Capital Budget Request

Table I summarizes the higher education capital appropriations authorized for the 2003-2005 biennium and the capital funding level requested by the two-year and four-year institutions for the 2005-2007 biennium. The institutions are requesting a total of $1.2 billion, including $720.6 million for the four-year institutions and $470.4 million for the community and technical colleges.

Appendix A displays the specific project requests of the community and technical colleges and the four-year institutions.

Table I

Summary of 2003-2005 Higher Education Capital Appropriations and 2005-2007 Capital Budget Request

	2003-2005 Capital Appropriations	2005-2007 Capital Budget Request
Higher Education		
State Funds	$749,803,932	$1,039,524,737
Local Capital Accounts	$124,555,526	$120,654,000
Other	$0	$30,800,506
Total	**$874,359,458**	**$1,190,979,243**
Four-Year Institutions		
State Funds	$367,383,154	$629,970,000
Local Capital Accounts	$81,016,500	$71,650,000
Other	$0	$19,000,000
Total	**$448,399,654**	**$720,620,000**
Community & Technical Colleges		
State Funds	$382,420,778	$409,554,737
Local Capital Accounts	$43,539,026	$49,004,000
Other	$0	$11,800,506
Total	**$425,959,804**	**$470,359,243**

HECB's 2005-2007 Capital Budget Recommendations

Table II summarizes the board's 2005-2007 capital budget recommendations. The board is recommending a total of $1.04 billion, which includes $586.7 million for the four-year institutions and $450.2 million for the community and technical colleges.

The board's recommendation is based on the following revenue goals and assumptions:

- Higher education will receive nearly one-half of all new general state bonds authorized in the 2005-2007 biennium;
- One-half of the remaining balance of the Gardner-Evans Bonds will be authorized; and
- $53 million from the Education Construction Fund will be appropriated for higher education capital projects.

These revenue goals and assumptions provide the ability to fund the most critically needed projects of both the four-year institutions and the community and technical colleges. The board believes that the prioritized projects of the two-year and four-year institutions are consistent with its priorities for capital spending and reflect careful and thoughtful decisions at the institutional level.

Appendix A displays the board's recommended funding for specific projects.

Table II

Summary of HECB Capital Budget Recommendations

	Amount	% of Request
Four-Year Institutions		
General State Bonds	$341,420,297	
Gardner-Evans Bonds	$116,325,046	
Education Construction Fund [1]	$26,500,000	
Local Capital Accounts	$90,650,000	
Transportation Budget	$11,800,506	
Total	**$586,695,849**	**81%**
Community & Technical Colleges		
General State Bonds	$246,579,197	
Gardner-Evans Bonds	$116,325,046	
Education Construction Fund [1]	$26,500,000	
Local Capital Accounts	$49,004,000	
Transportation Budget	$11,800,506	
Total	**$450,208,749**	**96%**
Total Higher Education		
General State Bonds	$587,999,494	
Gardner-Evans Bonds	$232,650,092	
Education Construction Fund [1]	$53,000,000	
Local Capital Accounts	$139,654,000	
Transportation Budget	$23,601,012	
Total	**$1,036,904,598**	**87%**

[1]Assumes these funds will solely be used for capital projects.

Public Four-Year Institutions
2005-2007 HECB Capital Budget Recommendations

			Institution Request		HECB Recommendation	
Priority	**Institution**	**Description**	**Amount**	**Cumulative**	**Amount**	**Cumulative**
1	UW	Minor Works - Preservation "A" (State)	$42,000,000	$42,000,000	$39,717,573	$39,717,573
1	WSU	Minor Works - Preservation "A" (State)	$36,000,000	$78,000,000	$34,043,634	$73,761,207
1	CWU	Minor Works - Preservation "A" (State)	$9,000,000	$87,000,000	$8,510,909	$82,272,116
1	EWU	Minor Works - Preservation "A" (State)	$18,700,000	$105,700,000	$17,683,777	$99,955,892
1	WWU	Minor Works - Preservation "A" (State)	$10,000,000	$115,700,000	$9,456,565	$109,412,457
1	TESC	Minor Works - Preservation "A" (State)	$2,700,000	$118,400,000	$2,553,273	$111,965,730
2	UW	Minor Works - Program "A" (State)	$5,000,000	$123,400,000	$4,728,283	$116,694,012
2	WSU	Minor Works - Program "A" (State)	$10,000,000	$133,400,000	$9,456,565	$126,150,577
2	CWU	Minor Works - Program "A" (State)	$0	$133,400,000	$0	$126,150,577
2	EWU	Minor Works - Program "A" (State)	$7,000,000	$140,400,000	$6,619,596	$132,770,173
2	WWU	Minor Works - Program "A" (State)	$2,000,000	$142,400,000	$1,891,313	$134,661,486
2	TESC	Minor Works - Program "A" (State)	$3,600,000	$146,000,000	$3,404,363	$138,065,849
3	TESC	Evans Building Phase II	$22,300,000	$168,300,000	$22,300,000	$160,365,849
4	WWU	Academic Instructional Center	$51,500,000	$219,800,000	$51,500,000	$211,865,849
5	WSU	Biotechnology Life Sciences Building	$57,100,000	$276,900,000	$57,100,000	$268,965,849
6	EWU	Restoration Phase I	$7,000,000	$283,900,000	$7,000,000	$275,965,849
7	CWU	Dean Hall	$17,600,000	$301,500,000	$17,600,000	$293,565,849
8	UW	Restoration Phase II	$63,000,000	$364,500,000	$63,000,000	$356,565,849
9	UW	UW Bothell Campus Capacity Expansion	$14,000,000	$378,500,000	$14,000,000	$370,565,849
10	UW	UW Tacoma Campus Capacity Expansion	$13,000,000	$391,500,000	$13,000,000	$383,565,849
11	WSU	Wastewater Reclamation	$12,700,000	$404,200,000	$12,700,000	$396,265,849
12	WSU	Tri-Cities Bioproducts	$13,100,000	$417,300,000	$13,100,000	$409,365,849
13	CWU	Hogue Design	$3,000,000	$420,300,000	$3,000,000	$412,365,849
14	UW	Computing & Communications Upgrades	$20,000,000	$440,300,000	$20,000,000	$432,365,849
15	WWU	Miller Hall Renovation	$3,800,000	$444,100,000	$3,800,000	$436,165,849
16	WSU	Biomedical Sciences	$7,400,000	$451,500,000	$7,400,000	$443,565,849
17	EWU	Patterson Hall	$2,000,000	$453,500,000	$2,000,000	$445,565,849
18	WWU	Carver Complex Renovation	$380,000	$453,880,000	$380,000	$445,945,849
19	CWU	Flight Technology	$2,500,000	$456,380,000	$2,500,000	$448,445,849
20	WSU	Spokane Riverpoint Nursing Center	$31,600,000	$487,980,000	$31,600,000	$480,045,849
21	WSU	Major Utility Upgrades	$6,000,000	$493,980,000	$6,000,000	$486,045,849

Public Four-Year Institutions
2005-2007 HECB Capital Budget Recommendations
(continued)

			Institution Request		HECB Recommendation	
Priority	**Institution**	**Description**	**Amount**	**Cumulative**	**Amount**	**Cumulative**
22	EWU	Campus Security System	$2,000,000	$495,980,000	$2,000,000	$488,045,849
23	WWU	College Hall Renovation	$3,000,000	$498,980,000	$3,000,000	$491,045,849
24	WWU	Wilson Library Renovation	$300,000	$499,280,000	$300,000	$491,345,849
25	WWU	Art Annex Renovation	$4,700,000	$503,980,000	$4,700,000	$496,045,849
26	All Institutions (Local)	Local Minor Preservation "A"	$25,150,000	$529,130,000	$25,150,000	$521,195,849
27	All Institutions (Local)	Local Minor Program "A"	$46,500,000	$575,630,000	$46,500,000	$567,695,849
28	Non-Appropriated	Local Minor Preservation "B"	$19,000,000	$594,630,000	$19,000,000	$586,695,849
29	All Institutions (Local)	Local Minor Program "B"	$0	$594,630,000	$0	$586,695,849
30	UW	Minor Works - Preservation "B" (State)	$17,000,000	$611,630,000	$0	$586,695,849
31	WSU	Minor Works - Preservation "B" (State)	$17,000,000	$628,630,000	$0	$586,695,849
32	CWU	Minor Works - Preservation "B" (State)	$2,700,000	$631,330,000	$0	$586,695,849
33	EWU	Minor Works - Preservation "B" (State)	$0	$631,330,000	$0	$586,695,849
34	WWU	Minor Works - Preservation "B" (State)	$5,000,000	$636,330,000	$0	$586,695,849
35	TESC	Minor Works - Preservation "B" (State)	$2,650,000	$638,980,000	$0	$586,695,849
36	UW	Minor Works - Program "B" (State)	$0	$638,980,000	$0	$586,695,849
37	WSU	Minor Works - Program "B" (State)	$0	$638,980,000	$0	$586,695,849
38	CWU	Minor Works - Program "B" (State)	$2,750,000	$641,730,000	$0	$586,695,849
39	EWU	Minor Works - Program "B" (State)	$0	$641,730,000	$0	$586,695,849
40	WWU	Minor Works - Program "B" (State)	$3,000,000	$644,730,000	$0	$586,695,849
41	TESC	Minor Works - Program "B" (State)	$1,100,000	$645,830,000	$0	$586,695,849
42	EWU	Washington Street Boulevard	$7,000,000	$652,830,000	$0	$586,695,849
43	UW	Classroom Improvements	$4,000,000	$656,830,000	$0	$586,695,849
44	WSU	Vancouver Student Services Center	$10,600,000	$667,430,000	$0	$586,695,849
45	WSU	Campus Support Facilities	$9,200,000	$676,630,000	$0	$586,695,849
46	CWU	Psychology Renovation	$4,600,000	$681,230,000	$0	$586,695,849
47	WWU	Campus Roadway Development	$3,240,000	$684,470,000	$0	$586,695,849
48	EWU	Campus Network	$2,000,000	$686,470,000	$0	$586,695,849
49	WSU	Hospital Renovation	$9,700,000	$696,170,000	$0	$586,695,849
50	CWU	Michaelson Renovation	$4,900,000	$701,070,000	$0	$586,695,849

Public Four-Year Institutions
2005-2007 HECB Capital Budget Recommendations
(continued)

			Institution Request		HECB Recommendation	
Priority	**Institution**	**Description**	**Amount**	**Cumulative**	**Amount**	**Cumulative**
51	EWU	Campus Communication Center	$2,000,000	$703,070,000	$0	$586,695,849
52	CWU	Campus Chiller Replacement	$2,000,000	$705,070,000	$0	$586,695,849
53	CWU	Preservation Backlog	$4,250,000	$709,320,000	$0	$586,695,849
54	UW	New Academic Building	$8,000,000	$717,320,000	$0	$586,695,849
55	CWU	Renovate Old Hospital	$3,300,000	$720,620,000	$0	$586,695,849
	Total		**$720,620,000**		**$586,695,849**	
	State Funds		$629,970,000		**NA**	
	Local Funds		$90,650,000		**NA**	
	General State Bonds		**NA**		$341,420,297	
	Gardner-Evans Bonds		**NA**		$116,325,046	
	Education Construction Fund		**NA**		$26,500,000	
	Local Capital Accounts		**NA**		$90,650,000	
	Transportation Budget		**NA**		$11,800,506	

Community and Technical Colleges
2005-2007 HECB Capital Budget Recommendations

			Institution Request		HECB Recommendation	
Priority	College	Description	Amount	Cumulative	Amount	Cumulative
1	Statewide	Emergency Repairs and Improvements	$14,000,000	$14,000,000	$14,000,000	$14,000,000
2	Grays Harbor	Ilwaco Education Center	$350,000	$14,350,000	$350,000	$14,350,000
3	Walla Walla	Clarkston Center	$1,000,000	$15,350,000	$1,000,000	$15,350,000
5	South Seattle	Landscape/Horticulture Building	$557,000	$15,907,000	$557,000	$15,907,000
6	Green River	Skills Support Center	$800,000	$16,707,000	$800,000	$16,707,000
7	Highline	Marine Science Pier Building Repair	$500,000	$17,207,000	$500,000	$17,207,000
8	Yakima	Center for Workforce Education - Grandview	$1,000,000	$18,207,000	$1,000,000	$18,207,000
9	Everett	Paine Field Technical Center	$1,000,000	$19,207,000	$1,000,000	$19,207,000
10	Columbia Basin	Diversity Initiative - Technology Complex	$1,000,000	$20,207,000	$1,000,000	$20,207,000
11	Seattle Central	Greenhouse/Educational Gardens	$250,000	$20,457,000	$250,000	$20,457,000
12	Olympic College	Bremer Student Center	$600,000	$21,057,000	$600,000	$21,057,000
13	Peninsula	Cultural Arts Center	$250,000	$21,307,000	$250,000	$21,307,000
14	Statewide	Roof Repairs	$8,840,000	$30,147,000	$8,840,000	$30,147,000
15	Statewide	Facility Repairs	$22,327,000	$52,474,000	$22,327,000	$52,474,000
16	Statewide	Site Repairs	$3,837,000	$56,311,000	$3,837,000	$56,311,000
17	Yakima	Classroom Building Replacement (C)	$28,645,152	$84,956,152	$28,645,152	$84,956,152
18	Peninsula	Science and Technology (C)	$22,423,200	$107,379,352	$22,423,200	$107,379,352
19	Skagit Valley	Science Replacement (D)	$2,693,000	$110,072,352	$2,693,000	$110,072,352
20	Lower Columbia	Performing Arts Replacement (C)	$20,333,976	$130,406,328	$20,333,976	$130,406,328
21	Renton	Replace Portables (D)	$2,426,235	$132,832,563	$2,426,235	$132,832,563
22	Centralia	Science Replacement (D)	$3,247,000	$136,079,563	$3,247,000	$136,079,563
23	Spokane Falls	Business and Social Science (C)	$18,512,385	$154,591,948	$18,512,385	$154,591,948
24	South Seattle	Duwamish Training Center (C)	$9,272,283	$163,864,231	$9,272,283	$163,864,231
25	Wenatchee	Allied Health and Classrooms (C)	$23,042,145	$186,906,376	$23,042,145	$186,906,376
26	Olympic College	Replace Humanities Building (D)	$3,499,000	$190,405,376	$3,499,000	$190,405,376
27	Green River	Humanities and Classroom Building (P)	$137,000	$190,542,376	$137,000	$190,542,376
28	Columbia Basin	Business Classrooms	$4,037,000	$194,579,376	$4,037,000	$194,579,376

Community and Technical Colleges
2005-2007 HECB Capital Budget Recommendations
(continued)

			Institution Request		HECB Recommendation	
Priority	**College**	**Description**	**Amount**	**Cumulative**	**Amount**	**Cumulative**
29	Clark	Gaiser Hall Renovation	$8,374,000	$202,953,376	$8,374,000	$202,953,376
30	Grays Harbor	Vocational Labs	$5,371,199	$208,324,575	$5,371,199	$208,324,575
31	Seattle Central	Technology Labs/Classrooms	$8,096,000	$216,420,575	$8,096,000	$216,420,575
32	Peninsula	Library	$14,000,000	$230,420,575	$14,000,000	$230,420,575
33	South Seattle	Vocational Labs	$1,972,300	$232,392,875	$1,972,300	$232,392,875
34	Statewide	Minor Improvements - Program Related	$20,002,598	$252,395,473	$20,002,598	$252,395,473
35	Bates South	LRC/Vocational	$15,169,058	$267,564,531	$15,169,058	$267,564,531
36	Edmonds	Instructional Labs	$14,490,832	$282,055,363	$14,490,832	$282,055,363
37	Green River	Replace Science Building	$27,407,344	$309,462,707	$27,407,344	$309,462,707
38	Tacoma	Replace Science Building	$29,517,238	$338,979,945	$29,517,238	$338,979,945
39	Walla Walla	Laboratory Addition	$6,569,000	$345,548,945	$6,569,000	$345,548,945
40	Everett	Replace Glacer/Pilchuck	$17,633,300	$363,182,245	$17,633,300	$363,182,245
41	Clark	East County Satellite	$2,392,000	$365,574,245	$2,392,000	$365,574,245
42	Bellevue	Science Technology Building	$7,647,600	$373,221,845	$7,647,600	$373,221,845
43	Pierce Puyallup	Communication & Allied Health	$1,946,716	$375,168,561	$1,946,716	$375,168,561
44	Everett	Undergraduate Education Ctr	$7,363,700	$382,532,261	$7,363,700	$382,532,261
45	Cascadia	Center for the Arts, Tech, Comm	$3,031,000	$385,563,261	$3,031,000	$385,563,261
46	SPSCC	Science Complex Expansion	$3,160,500	$388,723,761	$3,160,500	$388,723,761
47	Pierce Ft. Steilacoom	Science & Technology Building	$1,986,447	$390,710,208	$1,986,447	$390,710,208
48	Spokane Falls	General Classrooms/Early Learning	$82,000	$390,792,208	$82,000	$390,792,208
49	Lake Washington	Allied Health	$87,000	$390,879,208	$87,000	$390,879,208
50	SPSCC	Learning Resource Center	$197,000	$391,076,208	$197,000	$391,076,208
51	Clover Park	Allied Health	$160,000	$391,236,208	$160,000	$391,236,208
52	Edmonds	Briar Hall Renovation	$5,133,020	$396,369,228	$5,133,020	$396,369,228
53	Lake Washington	Gross Anatomy/Health Science Labs	$1,758,237	$398,127,465	$1,758,237	$398,127,465
54	Big Bend	Performing Arts/Fine Arts Addition	$3,698,000	$401,825,465	$3,698,000	$401,825,465
55	Clover Park	Building 8 Personal Care Services	$6,499,000	$408,324,465	$6,499,000	$408,324,465

Community and Technical Colleges
2005-2007 HECB Capital Budget Recommendations
(continued)

			Institution Request		HECB Recommendation	
Priority	**College**	**Description**	**Amount**	**Cumulative**	**Amount**	**Cumulative**
56	Wenatchee	Brown Library Renovation	$2,404,300	$410,728,765	$2,404,300	$410,728,765
57	Shoreline	Annex Remodel (2900) Cosmetology	$2,739,000	$413,467,765	$2,739,000	$413,467,765
58	Yakima	Library Renovation	$4,168,350	$417,636,115	$4,168,350	$417,636,115
59	Green River	Physical Education Renovation	$477,000	$418,113,115	$477,000	$418,113,115
60	Pierce Ft Steilacoom	Cascade Core	$1,350,622	$419,463,737	$1,350,622	$419,463,737
61	Highline	West Primary Power Feed Branch	$1,717,000	$421,180,737	$1,717,000	$421,180,737
62	Skagit Valley	Campus Fire Loop	$1,634,000	$422,814,737	$1,634,000	$422,814,737
63	Green River	Relace Campus Water System	$1,951,000	$424,765,737	$1,951,000	$424,765,737
64	Seattle Central	Bulkhead, Pier and Harbor Dredging	$1,856,000	$426,621,737	$1,856,000	$426,621,737
65	Statewide	Essential Roof Repairs	$4,613,000	$431,234,737	$4,613,000	$431,234,737
66	Statewide	Essential Facility Repairs	$24,264,000	$455,498,737	$7,173,506	$438,408,243
67	Statewide	Essential Site Repairs	$2,060,000	$457,558,737	$0	$438,408,243
68	Cascadia	South Access Road	$11,800,506	$469,359,243	$11,800,506	$450,208,749
	Total		**$469,359,243**		**$450,208,749**	
	General State Bonds		$230,641,780		$246,579,197	
	Gardner-Evans Bonds		$146,975,957		$116,325,046	
	Education Construction Fund		$30,937,000		$26,500,000	
	Local Capital Accounts		$49,004,000		$49,004,000	
	Transportation Budget		$11,800,506		$11,800,506	

AGENDA ITEM PLACEHOLDER

Higher Education Coordinating Board

Legislative Session Overview

October 21, 2004

WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

2004 Strategic Master Plan for Higher Education

Draft Implementation Plan

October 2004

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WASHINGTON HIGHER EDUCATION COORDINATING BOARD

October 2004

Funding for Student Success

Policy Proposal

In the strategic master plan, the Higher Education Coordinating Board (HECB) set clear and measurable goals that focus on outcomes rather than inputs alone. However, the current state funding system for higher education is based on enrollments (inputs) rather than recognizing positive achievements like student success (outcomes). To reinforce an outcome-based approach, the board proposes the state develop a new funding method to reward public colleges and universities for student success. Success may be defined in many ways, but the central concept is degree or program completion. The concept of funding success represents a significant change in conducting business and will take time to plan and implement.

During 2005-07, the HECB will lay the groundwork to support a change in the funding mechanism. The board proposes that higher education funding be apportioned on the basis of enrollment during 2005-07, but that the funding system be transformed beginning with the 2007-09 biennium. The board will collaborate with the state higher education community and the legislative and executive branches of state government in designing a new funding methodology and an action plan to put it in place.

Any new funding methodology must recognize the differences among the institutions, so the board believes the state should discuss with the individual colleges and universities the nature and expected level of student success that should be addressed in an outcomes-based financing system.

There are a number of ways a funding-for-success system could be implemented:

- Performance contracts that involve a formal contract between the state and an institution that spells out the obligations of both parties – what outcomes will be delivered by the institution and what resources will be provided by the state to help achieve those outcomes.

- Budget provisos that would provide the legislative expectations of an institution in terms of degrees and performance targets rather than enrollment levels. Currently, the most important performance measure of an institution is whether it met or exceeded the full-time equivalent enrollment target set by the legislature.

- Calculating enrollment levels at the time of course completion rather than on the 10th day of classes. Under this approach, student enrollment would be counted for state funding purposes only if students completed a course, not if they just enrolled in a course.

- The letting of high-demand enrollment contracts could be modified from the current practice of selecting high-demand programs that focus on enrollments to instead focus on results – while the HECB's high-demand budget request was presented in terms of expanding enrollments, the strategic master plan goal for high-demand is stated in terms of program completions.

While the board's budget recommendations center on expanding enrollments, these enrollment recommendations are directly based on meeting the board's degree and performance target goals. For example, the board's goal for increasing the number of bachelor's degrees earned at public institutions has a target by the end of the 2005-07 biennium that is roughly 2,100 degrees higher than what could be expected from current budgeted undergraduate levels. The board has assumed that it will take around 360,000 student credit hours of educational activity or 8,000 full-time equivalent students to produce these degrees (at 3.89 FTE students per bachelor's degree). The recommended funding level is $6,303 per FTE student or $24,500 per bachelor's degree.

There is a lag between when students are enrolled and degrees are awarded. The implementation of funding for success will require some thought during the 2005-07 biennium to sort out the best way of proceeding.

Recommended Actions

- **Following the conclusion of the 2005 legislative session,** the HECB will work with the governor's office, legislative fiscal committees and the higher education institutions to gather the data and input needed to develop options for creating an outcomes-based funding system.

- **By December 2005, the HECB will report** to the legislature and governor on the options identified for creating a new funding system, including a "preferred option" recommended by the board. This report will identify any statutes that would need to be revised to support a new financing approach. The board will also include in its budget guidelines for the 2007-09 biennium (which are distributed in December of odd-numbered years) any institutional requirements related to development of a new funding mechanism.

- **By the end of the 2006 session**, legislation will be adopted to implement any necessary statutory changes.

- **In September 2006**, the higher education institutions will include with their 2007-09 operating budget proposals any information requested under the HECB budget guidelines related to the new funding system.

- **By November 1, 2006, the HECB** will make its 2007-09 operating budget recommendations, which will incorporate funding of higher education based on success.

- **The new funding methodology will be implemented** by the legislature and governor in the 2007-09 state operating budget.

Performance Measures

- Actual performance measures for measuring student success would be identified on the basis of the specific funding methodology adopted by the legislature and governor. Performance measures would be proposed by the HECB, in consultation with the higher education institutions, in the December 2005 report.

Estimated Costs

- The estimated costs of implementing a "funding for student success" system are indeterminate.

- It is expected that an agreement to produce the same outputs as currently would cost no less than is currently being spent. It is known that current funding is significantly less than the amounts received by similar institutions in other states.

- If student successes are to be increased, additional resources will be called for. Under the state's current funding system, the primary sources of these resources are state general funds and tuition revenue.

Examples of Ongoing Work Related to this Recommended Action

- The 2004 supplemental operating budget called for the governor's office, with assistance from the HECB, to work with the University of Washington and Washington State University to create a prototype of a research university performance contract. The prototype is to (a) reflect statewide goals and priorities of the legislature; (b) contain goals and commitments from both the institutions and the state; (c) include quantifiable performance measures and benchmarks; (d) identify specific resources needed to implement the contract; and (e) include any other information deemed pertinent by the governor. By December 1, 2004, the governor is to submit to the legislature the prototype performance contract along with any implementing legislation.

Allocating Student Enrollments

Policy Proposal

The board needs to make specific enrollment allocation recommendations to carry out the intent of the 2004 master plan.

The shape and size of the state's higher education system is of primary concern for decision-makers looking to optimize state resources.

Issues that will influence discussions of the "shape and size" of the system and the board's specific enrollment recommendations include (a) the division of resources among the public two-year and four-year colleges and universities; (b) the split of new resources and enrollments among the main campuses, branch campuses, and off-site learning centers; (c) the role of private colleges and universities in meeting the state's need for additional higher education enrollment capacity; (d) regional economic, educational, and programmatic needs; and (e) methods of program delivery, such as traditional instruction, 2+2 programs for transfer students, and technology-enhanced distance learning.

Recommended Actions

- Six action steps are outlined in the master plan to address a wide range of enrollment allocation policy questions. All require data collection, analysis, and cost projections.

- The board's proposals for enrollment allocation and funding will be included in the biennial higher education recommendations to the governor and legislature. On October 21, the HECB is scheduled to adopt recommendations to the governor for 2005-07. These will be based on how the requests align with the board's budget priorities, the missions of the institutions, and the goals of the statewide strategic master plan. The recommendations will address the first biennium objectives of the master plan.

- Tuition, financial aid, and the costs of other proposals are addressed in other implementation plans and cost estimates.

Performance Measures

- To determine whether resources are allocated in an optimal manner will require the state to quantify (a) the actual number of degrees produced; (b) the average number of student credit hours attempted per degree by sector; (c) the cost per student credit hour in each sector of the state system; and (d) the difference between budgeted and actual enrollments at the public institutions.

Estimated Costs

- Increasing enrollments to meet the board's degree goals will require additional state resources. The exact amount will depend on how many additional students are needed and the cost per student.

- Costs for 2005-07 will be presented in the board's 2005-07 budget recommendations.

Examples of Ongoing Work Related to this Recommended Action

- The 2004 supplemental operating budget directed the HECB to develop a simulation model to allow for analysis of the impacts and costs of various higher education policy alternatives. The policy model is to examine the interaction between higher education demand, funding resources, and institutional capacity. This work is due to be completed by December 15, 2004.

- This model will be useful in answering a number of the questions posed in the strategic master plan proposal to allocate student enrollments and will be used to estimate the fiscal impacts of various policy options in future biennia.

Increasing the Number of Degrees in High-demand Fields

Policy Proposal

In the master plan, the board has established a target of increasing by 300 per year the number of students who earn degrees and are prepared for work in high-demand fields. This rate of increase would yield a cumulative total of 1,500 additional high-demand degrees per year by 2010.

Recommended Actions

1. Identification of high-demand fields (short-term – 2005-07 biennium).

- Since competitive high-demand enrollment funding began in 1999, eligible programs have been identified in two ways. The legislature and governor have identified in the state operating budget a number of academic fields in which (a) student enrollment applications exceed available positions and (b) employers are unable to find enough skilled graduates to fill available or forecast job openings.

- Colleges have been permitted to propose certain additional fields for high-demand designation (and for enriched funding). The HECB has required supporting information to justify this designation for the programs being proposed.

- In the short-term, this approach should continue.

2. Identification of high-demand fields (long-term – 2007-09 biennium and beyond).

- The HECB is identifying the organizations whose information and participation will be required. A work group will be convened by December 2004.

- The work group will develop a list of high-demand fields for the 2007-09 biennium by June 2006. In future years, the list of eligible programs will be included with the biennial HECB budget recommendations for higher education.

- The HECB would continue to permit institutions to document in their funding proposals additional academic fields that offer unique regional student and employer demand.

- The competitive bid process for selecting specific programs for funding would continue.

3. Legislative funding of high-demand enrollment slots.

- The HECB and SBCTC have submitted budget requests for 2005-07 to continue high-demand enrollment funding. In addition, it is expected that funding for existing high-demand grant programs will be continued in institutional base budgets.

Performance Measures

- Change in the number of degrees/certificates earned and/or program completions in high-demand fields. (**Note:** There will be a time lag between the initial funding, the addition of students, and the change in the number of degrees/certificates.)

- Change in enrollments in high-demand fields.

- State appropriations for high-demand programs.

Estimated Costs

- Estimated costs for the next three biennia are addressed on the following page.

  – **2005-07:** $30 million in new appropriations and $0 in carry-forward costs (treating this proposal as a new program and not a continuation of the existing program).

  – **2007-09:** $30 million in new appropriations and $40 million in carry-forward costs.

  – **2009-11:** $30 million in new appropriations and $80 million in carry-forward costs.

  Note: Funds to continue the high-demand projects initiated during 2003-05 would be included in institutions' base budgets in future biennia.

- Appropriations during the 2005-07 biennium would be made to the HECB and the SBCTC. These would consist of $10 million in the first year of the biennium and $20 million in the second year (to continue the initial first-year projects and begin a new second year set of projects).

- In future biennia, these projects' ongoing costs would be carried forward in the institutional base budgets and new rounds of projects would be started.

Examples of Ongoing Work Related to this Recommended Action

- Since 1999, the HECB has received three separate appropriations to conduct competitive grant programs to expand and create new academic programs in fields where there is unmet student enrollment demand and where employers are having difficulty finding

skilled graduates. Funds and enrollment slots have been targeted to programs in computer sciences and technology fields, health care, teacher training, and in fields that offer regional economic development opportunities.

- The initial appropriation to the HECB, in the 1999-01 biennium, was for grants to public two-year and four-year colleges and universities. However, subsequent appropriations to the HECB have been for only four-year institutions. The State Board for Community and Technical Colleges has administered grants to the public two-year colleges. In FY04, $9 million was granted for 1,366 FTE students; in FY05, $19 million was granted for 2,436 FTE students.

- The HECB has begun to implement a provision of House Bill 3103 (Sec. 9) that calls for a comprehensive and ongoing assessment process to analyze the need for additional degrees and programs. This project will provide significant information about which academic fields are expected to be in demand from students and employers in the future.

High Demand Funding Proposal and Outcomes

Dollars in Millions

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Grants to HECB, SBCTC and/or institutions	$10	$20	$10	$20	$10	$20
"Carryforward" appropriations to institutions and/or SBCTC			$20	$20	$40	$40
Total GF-S	$10	$20	$30	$40	$50	$60
Biennial Total		**$30**		**$70**		**$110**
Average state cost per FTE	$10,000					
FTEs in high-demand programs	1,000	2,000	3,000	4,000	5,000	6,000
Completers		**600**	**900**	**1,200**	**1,500**	**1,800**

Keeping College Tuition Affordable and Predictable

Policy Proposal

In the short term, tuition and fees should not increase by more than 31 percent during any consecutive four-year period (average increases of 7 percent compounded). Annual tuition increases should be spread as evenly as possible over this four-year period, and no annual increase should exceed 10 percent.

To develop a long-term tuition policy, the board will complete a feasibility analysis of alternative tuition policies and make a recommendation to the legislature and governor for consideration during the 2006 legislative session.

Recommended Actions

1. The HECB recommends the legislature and governor adopt this tuition policy beginning with the 2005-06 academic year.

- Understanding that budget constraints may affect the ability and willingness of the legislature to limit tuition increases to 7 percent annually, a certain amount of flexibility must be involved. When circumstances dictate, tuition could increase by up to 10 percent in any one year. The initial four-year period under this proposal would commence with the 2005-06 academic year.

Performance Measures

- Tuition increases over four consecutive years, beginning with 2005-06.
- No annual tuition increases over 10 percent are approved in any one year.
- Changes in per-student appropriations to colleges and universities.
- Changes in per-student appropriations for financial aid.

Note: The latter two measures will help to evaluate the interaction between tuition policy and state funding.

Estimated Costs and/or Revenues

- There are no direct costs to the HECB or the state associated with putting this short-term policy in place.

- Tuition rates always affect institutional revenues, but it is not possible to predict the impact of this proposal at this time.

- Likewise, any tuition increase has financial aid implications. As such, the amount of general funds needed to maintain existing and historic service levels for financial aid programs will increase.

Examples of Ongoing Work Related to this Recommended Action

- In 2003, the legislature and governor enacted Senate Bill 5448, which established parameters for tuition-setting through the 2008-09 academic year.

- Under this legislation, the legislature retained the authority to set tuition rates for resident undergraduate students. Unrestricted authority to set tuition rates for all other groups of students was granted to the individual four-year institutions and the SBCTC on behalf of two-year colleges.

2. By April 2005, the HECB will establish an advisory committee to advise the board on elements of the feasibility analysis and will develop a timetable to complete the study by October 2005.

- At a minimum, the analysis will consider (a) a sliding scale for tuition charges linked to students' ability to pay; (b) alternatives through which the state can maintain its commitment to purchasers of GET tuition units; (c) protect the long-term sustainability health of the program; and (d) policy implications of the tuition elements of performance contracts between the state and individual colleges and universities.

Performance Measures

- Completion of the study by October 2005.

- Final report and recommendations for legislative action prior to 2006 legislative session.

Estimated Costs

- The feasibility analysis will be conducted within existing resources.

Examples of Ongoing Work Related to this Recommended Action

- The intent section of Senate Bill 5448 indicated that the state would use data from the six-year policy to identify options for long-term higher education funding, including state general fund support and tuition and financial aid sources.

Promoting Opportunity Through Student Financial Assistance

Policy Proposal

Expanding student financial aid: To help financially needy students meet the rising costs of a college education, the state should expand several state financial aid and scholarship programs and create a new pilot program to aid adults who attend college part-time while working full-time.

Recommended Actions

1. State Need Grant

- The state should provide grants equal to 100 percent of tuition to students with family incomes at 65 percent of the state's median, and serve all students eligible for the grant. The HECB is requesting funding in the 2005-07 state operating budget to increase the income service level from the current 55 percent of median family income to 65 percent and to provide grants to all eligible students equal to 100 percent of tuition at public colleges and universities.

Performance Measures

- 100 percent of students with family incomes at or below 65 percent of the state's median would receive a State Need Grant equal to 100 percent of the cost of tuition at a public institution.

Estimated Costs

- **2005-2007 –** $125.8 million
- **2007-2009 –** $50.6 million
- **2009-2011 –** $59.5 million

Note: The estimate for 2005-07 reflects the cost of moving from the current service levels to the board's goals of 65 percent of MFI and 100 percent of public tuition. The estimates for all three biennia assume annual enrollment increases and annual 7 percent tuition increases.

Examples of Ongoing Work Related to this Recommended Action

- A financial aid work group convenes periodically to advise HECB staff on program policy and administration.

2. State Work Study – Placement opportunities in high-demand fields

- The state should increase funding for the State Work Study program to provide students with additional job opportunities in high-demand fields. Elsewhere in the master plan, the HECB recommends expansion of the state's high-demand enrollment funding. To improve that program, the HECB will establish criteria for identifying high-demand fields on an ongoing basis. This proposal would provide funds to create job placements for needy students within these targeted fields. Funds would be distributed in response to institution proposals and would supplement colleges' base state work study allocations.

Performance Measures

- The number of students who graduate with work experience in high-demand fields related to the subject of their majors.

Estimated Costs

- **2005-2007 –** $600,000

Note: Appropriations in future biennia would increase in proportion to funded high-demand enrollments.

3. State Work Study – Restore historic service level

- The state should increase work study appropriations to restore the number of students served to the program's historic level of 1 in 14 needy students. The board also recommends increases to maintain the student award at approximately 15 percent of each student's financial need throughout the next three biennia.

Performance Measures

- The percentage of needy students who receive a State Work Study grant.

Estimated Costs

- **2005-2007** – $8.9 million
- **2007-2009** – $4.4 million
- **2009-2011** – $4.9 million

Note: The estimate for 2005-07 reflects the cost of restoring the service level of the program ot its historic service level of 1 in 14 needy students. The estimates for all three biennia assume annual enrollment increases, annual tuition increases of 7 percent, and annual inflation adjustments to all other educational costs.

Examples of Ongoing Work Related to this Recommended Action

- The State Work Study program has a standing advisory committee.

4. Educational Opportunity Grant – Increase participation

- The EOG program is the state's only targeted financial aid initiative specifically designed to increase the number of students who earn bachelor's degrees. The HECB is requesting $1.5 million in the 2005-07 state operating budget to increase the number of participating students by 50 percent and to keep pace with enrollment growth in future biennia.

Performance Measures

- Increase in the number of transfer students completing baccalaureate degrees.

- Time to degree will be less for EOG recipients than for similar students who do not receive the grant.

- The number of credits completed per academic year by EOG recipients will be greater than that of similar students who do not receive the grant.

Estimated Costs

- **2005-2007** – $1.5 million
- **2007-2009** – $1.5 million
- **2009-2011** – $1.5 million

Examples of Ongoing Work Related to this Recommended Action

- Based on a HECB study, the EOG statute was amended in 2003 to (a) expand eligibility for the grant to previously excluded counties (those not served by a branch campus) and (b) allow students to use their grant at a branch campus. These changes, together with the goals of the Strategic Master Plan, have prompted HECB staff to create an ongoing outreach effort to ensure that eligible students and institutions fully understand the program and are provided an efficient means to apply.

5. Washington Promise Scholarship

- Inadequate funding has prevented the Washington Promise Scholarship program from fulfilling its intent. To most effectively motivate middle and high school students to excel and prepare for college, the scholarship should be funded at the statutory maximum of two-year college tuition. The HECB has requested funds to increase awards to

100 percent of two-year college tuition in 2005-07. In future biennia, the state would need to increase grant amounts to reflect tuition increases.

Performance Measures

- The educational loan debt of students receiving the Promise scholarship will be compared to that of needy students from similar family incomes who do not receive the scholarship.

Estimated Costs

- **2005-2007** – $20.4 million
- **2007-2009** – $3.9 million
- **2009-2011** – $4.4 million

Note: The 2005-07 estimate would raise the award amount to 100 percent of community and technical college tuition. The estimates for all three biennia assume a 7 percent annual increase in resident undergraduate tuition.

6. Washington Scholars and Washington Award for Vocational Excellence – Maintain value of awards

- The state should fund these programs to maintain scholarship awards at the value of public tuition and fees, thereby rewarding academic and vocational excellence and motivating top-performing high school graduates to attend college in Washington State. Increased state appropriations are needed to keep pace with tuition increases.

Performance Measures

- Percentage of tuition covered by Scholars and WAVE grants.

Estimated Costs

<u>Washington Scholars</u>

- **2005-2007** – $630,000
- **2007-2009** – $547,500
- **2009-2011** – $629,000

<u>Washington Award for Vocational Excellence</u>

- **2005-2007** – $39,000
- **2007-2009** – $183,000
- **2009-2011** – $210,000

Note: These estimates assume resident undergraduate tuition increases of 7 percent per year.

Examples of Ongoing Work Related to this Recommended Action

- The Washington Scholars program is administered by the HECB in partnership with the Washington Principals Association. The Washington Award for Vocational Excellence is administered by the Washington Workforce Training and Education Coordinating Board, with the HECB acting as fiscal agent.

7. Financial Aid for Low-income Full-time Workers – New pilot program

- A pilot grant program for low-income, full-time workers who attend college for five credits or fewer per term should be developed and tested in the 2005-07 biennium. If the pilot is successful, the state should consider developing an ongoing statewide program to serve this group of students.

- Interested institutions would apply to participate in the pilot, which would be operated by the HECB with assistance from an advisory committee. Participating students would receive grants equal to tuition, plus an allowance for books.

- The pilot program would run through June 2007. An evaluation would be presented to the Higher Education Coordinating Board by December 2007. At that point, the board would decide whether to request establishment of an ongoing program.

Recommended Actions

- **State law provides the HECB** authority to develop pilot financial aid programs. Implementation would be contingent upon funding by the legislature. The board has requested $2 million in the state operating budget to fund the pilot during 2005-07.

- **In winter 2005, the board's financial aid work group** will meet to advise the HECB on the structure of the project. The group will advise the HECB on (a) the number of colleges that should participate; (b) the content of the request for proposals; (c) how proposals should be evaluated; and (d) the level of funding that individual proposals should receive.

- **If funding is appropriated**, a request for proposals will be issued in July 2005.

- **The pilot project would operate** from fall 2005 through spring 2007.

- **By December 2007, a progress report** would be presented to the HECB, which would then decide whether to request legislation to establish an ongoing program.

Performance Measures

- The success of the pilot project will be measured on the basis of the following outcomes: (a) the pilot will enable reasonable estimates of statewide demand for such an aid program and (b) the pilot program design will be evaluated and refined to ensure that students' training leads to career advancement as measured by the percent of increase in hourly wages.

Estimated Costs

- **2005-2007** – $2 million

Note: Funding in future biennia would depend on results of the pilot project.

Examples of Ongoing Work Related to this Recommended Action

- An advisory group with representatives from colleges and universities, the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, the Council of Presidents, and the Independent Colleges of Washington has advised the Higher Education Coordinating Board on program design and implementation.

Meeting Regional and Statewide Higher Education Needs

Policy Proposal

Washington's higher education system must be realigned and expanded to respond to regional and statewide economic needs and to achieve the board's goal for more students to attain associate, bachelor's, graduate, and professional degrees.

Recommended Actions

1. Provide a simulation model that allows state policy-makers to analyze the impact of various enrollment and funding options.

- **By December 2004, the HECB** will provide a simulation model as directed in the 2004 supplemental budget to enable state policy-makers and others to analyze the impact of various enrollment and funding options.

Performance Measures

- Presentation of simulation model to legislature and usefulness in policy considerations.

Estimated Costs

- No new costs will be required beyond the $100,000 provided in the 2004 supplemental operating budget.

Examples of Ongoing Work Related to this Recommended Action

- The HECB staff has been working on the enrollment/funding simulation model in collaboration with the legislative fiscal committees and OFM since the conclusion of the 2004 legislative session.

2. The HECB will present a reconfiguration plan to the governor and legislature, college and university governing boards, and other stakeholders. A collaborative process will examine opportunities to expand enrollment access for students, assess the need to revise the missions and services of existing institutions, and determine whether new colleges and universities are needed to meet regional and statewide needs.

- **By December 2004, the HECB, with assistance from stakeholders,** will develop a comprehensive higher education planning process to include a methodology for state and regional assessments of student, employer, and community demand for higher education

at various levels and locations and assessing options to meet expanding higher education demand.

- **By March 2005, the HECB and higher education stakeholders** will assess options to expand higher education enrollment capacity in the state, including (a) expansion of regional comprehensive universities, (b) expansion and/or development of additional off-campus learning centers and distance learning, (c) branch campuses, (d) the transition of selected two-year colleges to baccalaureate institutions, (e) performance contracts between the state and public four-year institutions, and (f) the role of private colleges and universities, including in-state and out-of-state providers.

- **By March 2005, the HECB** will update its inventory of higher education resources, including locations, target populations served, enrollments, and programs offered at main and branch campuses and off-site learning centers.

- **By June 2005, the HECB,** with assistance from stakeholders, will develop guidelines for the planning and growth of off-campus centers, branch campuses, and transition of two-year to baccalaureate institutions.

- **By September 2005, the HECB** will present a final plan to the governor and legislature, college and university governing boards, and other interested parties.

Performance Measures

- Dissemination of reconfiguration plan and reports.

Estimated Costs

- No new costs will be required beyond the $205,000 provided to the HECB in the 2004 supplemental budget to assist in statewide and regional needs assessments.

Examples of Ongoing Work Related to this Recommended Action

Various groups have been meeting in 2004 to review the regional and statewide planning requirements of House Bill 3103 and House Bill 2707, both of which were enacted during the 2004 legislative session. The new statutes call for greater focus in planning for regional higher education needs in relationship to state and regional workforce needs, with a focus on how to expand the capacity of the higher education system.

- In summer 2004, the HECB developed guidelines to assist the University of Washington and Washington State University in developing the reports about their branch campuses required under House Bill 2707. The HECB will receive these reports in November 2004

and will forward the reports, with the HECB's policy options, to the legislature and governor in January 2005.

- Discussions have begun within the higher education community and with members of the legislature to consider the implications of preserving the state's current "hourglass" structure – one that concentrates enrollment at the research universities and community and technical colleges – versus moving toward a "pyramid" structure – one that would focus enrollment growth at the regional comprehensive universities.

3. The HECB, with assistance from stakeholders, will complete the needs assessment process outlined in House Bill 3103.

- **By December 2004, the HECB** will establish and staff an interagency work group to include representation from State Board for Community and Technical Colleges and the Workforce Training and Education Coordinating Board. The work group will consult with the Council of Presidents and other stakeholders to develop criteria to be used to evaluate statewide and regional planning needs. The work group will report its findings to the respective boards during spring 2005.

- **By January 2005, the HECB, with assistance from stakeholders,** will identify the regions of the state that should be the focus of future data collection and planning initiatives. This process will rely, in part, on existing workforce development efforts to ensure that higher education expansion responds to regional and statewide economic opportunities.

- **By February 2005, the HECB, with assistance from stakeholders,** will review existing needs assessments; identify information gaps and the need for new assessments; and incorporate information on statewide and regional demand for higher education by students, employers, and communities. This information will distinguish between various levels of education (undergraduate, graduate, and professional) and geographic locations.

- **By February 2005, the HECB, with assistance from stakeholders,** will review recently conducted needs assessments from various sources and commission new state and regional needs assessments to guide program review and approvals with an emphasis on high-demand academic fields.

- **By June 2005, the HECB** will issue reports on state and regional needs assessments in three or four high-demand academic fields.

Performance Measures

- Dissemination of plans and reports.

Estimated Costs

- No new funds will be required during the 2003-05 biennium beyond the funds provided to the HECB in the 2004 supplemental operating budget. Additional funding may be required in the 2005-07 and 2007-09 biennia to assist with ongoing state and regional needs assessments.

Examples of Ongoing Work Related to this Recommended Action

- HECB staff has been meeting with the State Board for Community and Technical Colleges and the Workforce Training and Education Coordinating Board to discuss projections of the labor market need for graduates with various levels of educational attainment.

- See earlier notes about activities surrounding the implementation of House Bill 3103 and House Bill 2707.

4. By July 2005, the HECB and the SBCTC will revise their current processes for approval of new degree programs at the four-year and two-year institutions to guide the development of new associate, baccalaureate, and graduate programs that meet the needs of students and employers and support the state's educational, civic, and economic goals.

- **By December 2004, HECB staff** will meet with staff from the SBCTC and other stakeholders to receive feedback and consider options to revise program review processes and criteria for two- and four-year institutions related to statewide and regional planning needs. The HECB staff will report findings to the respective boards in Spring 2005.

- **By February 2005, the HECB staff,** in consultation with the provosts of the public baccalaureate institutions, will develop draft guidelines for program approval and assessment for the four-year institutions that reflect statewide and regional needs assessments.

- **By June 2005, the HECB and the SBCTC** will review and approve updated program review guidelines and notify the institutions within their jurisdictions of changes in the review processes.

- **By July 2005, the HECB and SBCTC** will implement revised program review policies, to accommodate strengthened focus on state and regional planning needs.

Performance Measures

- HECB and SBCTC approval of revised guidelines for program approval.

Estimated Costs

- This work will be accomplished within existing resources.

Examples of Ongoing Work Related to this Recommended Action

- The HECB staff is gathering information about the approval processes used in other states and is reviewing its current guidelines for approval of new degree programs at the public baccalaureate institutions.

- The four-year institutions' Council of Presidents has established a committee of instructional leaders to review new program planning and its relationship to enhanced state and regional planning. HECB staff will meet with this group in October 2004 to review issues related to statewide and regional planning, new program review guidelines, and the proposal for an interagency work group.

Helping Transfer Students Earn Bachelor's Degrees

Policy Proposal

The state needs a barrier-free transfer system to help community college transfer students earn bachelor's degrees at four-year colleges and universities as efficiently as possible.

Associate degree "pathways" that prepare students for particular majors at four-year colleges and universities would help students graduate without completing more credits than the number they need for their baccalaureate degree. Currently, all associate degrees require students to complete exactly 90 quarter-based credits at a community college. Yet students interested in some majors would be best prepared by completing more or less than 90 credits at a community college.

An existing statewide policy requires transfer students to complete 90 credits at a four-year college or university when they transfer with 90 credits from a two-year college. Elimination of this policy would allow students who complete associate degree pathways to graduate with exactly the credits they need to complete their bachelor's degree.

In addition, creation of a statewide on-line advising system like those developed in many other states would help students learn which two-year college courses can be transferred as "equivalent" to four-year college courses and which two-year college courses meet different degree requirements at four-year colleges and universities.

Recommended Actions

1. Develop associate degree pathways that focus on readiness for academic majors at four-year colleges and universities, as required by House Bill 2382.

- **By June 2005,** new associate degree pathways will be developed for nursing, elementary education, and engineering. HECB staff will collect an inventory of existing associate degree pathways that prepare students for bachelor's degrees and the number of transfer students earning bachelor's degrees, by major. Additional pathways will be identified, primarily based on the volume of transfer students transferring into particular majors.

- **By December 2005, the HECB** will revise its program approval guidelines for four-year degrees to include a requirement that a corresponding associate degree pathway be identified to articulate with each newly proposed major.

- **By January 2005**, a progress report will be submitted to the legislature describing the progress of the work groups developing associate degree pathways.

- **By June 2006,** three additional high demand associate degree pathways will be developed.

- **By June 2007,** all four-year degrees that are in high demand by transfer students will be matched to corresponding associate degree pathways.

Performance Measures

- Credits earned by transfer students in excess of those required for their bachelor's degree will decrease.

Estimated Costs

- Costs will be absorbed by the HECB and institutions, as has been the case in past biennia.

Examples of Ongoing Work Related to this Recommended Action

- Work groups have been established to develop associate degree pathways for nursing, elementary education, and engineering.

- The Joint Access Oversight Group, a two-year/four-year college work group appointed by the state's academic leadership, formally supports the effort to develop major-specific associate degrees and is assisting HECB staff in identifying the need for additional pathways.

2. Revise existing Washington State transfer policy to delete the requirement that students transferring with associate degrees must complete an additional 90 quarter-based credits at a baccalaureate institution to earn a bachelor's degree.

- **By November 2004, the HECB** will notify Washington colleges and universities that it is deleting the 90-credit requirement from the statewide transfer policy.

Performance Measures

- Credits earned by transfer students in excess of those required for their bachelor's degree will decrease.

Estimated Costs

- No costs have been identified.

Examples of Ongoing Work Related to this Recommended Action

- The Joint Access Oversight Group supports the deletion of the current 90-credit requirement.

3. Develop a statewide online student advising system to facilitate transfer and degree planning.

- **By January 2005, HECB staff** and a work group formed through House Bill 2382 will publish a report regarding options and prospective operating and maintenance costs for a statewide online student advising system.

- **By spring 2005,** if funding is approved by the legislature and governor, HECB staff will solicit bids from vendors to build the online advising system.

- **By July 2005, HECB staff** will select a vendor.

- **By January 2006, colleges and universities and the HECB staff** will work with the vendor to ensure course equivalency data is integrated into the statewide system; a student feedback tool is developed; and electronic transcripts are available.

- **By January 2008,** the online advising system will be fully operational, including a tool to facilitate faculty course equivalency decisions and, if applicable, links or interfaces to existing degree audit systems.

Performance Measures

- Credits earned by transfer students in excess of those required for their bachelor's degree will decrease.

- Student surveys will be used to measure the system's effectiveness and ease of use.

Estimated Costs

- Estimated costs, based on similar systems in other states, are $1.1 million for development and first-year operation and $550,000 annually in the future. This is a rough estimate based on several assumptions that are being explored by the work group. The actual cost could vary significantly from these initial estimates.

Examples of Ongoing Work Related to this Recommended Action

- During summer 2004, HECB staff convened a work group to consider requirements for an online advising system.

- During September and October 2004, HECB staff are leading the efforts of the work group to investigate different options, organizing meetings with vendors and experts from other states to investigate costs, barriers to implementation, and interfaces to existing systems.

- A survey of other state transfer policies and related systems is under way by HECB staff.

- The HECB has requested $1.65 million for the advising system in its 2005-07 agency budget proposal.

- The two-year college system has developed a feasibility study for an online advising system specifically tailored to facilitate student transfer between two-year colleges and to advise students who seek an associate degree.

- The Joint Access Oversight Group supports the need for a statewide online advising system.

Helping Students Make the Transition to College

Policy Proposal

Students who aren't prepared for college often fail to achieve their goals. Educators must define and clearly communicate to K-12 parents and students what it means to be ready for college. Washington has established learning standards for students through the 10th grade. The state must now make sure classes for 11th and 12th grade students adequately prepare them to succeed in college. And it must expand effective practices in preparing high school students for postsecondary study.

Recommended Actions

1. Define "college readiness" so that all high school students know the skills and abilities they need for success in their higher education career.

- **In January 2005 and biennially thereafter, the HECB** reports to the legislature on efforts to reduce remediation and improve student transition from high school to college.

- **In January 2005, the HECB** will convene an advisory committee to develop a comprehensive definition of college readiness for Washington. The committee will meet quarterly and will include state policy-makers, K-12 and higher education administrators and faculty, and representatives of the private sector.

- **By August 2005**, **the advisory committee** will submit to the HECB recommended strategies for developing a definition of college readiness for Washington. The committee will take into account existing state and national college readiness standards. Strategies will address the need to align the state's definition of college readiness with existing school reform efforts.

- **In September 2005, the HECB** will issue a work plan for the state to adopt a college readiness definition.

- **By June 2006**, **the advisory committee and work groups** will publish draft definitions of college readiness in mathematics, science, English, social studies and world languages. Final definitions will be adopted by the HECB in December 2006 following public review.

Performance Measures

- To be determined by cross-sector group.

Estimated Costs

- The HECB will absorb the costs of convening the advisory group. HECB staff will estimate further costs for special projects after the board issues its work plan in September 2005.

Examples of Ongoing Work Related to this Recommended Action

- Numerous state and national efforts to define college readiness are now underway or have been recently completed, including the **Transition Math Project**, a multi-sector initiative in Washington to develop and communicate readiness standards for college-level mathematics; the HECB's **Competency-Based Admissions Project**, which ended in 2001; **college-level writing competencies** under development by two-year college faculty; and the **American Diploma Project**, a national initiative to infuse rigorous academic standards and college and workplace preparation into high school curricula.

- Several organizations are engaged in outreach and advocacy about the importance of rigorous high school preparation for college. In Washington, state education agencies have joined private-sector groups like the Washington Roundtable and the Partnership for Learning to call for high standards and high achievement for all students.

2. Develop 11th and 12th grade learning outcomes that reflect the preparation required for college.

- **The HECB** will support the efforts of the **Superintendent of Public Instruction** to develop guidelines that identify the knowledge and abilities high school students must gain in grades 11 and 12 to be ready for college.

Performance Measures

- Timely completion and dissemination of 11th and 12th grade preparation guidelines to public and private K-12 schools statewide.

Estimated Costs

- The development of 11th and 12th grade learning outcomes is part of the Superintendent of Public Instruction's work plan and should not result in additional costs to the state. Long-term costs to the state for potential changes in 11th and 12th grade curriculum and instruction could be significant, but it is impossible to estimate those costs at this time.

Examples of Ongoing Work Related to this Recommended Action

- A work group developing mathematics expectations for grades 11 and 12 has formed and will begin meeting after the Transitions Mathematics Project issues its college readiness standards in early 2005.

- OSPI has continued to develop and disseminate "grade-level expectations" for reading, mathematics, science, writing, health and fitness, and the arts through grade 10.

3. Promote effective practices that motivate and prepare students for college, allow them to earn college credits while still in high school, and make it easier for them to enroll at Washington colleges and universities.

- **By December 2004**, **the HECB** will develop an online survey for higher education institutions, school districts, government agencies, and community-based organizations to identify and learn about high school-to-college transition initiatives – including dual credit, early awareness, tutoring, mentoring, teacher development, curriculum alignment, and parent advocacy programs.

- **By summer 2005**, **the HECB** will work with State Board for Community and Technical Colleges, the Superintendent of Public Instruction, and public and private colleges and universities to identify and publicize the most effective practices in Washington that help students move successfully from high school to college.

- **By September 2005**, **the HECB** will publish a report on promising state and national college preparation practices, including dual-credit programs such as Running Start and College in the High School.

- **The HECB will biennially** provide progress reports on increasing dual-credit opportunities.

Performance Measures

- An increase in the number of students who concurrently earn high school and college credit over 2003-04 levels.

Estimated Costs

- The HECB will absorb the costs of developing the inventory of effective practices.

- Costs associated with developing additional dual-credit opportunities and college outreach programs will be identified and presented to the legislature with HECB analysis and recommendations.

Examples of Ongoing Work Related to this Recommended Action

- The State Board for Community and Technical Colleges reports annually on enrollments, student progress, and state funding efficiencies related to the Running Start program, the state's largest dual-credit program.

- Several agencies, including the HECB, are collaborating to develop recommendations for reducing college remedial instruction. This group will make a report in December 2004.

- The Superintendent of Public Instruction administers a program to develop more Advanced Placement programs in the state's high schools.

- Programs such as GEAR UP, TRIO, Opportunity Scholars, Gates Achiever Scholars, and numerous campus-based programs promote early college awareness and readiness, support student planning and academic achievement, provide teacher development, or align high school and college curricula. These programs serve tens of thousands of Washington students in middle and high school.

- In January 2005, the HECB will address dual credit opportunities in a report to the legislature on high school-college transition issues as directed in House Bill 3103.

4. Communicate the requirements of a rigorous high school education that will lead to successful postsecondary study and improved curricular alignment and instruction.

- **Following adoption of college readiness standards in 2006, the HECB** will develop and, assuming the availability of adequate resources, execute a communication strategy to inform students, parents, educators, and the public about the new standards.

- **Following the 2004-05 academic year, the HECB** will collaborate with colleges, universities and state agencies to improve feedback to high schools about the preparation for postsecondary study of their recent graduates. Strategies will include publicizing the percentage of students from each high school who enroll in postsecondary programs, persist in their studies, and require remedial instruction.

- **Beginning in January 2005, the HECB will work with the Superintendent of Public Instruction** and other interested parties to provide early college planning information to every middle and high school student in the state.

Performance Measures

- Increased high school offerings of college-preparation curricula.

- Increased high school enrollment in college preparatory courses.

- Decreased remedial instruction for recent high school graduates.

Estimated Costs

- The HECB will identify the costs and possible sources of funds to carry out the communication strategies.

Examples of Ongoing Work Related to this Recommended Action

- Several existing programs – GEAR UP, TRIO, and others – provide college planning information and support to middle and high school students.

- The state GEAR UP project has developed comprehensive college planning handbooks for students in the 6th through 12th grades.

- The Washington Council on High School-College Relations, a statewide organization of high school counselors and admissions officers, provides forums to improve students' transition from high school to college.

- The State Board for Community and Technical Colleges collects and reports remediation enrollments for the state's two-year colleges. Washington State University's Graduate Follow-Up Study provides remediation information about students at the state's four-year colleges.

Accountability for Student Success

Policy Proposal

Accountability is the backbone of a successful educational system, and Washington needs to redesign its current accountability system to measure progress toward statewide goals.

Recommended Action

1. Develop and implement a higher education accountability model that measures progress toward statewide goals.

- **During winter 2005, HECB staff and a work group of representatives** from the public baccalaureate institutions will continue working to develop a set of common and institution-specific measures and targets and will review them with stakeholders. The State Board for Community and Technical Colleges will recommend measures and targets for the two-year college system that reflect the role and mission of the colleges.

- **During spring 2005, the HECB will review and adopt** the new accountability model and biennial performance targets for the public two-year and four-year colleges and universities.

- **By November 2005 and annually thereafter, the individual four-year colleges and universities and the SBCTC on behalf of the two-year system** will submit data to the HECB using the new measures and biennial plans to achieve improvements.

- **By June of each even-numbered year, in synch with the budget cycle, the HECB** will submit biennial plans and targets to the legislature and governor.

Performance Measures

- Alignment of institutional measures and performance targets with state goals and core values outlined in the master plan.

Estimated Costs

- The HECB and institutions will absorb all costs, as they have for several past biennia.

Examples of Ongoing Work Related to this Recommended Action

- Since 1997, Washington's higher education accountability system for the four-year institutions has included a total of six measures: four measures common to each institution (student retention, graduation efficiency for students who enroll as freshmen and for those who transfer, and five-year graduation rate), one measure for faculty productivity defined differently by each institution, and one institution-specific measure. The two-year college system has, in the past, reported on three common measures: transfer-readiness, adult literacy, and preparation for work.

- In 2003, the National Collaborative for Postsecondary Education Policy conducted a policy audit in Washington and found that "accountability is not systematically used to help focus attention on a limited number of state priorities."

- In February 2004, a work group with representatives from the public four-year and two-year institutions was formed at the request of the HECB to help develop a new higher education accountability model.

- House Bill 3103, effective June 2004, directed the HECB to establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful, substantial progress toward the achievement of long-term performance goals in higher education.

- In September 2004, the accountability work group agreed that a new accountability model should include accountability measures for institutions, the state, and the statewide higher education system. Each public four-year college submitted proposed common and institution-specific measures, and the SBCTC redefined two of the three existing measures for the community and technical colleges.

Measuring Student Success with an Improved Data System

Policy Proposal

Detailed information about student success is essential to understand current trends and plan for future improvements. However, Washington, unlike many other states, lacks the coordinated data system needed by state policy-makers. The master plan calls for a student unit record data system to evaluate progress toward state goals and to identify and eliminate barriers to student success.

A statewide data system will allow HECB staff to address several problems and inaccuracies now caused by storing data separately at each institution. For example, not all colleges interpret data requests consistently or calculate "graduation efficiency" the same way, which leads to inaccurate comparisons between institutions. Also, graduation rates now categorize students as dropouts if they leave one four-year institution but graduate from another. Linking four-year unit record data statewide would enable HECB staff to count these students accurately as successful.

Recommended Actions

1. Develop a statewide four-year college student unit record data warehouse -- similar to the data warehouse used by the state's community and technical colleges and those developed in many other states.

- **By December 2004, Data Advisory Group** representatives and HECB staff will create a Memorandum of Understanding for sharing, protecting, and accessing data. (The Data Advisory Group, required by House Bill 3103 Sec. 12, is composed of representatives from public and independent higher education institutions and other state agencies.)

- **By March 2005, HECB staff,** in consultation with the Data Advisory Group**,** will select a model for collecting and standardizing data. The staff and advisory group also will identify policy questions and research projects to be completed during the following two years and submit the prioritized list to the HECB for approval. Some of the priorities will address routine information requests by the legislature, while others will focus on long-term projects that could, for example, track student progress over time and analyze how various factors affect their success.

- **By June 2005, public four-year colleges and universities** will begin submitting unit record data to the HECB. HECB staff will use the list of prioritized policy questions and projects to begin testing the data.

- **By September 2005, the Data Advisory Group and HECB staff** will have tested the data and developed prototype reports, ongoing routines, and standards for continuing to collect data on a regular basis.

- **By December 2005, HECB staff** will begin using the data on a regular basis to answer routine questions and to conduct research and produce reports according to the priorities set in March 2005. In consultation with the Data Advisory Group, the HECB staff will develop a report schedule for long-term research projects and a survey to determine whether users find the reports and data useful.

- **By March 2006, HECB staff and the Data Advisory Group** will revise the prioritized project list, seeking board approval as necessary. Users will be surveyed. The Data Advisory Group will continue to meet quarterly to review survey results, prioritize projects, and discuss and resolve any data issues or problems.

Performance Measures

- Research priorities will be set in consultation with the Data Advisory Group and approved by the HECB.

- At least half of all legislative inquiries will be answered within 48 hours. (Currently, most inquiries require the HECB to survey each institution separately and can take weeks to complete.)

- Surveyed users will rate the reports and data provided by the HECB as useful, accurate, and timely.

Estimated Costs

- First-year costs of $317,500 for equipment and technical/project management staff. Ongoing annual costs of $182,500 will include salaries for technical/project management staff.

- A minimal cost of 0.25 FTE at each public four-year institution is included in the costs listed above. Since each four-year institution now submits enrollment data on an ongoing basis to the Office of Financial Management, it is not expected that a substantial additional reporting burden would be required in order to submit similar (or identical) data to the HECB, or to supplement it with outcomes data (e.g., grades and degrees). If this proves to be an incorrect assumption, cost estimates will be adjusted.

Examples of Ongoing Work Related to this Recommended Action

- In June 2004, a Data Advisory Group, required under House Bill 3103, was formed that includes representatives from various agencies, colleges, and universities. The group has reviewed the data each organization currently stores and links to other sources.

- In August 2004, the HECB requested funding for this initiative in its proposed 2005-07 operating budget.

2. Implement data links between four-year college data and other sources to conduct research for use in policy and improving programs. For example, links would enable the tracking and analysis of data regarding student academic performance and employment.

- **By June 2006, the Data Advisory Group and HECB staff** will identify potential data linkages, develop a list of prioritized policy questions and research projects to be completed during the following two years, and revise or develop agreements for sharing, protecting, and accessing linked data.

- **By September 2006, HECB staff** will submit the list of prioritized projects to the board for approval. The Data Advisory Group will assist in developing protocols, standards, and routines for regularly linking data between agencies and schools. HECB staff will begin linking and testing the new data.

- **By December 2006, HECB staff, in consultation with the Data Advisory Group,** will develop a reporting schedule and user survey. The group will review and discuss any draft reports produced by the HECB staff and resolve any data problems.

- **By March 2007, HECB staff** will begin regularly producing reports using the linked data. Users will be surveyed. Other linkages will be explored. The list of prioritized projects will be revisited and adjusted as necessary. The Data Advisory Group will continue to meet on a quarterly basis to discuss user feedback, prioritize future projects, and resolve data problems.

Performance Measures

- Once the database is fully developed, data will be published annually to help policy-makers and state residents evaluate the contribution of higher education to the educational, economic, and civic conditions of Washington State. Surveys will be issued to measure the usefulness of these reports.

Estimated Costs

- No costs have been identified for the data-linking portion of this project. If costs prove to be greater than expected, they will be included in budget requests in future biennia.

Examples of Ongoing Work Related to this Recommended Action

- The Data Advisory Group convened in June 2004 and discussed potential data linkages. During the summer of 2004, HECB staff interviewed individual advisory group members, who advised HECB staff to begin by linking the four-year college data together and creating a data warehouse. The next step would involve linking the four-year college data to other data sources controlled by agencies such as the State Board for Community and Technical Colleges and the Department of Employment Security.

Reducing Barriers for Non-traditional Students

Policy Proposal

The state must pursue several strategies to meet the higher education needs of "non-traditional" students – a group that includes, but is not limited to, unemployed adults, students whose first language is not English, and those who need to balance college, work, and family obligations.

Recommended Actions

1. Assess and address the need for education and training programs among targeted non-traditional students.

- **By spring 2005**, **the HECB and its partners** will identify specific groups of non-traditional students whose needs will be assessed and addressed in depth. Partners will include public and private colleges, universities and career schools, and state K-12, workforce training and higher education agencies. Partners will seek input from business and labor groups, industry associations, and selected organizations that represent targeted groups.

- **By fall 2005, the HECB and its partners** will assess the education and training needs of targeted groups and will strive to build upon the work of the partner organizations.

- **On an ongoing basis, the HECB and its partners** will use information from this and other related initiatives (such as the needs assessment called for in House Bill 3103) to advocate for new or expanded programs to serve non-traditional students.

Performance Measures

- Completion of process to identify targeted groups for focused assessment and attention.

- Number of new or expanded programs for targeted groups of non-traditional students and number of targeted non-traditional students served by such programs.

- Improved participation rates and outcomes for targeted non-traditional students.

Estimated Costs

- No new administrative costs are expected for the assessment. This work will be performed in conjunction with the needs assessment called for in House Bill 3103 or as part of other related HECB and institutional responsibilities.

- There will be costs associated with developing new or expanded programs, but the amounts will depend on the nature of the initiatives. Institutions may be expected to meet minor costs within their existing budgets, but additional appropriations would be required for large-scale projects.

Examples of Ongoing Work Related to this Recommended Action

- The State Board for Community and Technical Colleges and the Workforce Training and Education Coordinating Board have assessed the educational needs of non-traditional students. These assessments will be resources in implementing this strategy.

- The HECB has begun developing the statewide needs assessment directed by House Bill 3103, which will include consideration of the needs of non-traditional students.

- Central Washington University's development of Bachelor of Applied Science degrees in Safety and Health Management and Industrial Technology is an example of new programs targeted to non-traditional students. These programs will serve students who have received job training in these fields but lack baccalaureate degrees. The HECB is reviewing these proposals for approval and the university plans to submit other similar degree proposals in the future.

- The state's community and technical colleges are expanding and developing new programs that combine job training and English as a Second Language instruction.

2. Publicize best practices to meet the education and training needs of non-traditional students.

- **By December 2005, the HECB** and its partners will complete a review of best practices, building on relevant work already conducted.

- **By February 2006, the HECB** and its partners will decide which strategies and programs to promote for broader implementation and begin distributing information statewide.

Performance Measures

- Extent of statewide communication of best practices.

Estimated Costs

- No additional costs are expected.

Examples of Ongoing Work Related to this Recommended Action

- SBCTC and the Workforce Education Council have conducted studies of best practices in programs that serve mainly non-traditional students. These studies will be used in the review and identification of best practices.

- Heritage University has held nationally attended conferences focused on the issue of effectively breaking down barriers to participation of non-traditional students.

3. Strengthen the coordination of current efforts to provide education and training programs for non-traditional students.

- **On an ongoing basis, the HECB** will work with its partners to coordinate efforts to address the needs of non-traditional students, including the approval of new degree programs at the public four-year universities; development of a statewide higher education needs assessment; and the authorization of out-of-state institutions to offer on-site instruction and degree programs in Washington.

Performance Measures

- The number of approved new or enhanced programs that focus on non-traditional students and the number of non-traditional students served by such programs.

Estimated Costs

- No additional costs are expected for coordination activities, although new or expanded programs generally result in additional costs to the institutions.

Examples of Ongoing Work Related to this Recommended Action

- The HECB authorizes out-of-state and some in-state institutions to provide baccalaureate and advanced degree programs, many of which address the needs of non-traditional students. The board also reviews and approves new programs at public four-year institutions. New programs, especially those at the research universities' branch campuses and at the comprehensive universities' off-campus learning centers, frequently are designed to meet non-traditional students' needs.

- Community and technical colleges focus on non-traditional students. New programs in the two-year college system are subject to the approval of the SBCTC.

- Private colleges and universities have developed a variety of programs focusing on non-traditional students. For example, Gonzaga University has an extensive distance education program, Seattle Pacific University and Whitworth College offer "upside

down" degrees, and St. Martin's College offers flexible scheduling and extensive internships. However, this information is not systematically reported to the HECB or other state agencies, therefore procedures to transmit such information will be essential to assure effective coordination of these programs.

4. Support and promote financial aid policies and programs targeted to non-traditional students.

- **The HECB** is requesting $2 million in the 2005-07 state operating budget for a pilot project to develop a financial aid program to assist adult students who work full-time while attending college part-time. (**Note:** This strategy is addressed in detail in the implementation plan for the board's financial aid policy proposal.)

- **During the 2004-05 academic year, the HECB** will gather input from the financial aid community to determine whether non-traditional students should be specifically identified for priority assistance through the board's Future Teacher Conditional Scholarship and Loan Repayment program. (**Note:** Bilingual instruction is already identified as a priority in this program.)

Performance Measures

- The number of students served through the financial aid program for working adults (pending project approval and funding in the 2005-07 state operating budget).

Estimated Costs

- The HECB has requested $2 million in 2005-07 for the pilot financial aid program.

Examples of Ongoing Work Related to this Recommended Action

- The HECB is developing rules for the revisions to the Future Teachers Conditional Scholarship and Loan Repayment Program that were enacted in 2004 by the governor and legislature in House Bill 2708.

5. Increase the number of current or new college instructors who are trained to teach adults, particularly those who require English language or bilingual instruction, or are participating in English as a Second Language programs.

- **By fall 2005, the HECB and higher education partners** will collaborate to identify and publicize grant programs through which funding is available to provide relevant instruction and training.

Performance Measures

- The number of new or continuing grants to provide training in teaching adult learners and ESL and, as a result, the number of newly trained instructors.

Estimated Costs

- Administrative work on this initiative would be absorbed within existing budgets.

- The state would incur no additional costs if this initiative took advantage of existing grant funds, such as high-demand enrollment funding for teacher training or certification.

Examples of Ongoing Work Related to this Recommended Action

- In the past two years, the HECB has awarded several high-demand enrollment grants to universities for programs to serve non-traditional students. Examples include the CWU "career switcher" program to retrain laid-off aerospace workers as math teachers and programs at two universities (CWU and WSU) to increase the number of teachers trained to provide ESL instruction.

- The HECB has awarded federal Title IIA teacher training grants to enable colleges of education to prepare better-trained ESL and bilingual teachers. For example, Heritage University is using a grant to prepare experienced teachers' aides to become fully certified ESL and bilingual teachers.

- The Washington Professional Educator Standards Board oversees state and federal grant programs to develop "alternative route" programs to increase the number of teachers in geographic and subject-matter shortage areas, including ESL and bilingual instruction.