WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

SPECIAL BOARD MEETING
BY TELECONFERENCE
State Investment Board Room
2100 Evergreen Park Drive, SW, Olympia 98504

December 15, 2003

Approximate Times

9:00 a.m. BOARD INTRODUCTIONS

Purpose of meeting
Gay Selby, vice chair

Summary of revisions to Dec. 3rd draft interim strategic master plan
HECB staff

Board discussion

Adoption of 2004 interim strategic master plan
Resolution. 03-41

ADJOURNMENT

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

HECB 2004 Meeting Calendar

Date	Location
Jan 16, Fri.	State Investment Board, Olympia
Feb. 17, Tues.	State Investment Board, Olympia
March 25, Thurs.	State Investment Board, Olympia
April 22, Thurs. (*Board Retreat)*	TBA
May 20, Thurs.	WSU, Vancouver
July 22, Thurs.	Eastern Washington University, Cheney
Sept. 23, Thurs.	State Investment Board, Olympia
Oct. 21, Thurs.	Seattle Central Community College
Dec. 9, Thurs.	Tacoma Community College

Resolution No. 03-41

WHEREAS, State law directs the Higher Education Coordinating Board to prepare a strategic master plan for higher education every four years; and

WHEREAS, The Legislature and Governor enacted a bill during the 2003 session (House Bill 2076) to establish the legislative work group that has provided valuable input into the development of the 2004 interim strategic master plan; and

WHEREAS, HB 2076 directs the HECB to submit the 2004 interim strategic plan to the Legislature and Governor by December 15, 2003 and, following legislative consideration, to submit the final plan in June 2004; and

WHEREAS, The Board presented its draft interim plan during its meeting on October 29, 2003, and conducted public hearings on the draft plan on November 10 in Spokane and on November 13 in SeaTac; and

WHEREAS, The Board has considered the testimony presented at the public hearings and has made several revisions that have improved the draft plan; and

WHEREAS, The board has articulated mission, vision and value statements for higher education in Washington and has expressed its support for a student-centered approach to higher education decision-making, increased management flexibility for colleges and universities, and stronger regional collaboration to address education needs and problems; and

WHEREAS, The interim plan establishes two key goals for the state's college and university system by 2010, to (1) increase by 20 percent the total number of students who earn college degrees and job training credentials each year, and (2) increase the responsiveness of the higher education system to the state's economic needs; and

WHEREAS, The interim plan articulates several strategies for achieving the goals that address enrollment increases; improved efficiency; innovation in service delivery; funding, tuition and financial aid; economic responsiveness; and improved linkages between the state's higher education and K-12 education systems;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopt the interim plan as presented at its special meeting on December 15, 2003, and transmit it to the Legislature and Governor.

BE IT FURTHER RESOLVED, That the HECB expresses its thanks and appreciation to the many people and organizations who have participated in the development of the interim strategic master plan and who the Board hopes will continue to be involved in the development of the final plan.

Adopted: Dec. 15, 2003

Attest:

BOB CRAVES
Bob Craves, Chair

ANN RAMSAY-JENKINS
Ann Ramsay-Jenkins, Secretary

WASHINGTON
HIGHER
EDUCATION
COORDINATING BOARD

December 15, 2003

To: **Governor Gary Locke**
Members of the Washington Legislature

From: **Bob Craves, Chairman, Higher Education Coordinating Board**

Subject: **2004 Interim Strategic Master Plan for Higher Education**

The Higher Education Coordinating Board is pleased to submit to you the 2004 Interim Strategic Master Plan for Higher Education. We believe this plan is vitally important to help us preserve and strengthen our state's higher education system. The plan's goals and strategies will help us provide the best possible education to the tens of thousands of students who will seek to enroll in college in this state between now and 2010. The plan focuses first and foremost on the needs of students, but it also has important implications for Washington's statewide educational vitality, economic competitiveness and civic health.

Background

The HECB is charged with producing a policy blueprint for higher education every four years, but this is the first time the board has been given legislative direction in two key areas. First, House Bill 2076 created a legislative work group to help guide development of a *strategic* master plan. Second, the measure required that the agency submit an *interim* plan in December 2003, with the final version to be completed in June 2004.

The plan identifies the mission and values of the college and university system and puts forth goals and strategies to address the most significant issues facing higher education. The plan contains two over-arching goals: (1) Increase the number of students who earn college degrees and job training credentials, and (2) Become more responsive to the state's economic needs.

We are pleased to tell you that this plan focuses on outcomes, with measurable goals and strategies and provisions for improved higher education accountability. The plan is a clear endorsement of management flexibility, and rejects the notion that "one size fits all" in the education process. The plan endorses a regional approach to planning and problem solving while also recognizing the statewide mission of our system and the individual universities and colleges. Finally, while some of the specific strategies will be more fully developed over the next few months, every strategy directly supports the goals of the plan.

Key recommendations in the master plan

By 2010, the plan would:

- Increase by about 20 percent the total number of students who earn college degrees and complete job training each year;
- Expand opportunities in high-demand fields whose graduates meet the needs of Washington businesses and communities;
- Increase state funding for university research to support innovative strategies to address regional and statewide challenges; and
- Improve higher education efficiency and provide colleges with flexible management tools to fulfill their missions and meet public expectations.

The board also proposes that the state review the current higher education governance structure and consider consolidating the higher education functions of the HECB, State Board for Community and Technical Colleges, and the Workforce Training and Education Coordinating Board into one state governing body. Based on public testimony following release of the draft interim plan in October, the HECB amended its initial draft recommendation that the three boards be consolidated. Instead, we propose a review of the current governance system, which we continue to believe is a barrier to collaboration and change.

The board made another significant change in the plan in response to public testimony by adding a specific strategy to create stronger linkages between the K-12 and higher education systems. We believe this strategy will lead to increased opportunities for students and improved collaboration among our education leaders at all levels.

Next steps

As you know, the submission of this interim plan is only one step in the process that will culminate with the submission of the final strategic master plan in June 2004.

HB 2076 calls for a legislative review and public hearings on the plan during the upcoming session. Then, the statute calls for the Legislature to adopt a concurrent resolution that will guide our development of the final plan.

During the coming weeks and months the HECB will continue to develop the strategies addressed in the plan and will respond to legislative input as it has in developing the interim plan. The board and its staff are currently working on cost estimates of the various proposals to assist the Legislature during the 2004 session.

We look forward to a broad-based collaboration with you and the many other groups who have a stake in the future of our higher education system as we continue to develop the plan and craft the final document.

2004 Strategic Master Plan for Higher Education: Interim Plan

December 15, 2003

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

Outline of interim strategic plan

I. Overview of key recommendations

II. The higher education mission

III. Goals for higher education:
   1. Increase opportunities for students to earn degrees
   2. Respond to the state's economic needs

IV. Strategies to achieve goals

V. Governance and accountability

I. Overview of key recommendations

The 2004 strategic master plan will support better-educated residents and a more prosperous state by enhancing opportunities for students and colleges to succeed. By 2010, the plan would:

- Increase by about 20% the total number of students who earn college degrees and complete job training each year
- Expand opportunities in high-demand fields whose graduates meet the needs of Washington businesses and communities
- Increase state funding for university research to support innovative strategies to address regional and statewide challenges
- Improve higher education efficiency, and provide colleges with flexible management and service delivery options to fulfill their missions and meet public expectations

II. The higher education mission

"The mission of Washington's higher education system is to support the economic, cultural and civic vitality of the state through education, research and public service to provide tangible benefits to residents, businesses and communities."

A vision for higher education

- Washington's higher education system should strengthen the state's economic competitiveness through education and training for Washington residents
- State policies should support efficient graduation and completion, and broad participation in college
- State investments should promote a full range of opportunities, from basic skills instruction to job training to college degrees of all types
- State government, public colleges and universities, and students should all be accountable for performance outcomes

Core values reflected in the interim plan

- All students, regardless of their income, race, ethnicity, gender or personal background, deserve the opportunity to enroll and succeed in college
- Our entire society benefits from a strong higher education system, so everyone should share the responsibility for its quality
- The needs and interests of students should be at the center of higher education decision-making

III. Goals for higher education

Goal 1: Increase opportunities for students to earn degrees

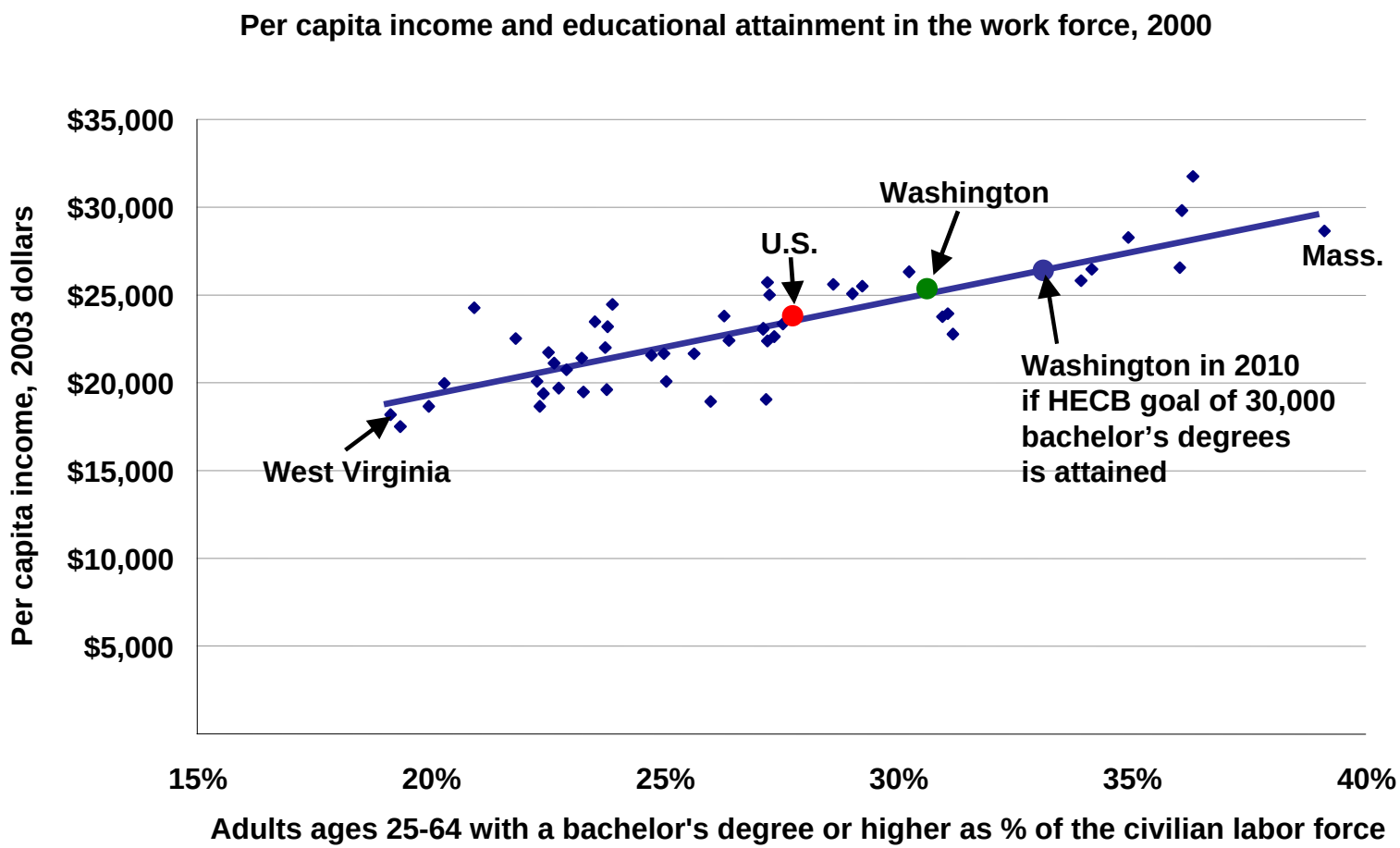
By 2010:

- The number of students who earn associate's degrees will increase by 3,500 to reach 23,500 per year
- The number of students who earn bachelor's degrees will increase by 5,500 to reach 30,000 per year
- The number of students who earn graduate and professional degrees will increase by 2,000 to reach 11,500 per year

Goal 1:
Increase opportunities for students to earn degrees

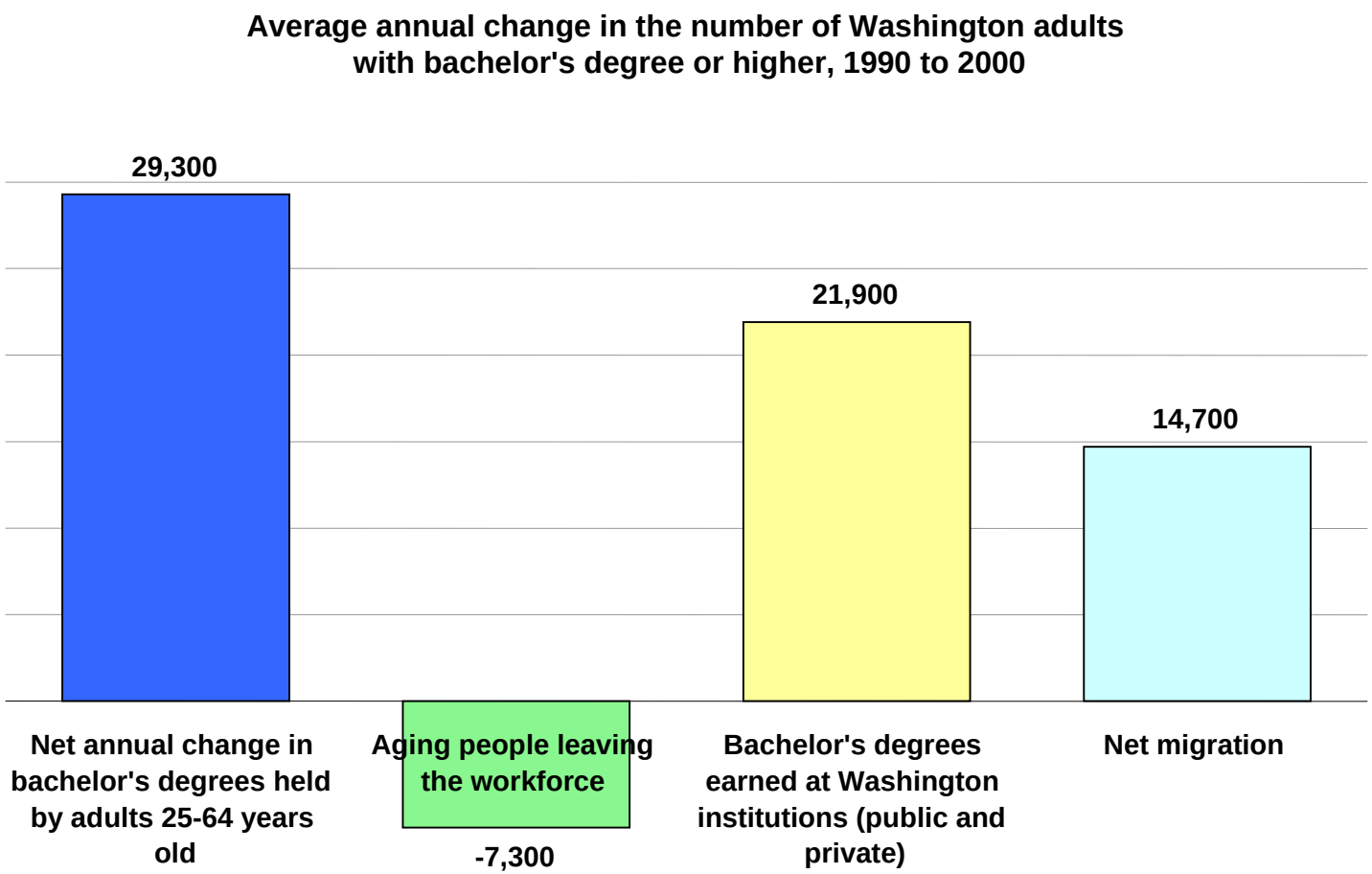
- **Why do college degrees matter?**
  - Benefits for communities and the state: Lower poverty rates, increased civic participation, greater tax contributions, a stronger economy
  - Benefits for individuals: Higher income, less unemployment, better quality of life
- **Why is an increase of this magnitude needed?**
  - It responds to economic needs, keeps pace with population growth, and addresses important educational and cultural needs

There is a strong relationship between the share of the labor force with a bachelor's degree and a state's per capita income

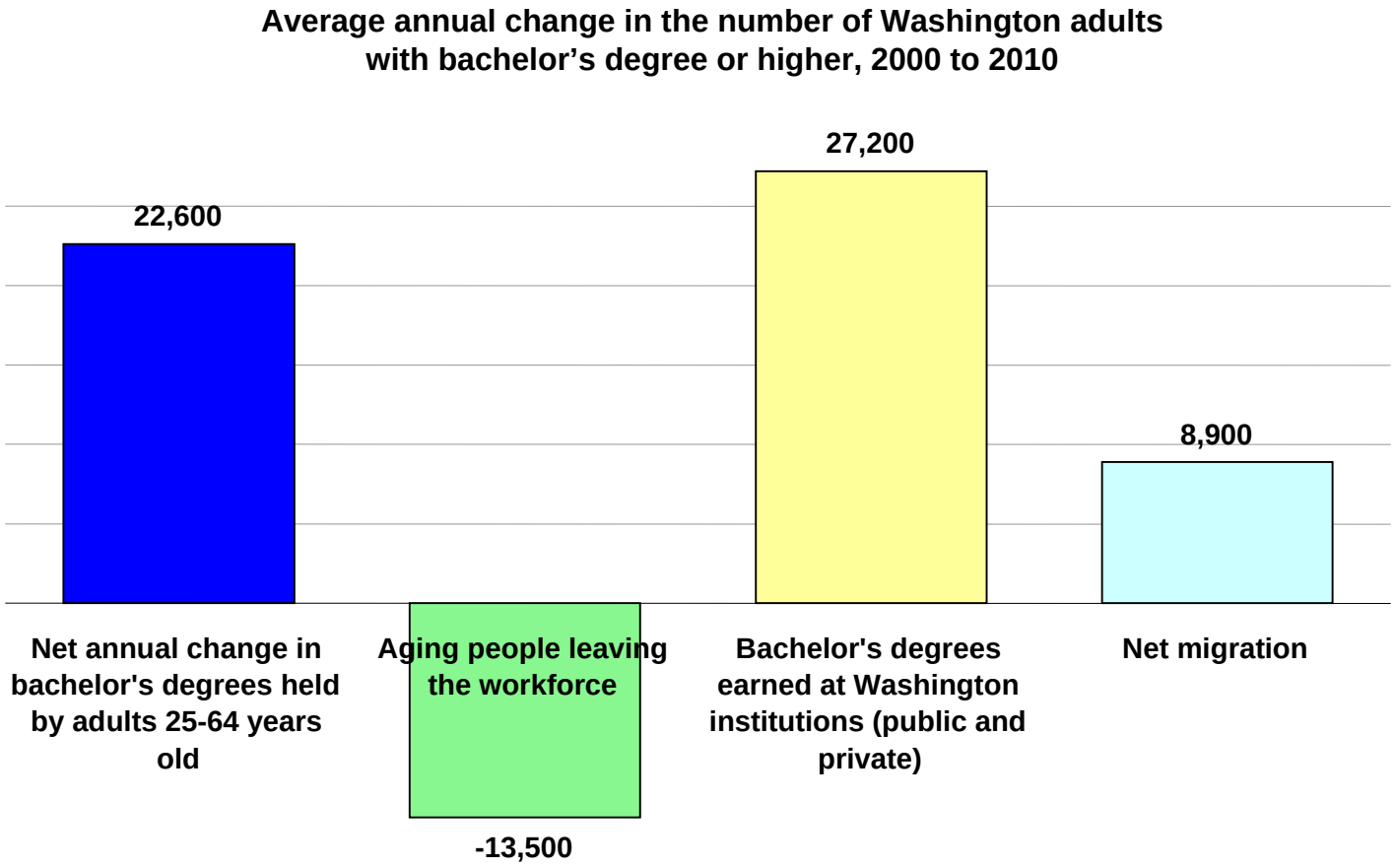


Sources: HECB analysis using Census and BLS data

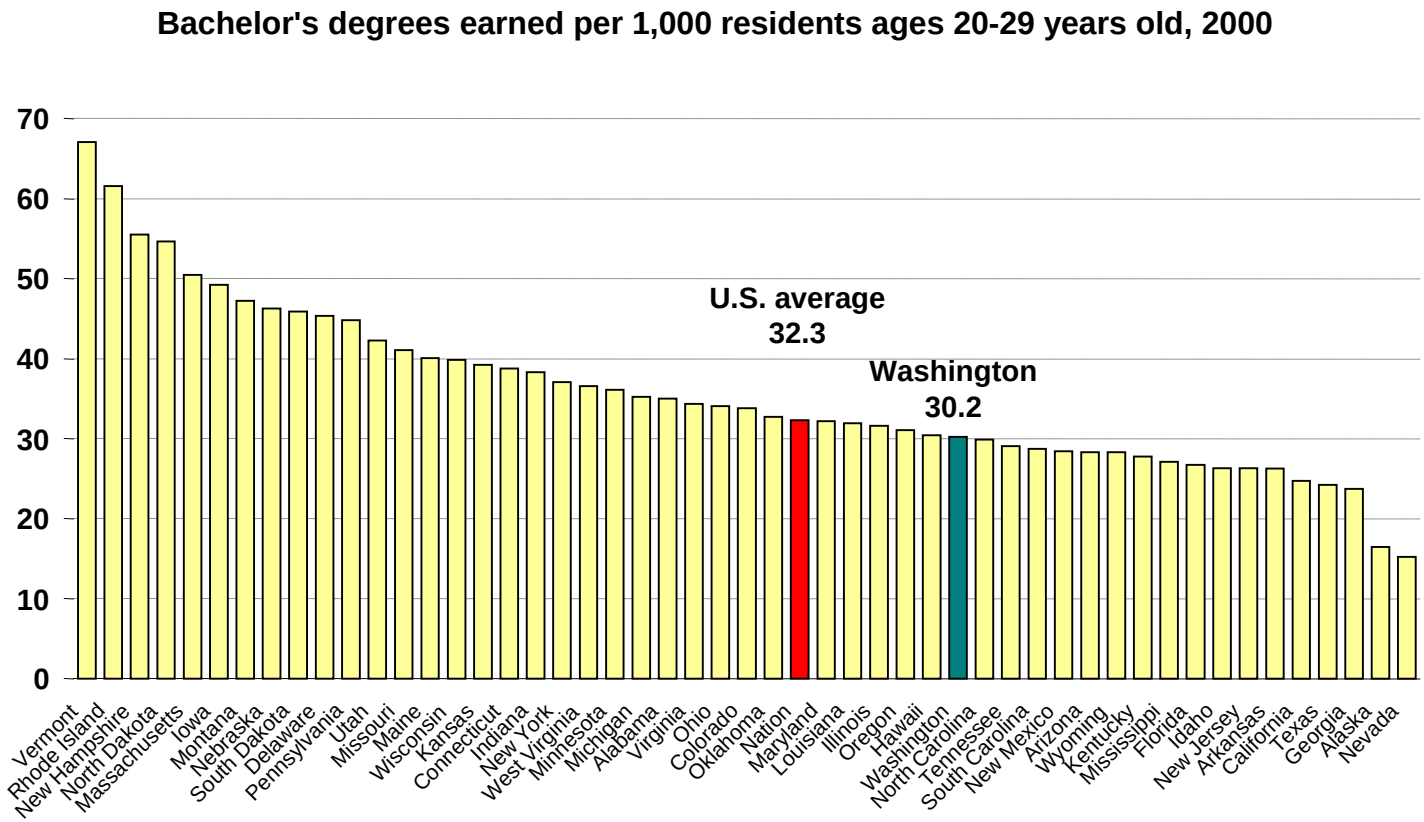
Each year during the 1990s, an average of 21,900 Washington students earned college degrees and another 14,700 degree-holders moved into the state



In this decade, Washington will rely more heavily on residents earning college degrees, because more people will retire and fewer will move into the state

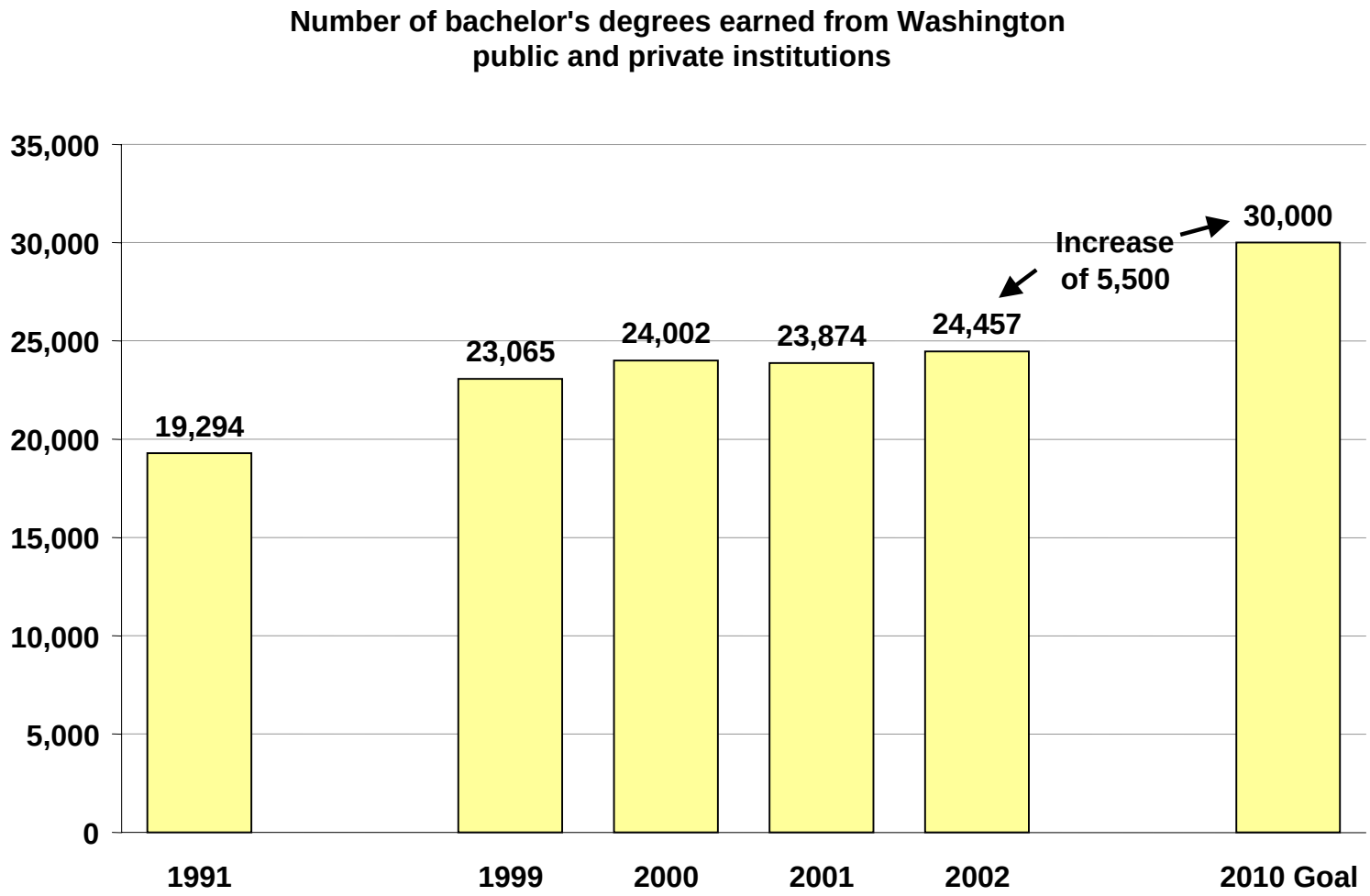


Washington ranks 33rd among the states in the number of bachelor's degrees earned



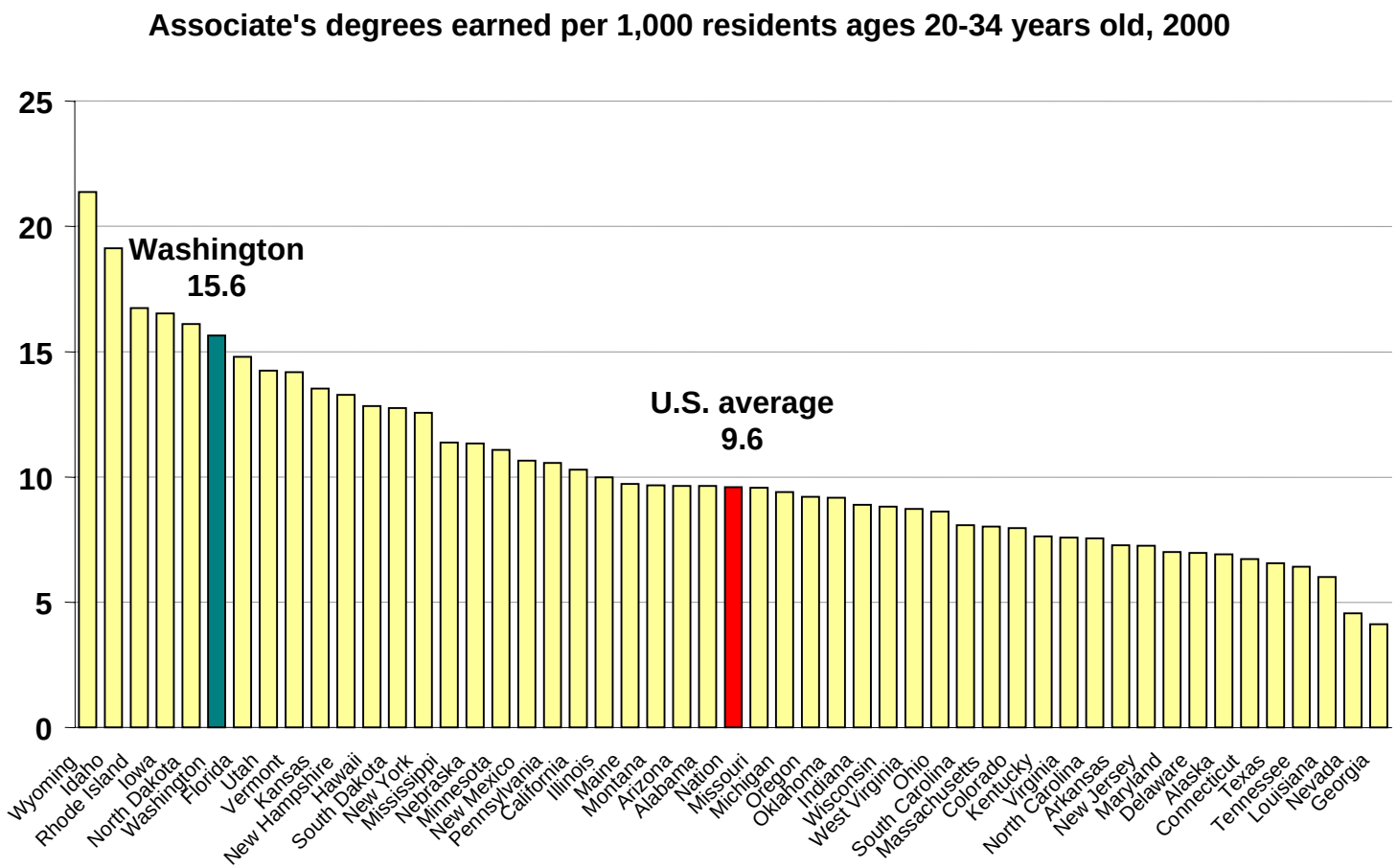
Source: IPEDS and Census

To reach the national average by 2010 will require an additional 5,500 bachelor's degrees per year



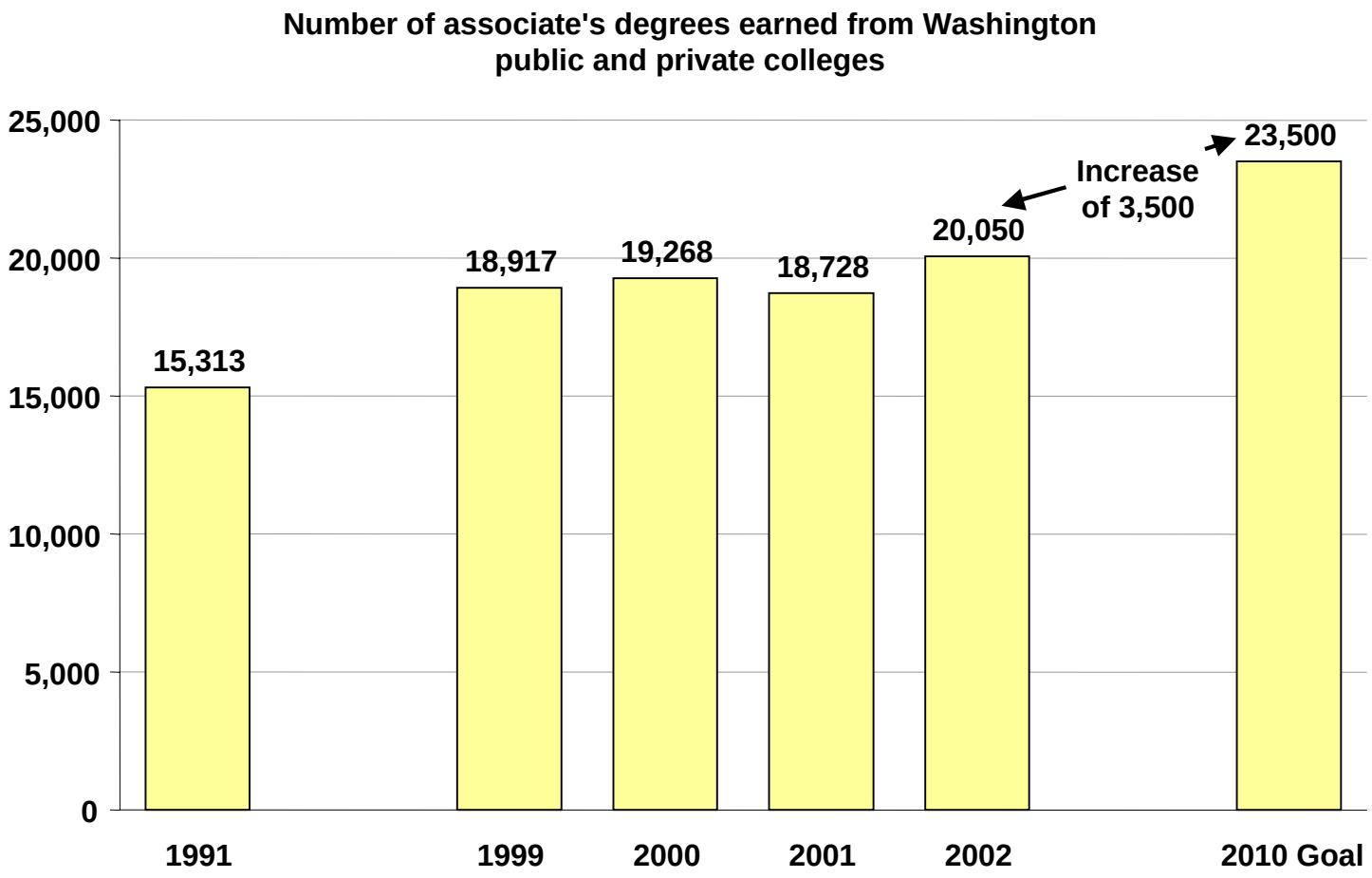
Source: IPEDS; Goal based on increasing degrees earned from 30.2 to 32.3 per 1,000 residents ages 20-29 and the number of residents aged 20-29 increasing by 18%

Washington ranks 6th among the states in the number of associate's degrees earned



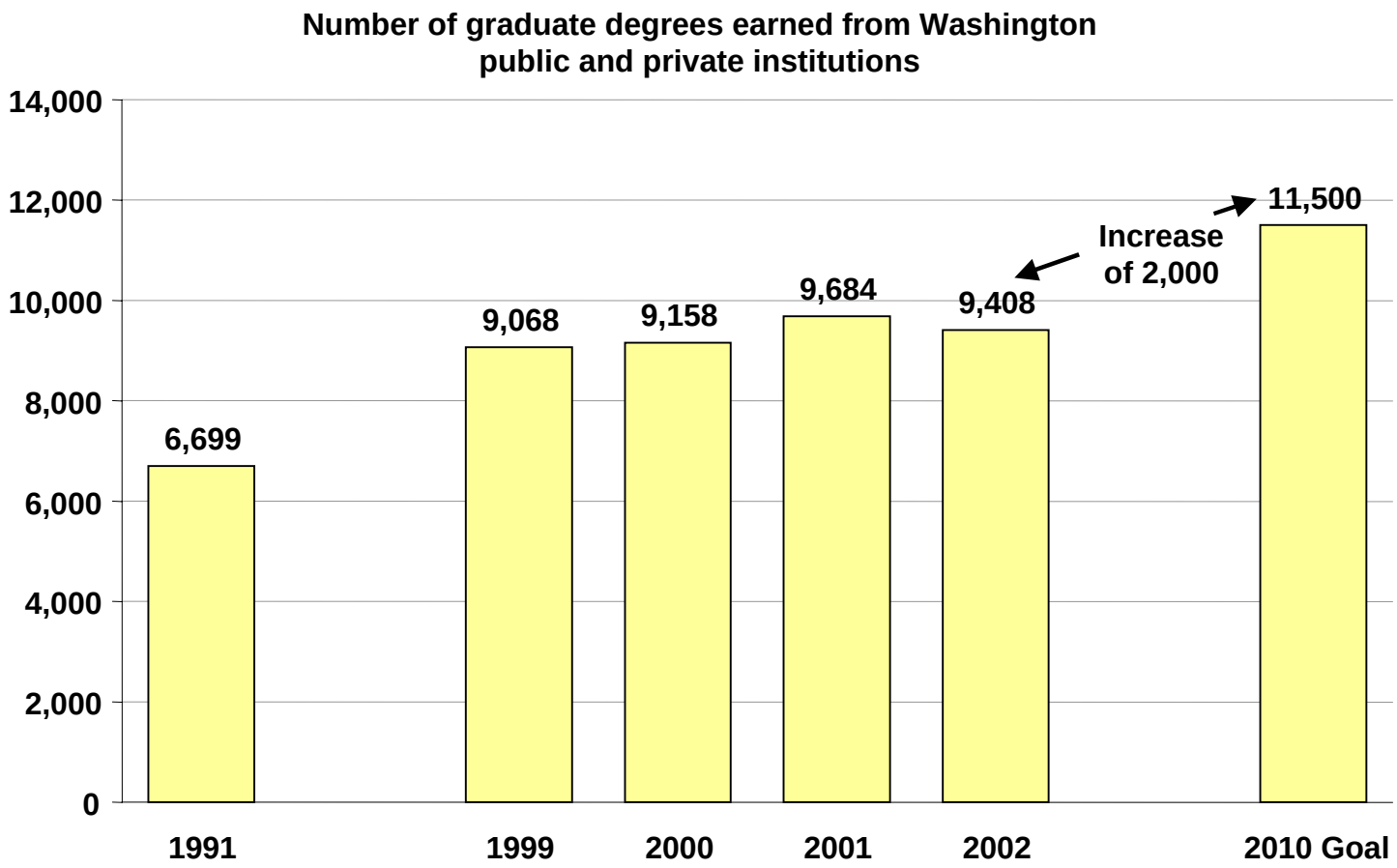
Source: IPEDS and Census

To maintain a strong community college system will require an additional 3,500 associate's degrees per year by 2010



Source: IPEDS; Goal is based on increasing degrees earned from 15.6 to 17.0 per 1,000 residents ages 20-34, and the number of residents aged 20-34 increasing by 10 percent

To maintain the ratio between graduate degrees and bachelor's degrees earned will require an additional 2,000 graduate degrees per year by 2010



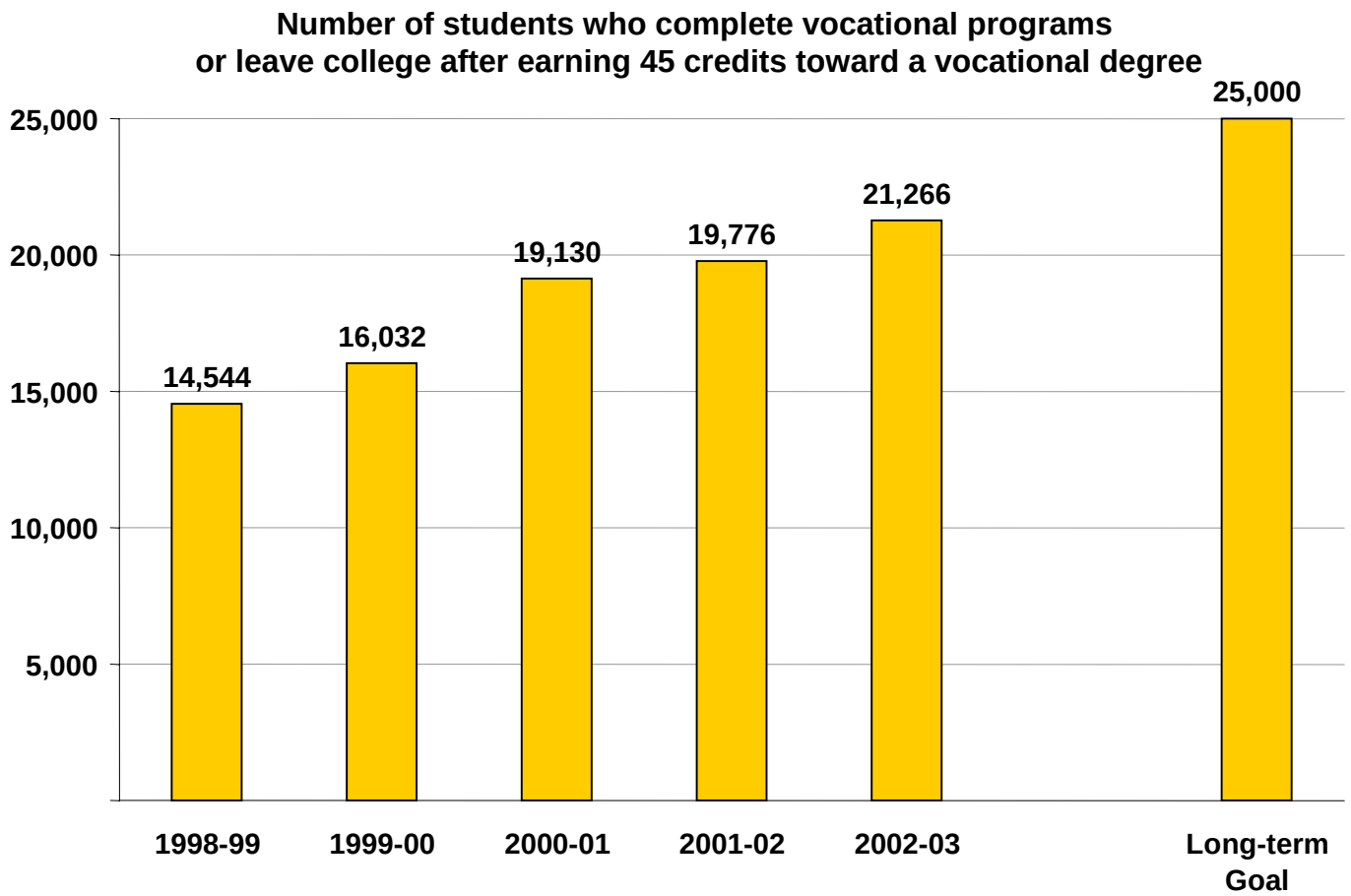
Source: IPEDS; Goal based on awarding one graduate degree (master's, doctorate or professional) per 2.6 bachelor's degrees earned

Goal 2: Respond to the state's economic needs

- Increase enrollment opportunity and the number of students who earn degrees in high-demand fields that support state and regional priorities
- Increase state funding for university research linked to state economic development objectives
- Increase the number of students who complete job training programs by 18% to reach 25,000 per year
- Increase from 50% to 80% the proportion of basic skills students who demonstrate skill gains

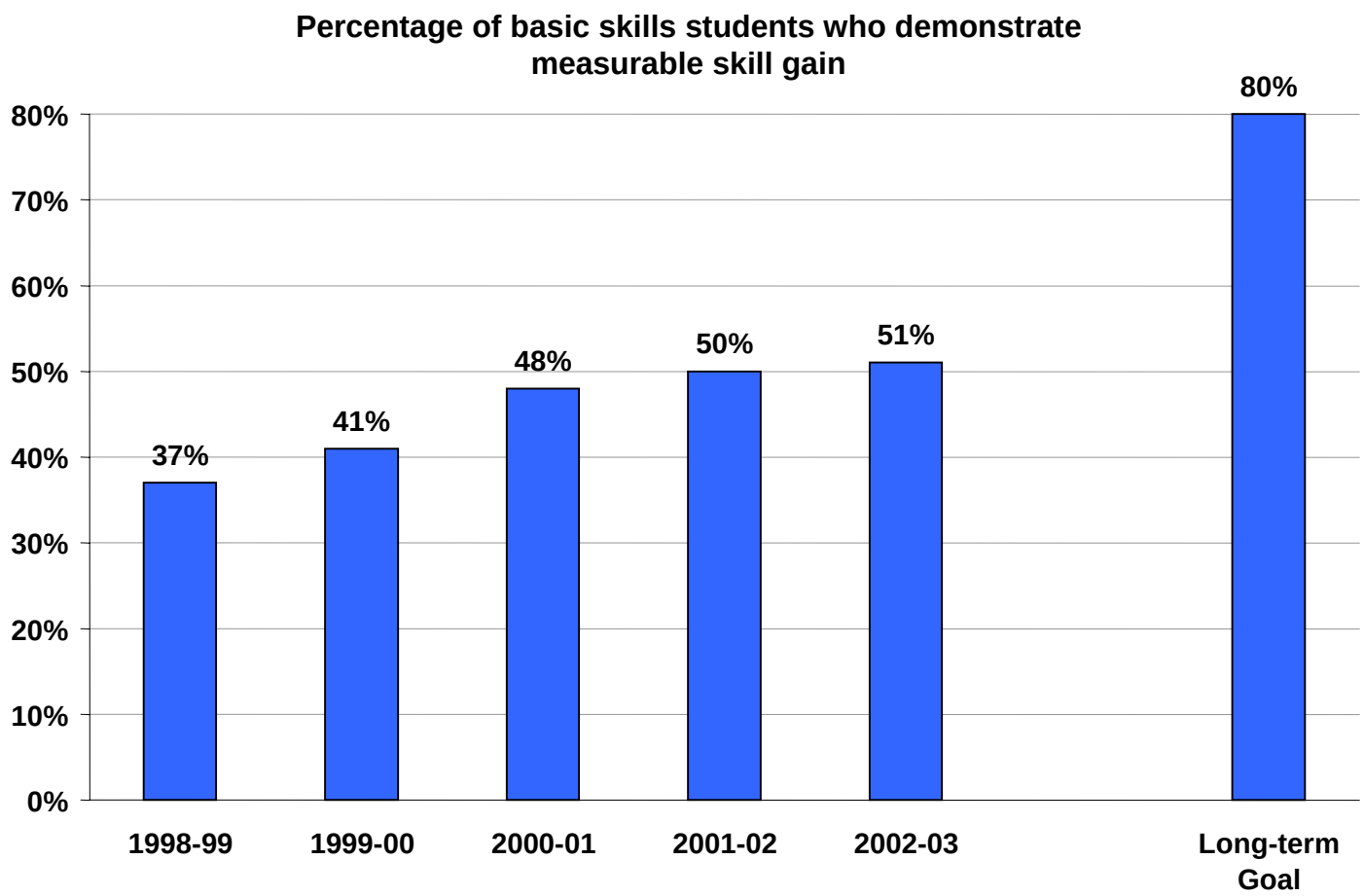
- **Why is this goal important?**
  - Washington is not graduating enough students to fill job openings in many high-demand fields
  - If Washington residents don't have the necessary education and training, employers will hire from out of the state, especially for well-paying jobs
  - Students who complete job training earn 10% more than those who do not complete training
  - State funding for research demonstrates the state's commitment to the knowledge-based economy and serves as 'seed money' for new ventures

The two-year college system has a long-term goal of preparing 25,000 students for work each year



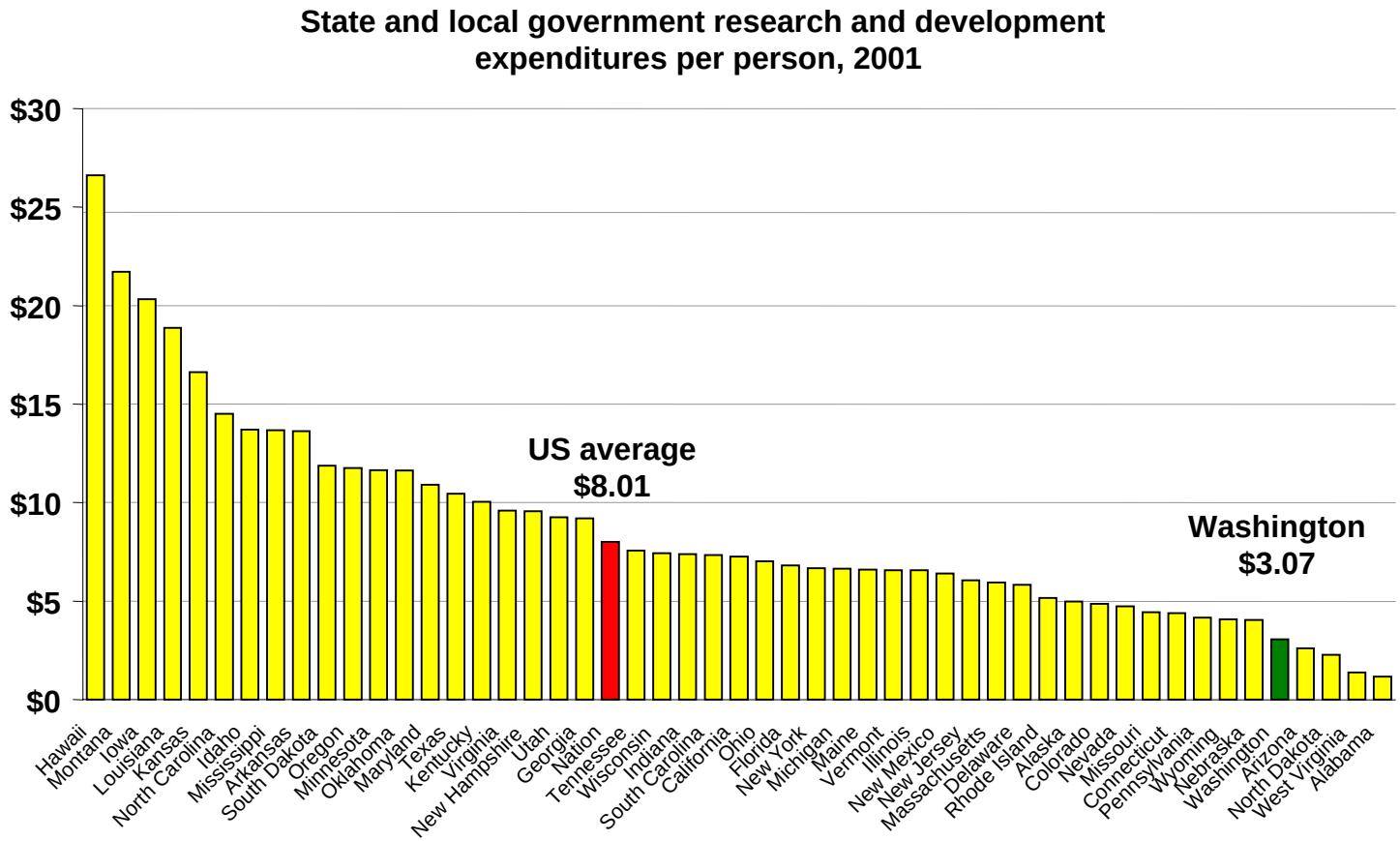
Source: SBCTC

Also, the two-year colleges aim to significantly increase the success of adult basic skills students



Source: SBCTC

Only four states spend less per person than Washington for higher education research and development



Source: NSF and Census

IV. Strategies to achieve goals

A. Increase enrollment

B. Improve educational efficiency

C. Promote innovation in service delivery

D. Address funding, tuition and financial aid

E. Improve higher education's responsiveness to the state's economic needs

F. Improve K-12 / higher education linkages to promote student success in college

Strategy A: Increase enrollment by 2010 to give more students the opportunity to earn degrees

State-funded FTE enrollments:

To reach associate's degree goal	18,000
To reach workforce training goal	8,100
To reach bachelor's and graduate degree goals	18,900
New enrollments to reach goals	**45,000**
Enrollments saved through efficiencies	TBD*
Net new enrollments to reach goals	**TBD***

Notes: 33,500 new state-funded FTE are needed by 2010 to maintain 2002 participation rate

*** -- To be determined**

Strategy B: Improve educational efficiency to make the most of limited state resources

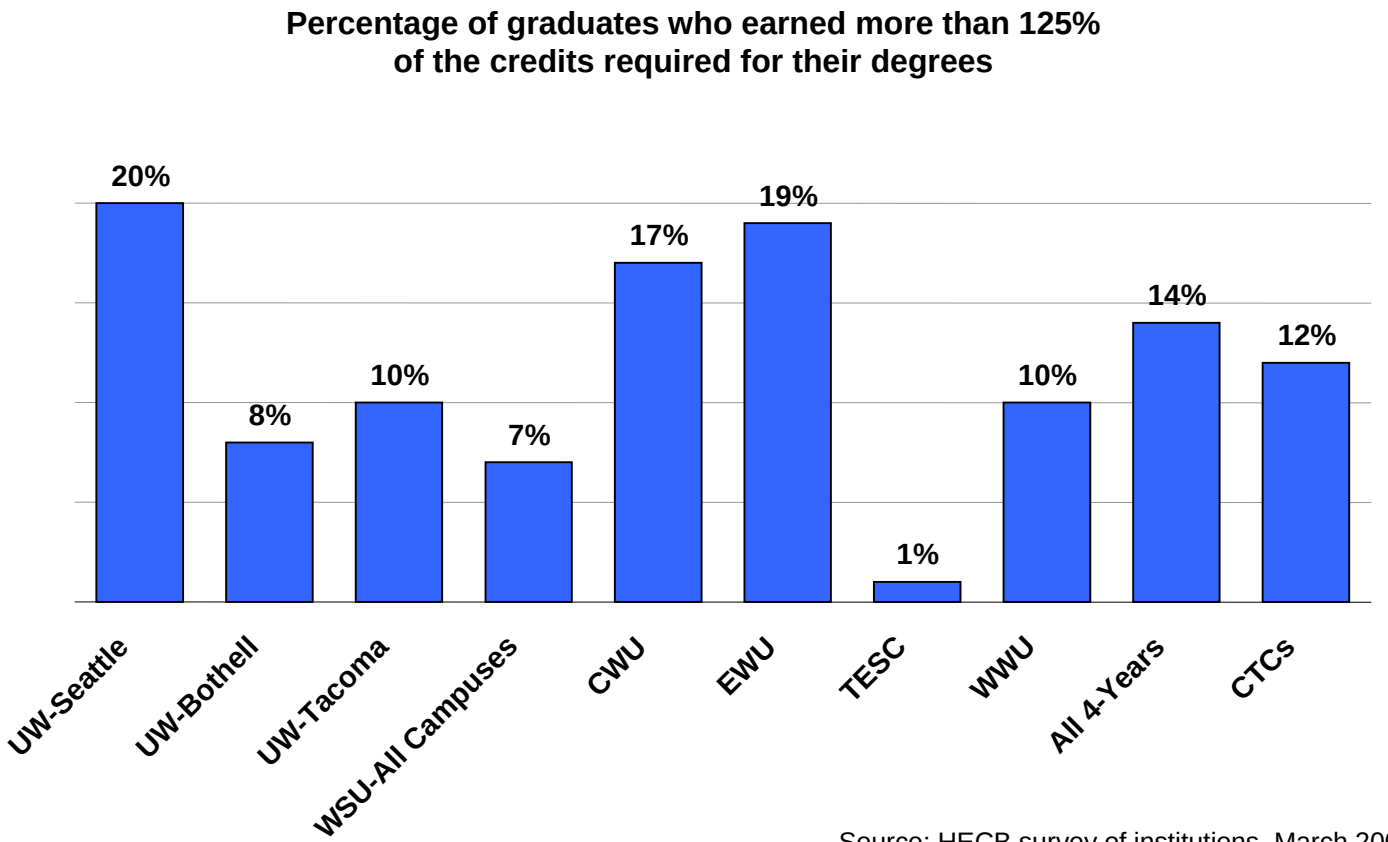
- Increase the number of students who transfer from two-year to four-year colleges and earn degrees
- Reduce the need for remedial course work in college among recent high school graduates
- Reduce the number of students who graduate with excess credits
- Reduce the number of credits earned by transfer students that do not apply to their bachelor's degrees
- Increase student retention
- Work with institutions to identify other efficiencies

Thousands of high school graduates who go directly to college need remedial instruction before they can do college-level work

- **Two-year colleges --** 18,600 Washington high school graduates from the class of 2001 enrolled the following year at public 2-year colleges
  - 55% required remedial courses
    - 31% math only; 7% English only; 17% both courses
- **Four-year colleges --** 9,100 Washington high school graduates from the class of 2001 enrolled the following year at public 4-year colleges
  - 11% required remedial courses
    - 7.4% math only; 2.4% English only; 1.4% both courses

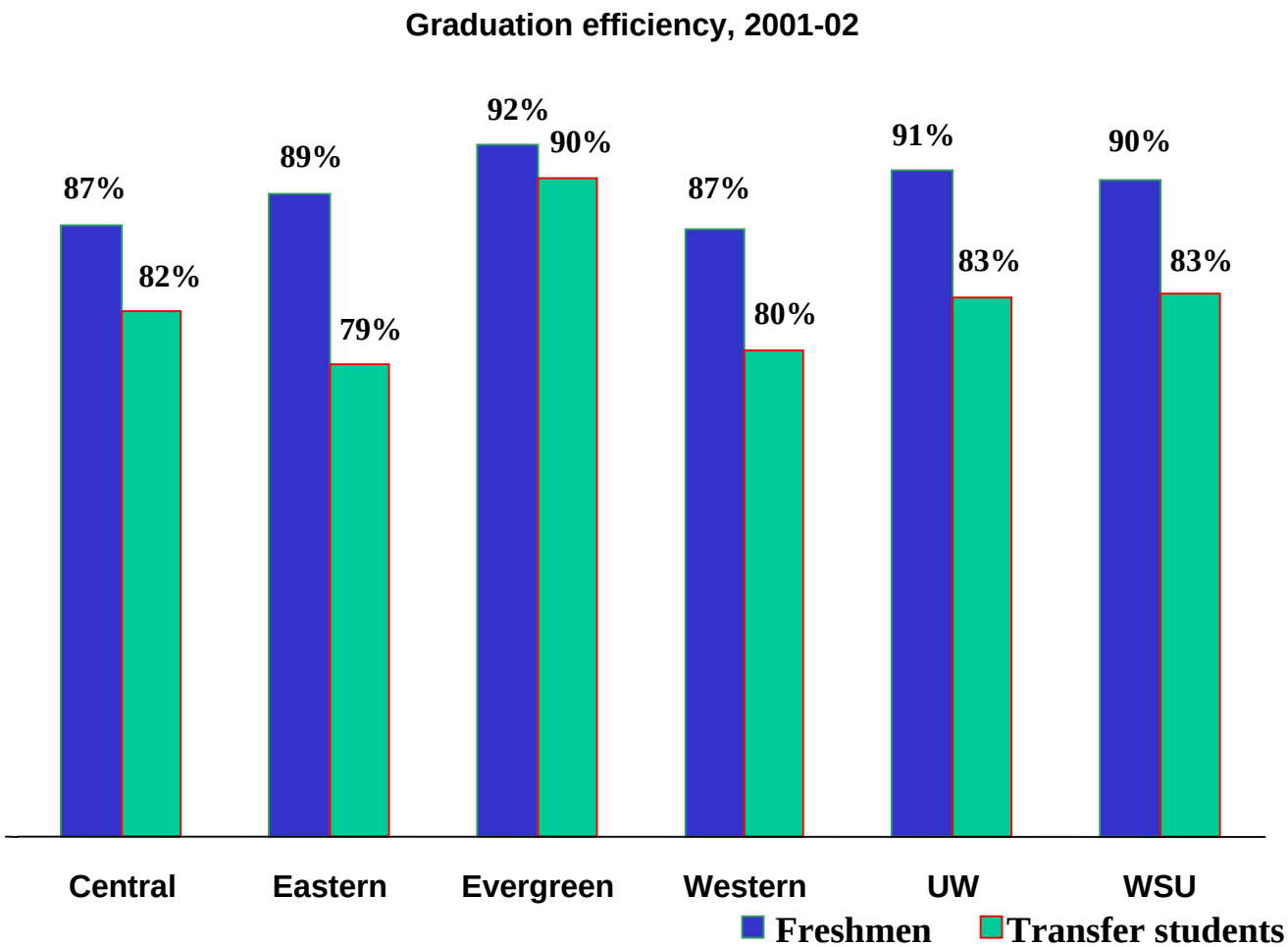
Source: SBCTC and WSU Social & Economic Sciences Research Center

Reducing the number of students who accumulate excess credits would increase the efficiency of public higher education



Source: HECB survey of institutions, March 2003

The HECB supports policies that can help transfer students graduate as efficiently as students who enter a four-year college directly from high school



Graduation efficiency reflects the number of credits required for a degree compared with the number attempted by a student. A 100% measure represents 'perfect' efficiency

Source:
HECB 2002 Accountability Update

Strategy C: Promote innovation in service delivery to meet changing regional and state needs

- Identify planning and decision-making models that promote regional collaboration and problem-solving and strengthen the 2-plus-2 system, especially in regions served by branch campuses
- As appropriate in each region:
  - Allow branch campuses to offer selected lower-division courses and doctorate degrees, and/or evolve into four-year institutions
  - Allow community colleges to offer selected upper-division courses, and permit selected community colleges to offer bachelor's degrees and/or evolve into four-year institutions
- Enable comprehensive institutions to offer more bachelor's of applied science degrees
- Allow partnerships of public and private institutions to receive high-demand enrollment funding

Strategy C:
Promote innovation in service delivery

- **Benefits**
  - Colleges and universities will work together on a regional basis to improve student success, and will have greater management flexibility to respond to community needs
  - Branch campuses will evolve to meet the unique needs of their students and communities
  - Community colleges will be able to respond to the need for bachelor's degrees that are not currently offered by four-year universities
  - Transfer students will benefit from improvements in the 2-plus-2 educational model
  - The state will address geographic disparities in students' college attendance, especially at four-year universities

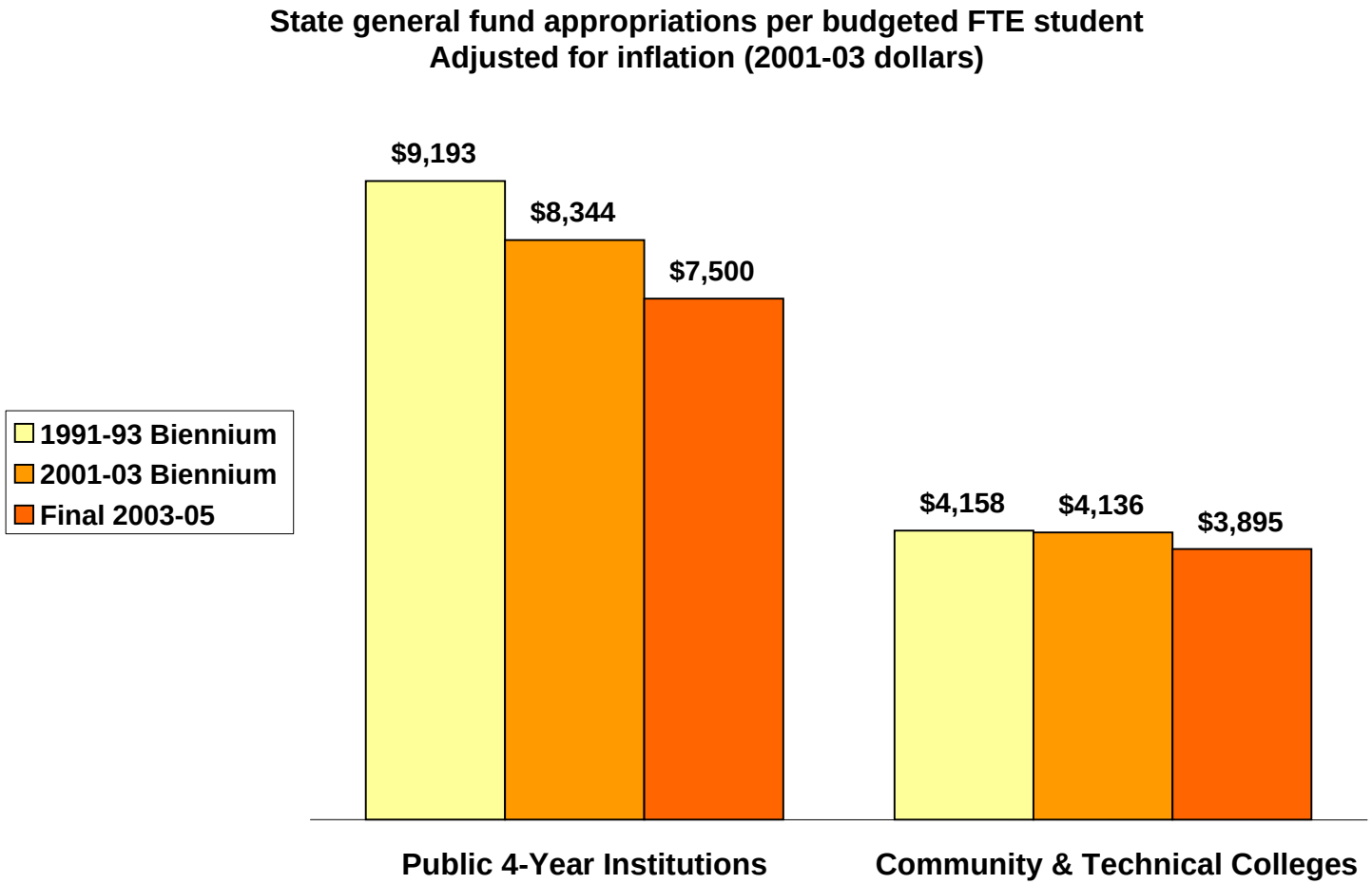
Strategy D: Address funding, tuition and financial aid to preserve and enhance educational quality

- **Funding**
  - Fund enrollments at the average rates for comparable institutions nationwide to help achieve the state's graduation goals, promote quality and eliminate over-enrollment
- **Tuition and financial aid**
  - Give colleges unrestricted tuition-setting authority for all students
  - Require schools to supplement state grants for low-income students to offset local undergraduate tuition increases
  - Fund the State Need Grant to reach HECB goals (65% of median family income, 100% of tuition). Also, maintain the purchasing power of all other state financial aid programs

Strategy D:
Address funding, tuition and financial aid

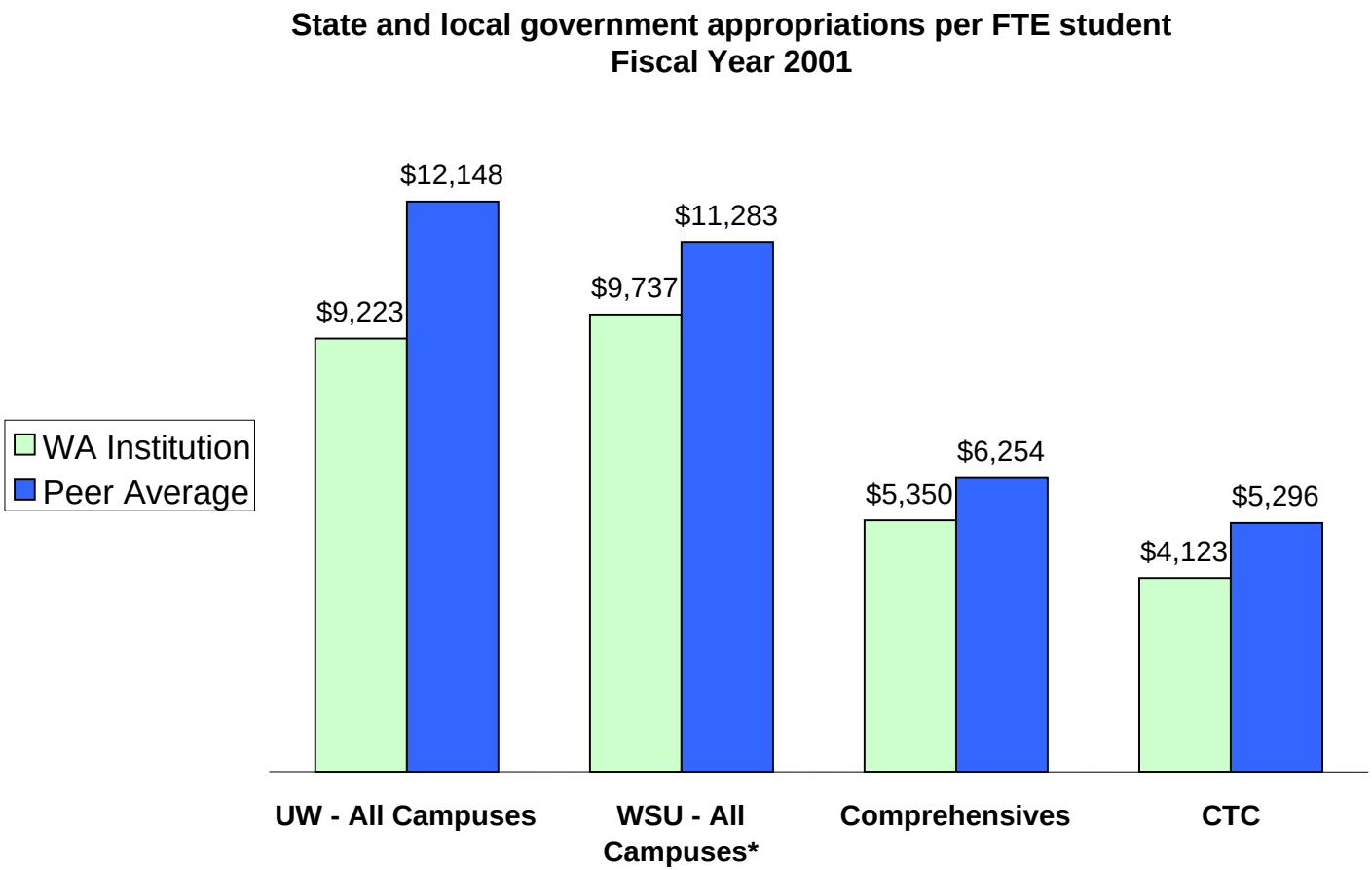
- **Benefits**
  - Colleges will be able to respond to the need for more graduates, while improving quality and offering programs that meet community needs
  - The state will be able to preserve and enhance its strong financial aid system
  - Hundreds of additional low-income students will be shielded from the negative impact of large tuition increases
  - Public colleges will be able to expand relatively costly high-demand courses and programs
  - Funds will be available to recruit and retain top-caliber faculty

State support per higher education student has declined since the early 1990s and continues to erode in the 2003-05 operating budget



Sources: LEAP (historical appropriation FTE data);
2003-05 Operating Budget; and Office of the Forecast Council (inflation)

State and local government funding per student in Washington is significantly less than at comparable institutions in other states



For WSU and its peers, appropriations include funding for agricultural research and cooperative extension

Strategy E: Improve higher education's responsiveness to the state's economic needs

- Create an ongoing program to identify high-demand fields and recognize higher instructional costs
- Use an incentive-based approach to dedicate a portion of all new enrollments for high-demand programs, job training and related initiatives
- Increase state research funding to promote new economic ventures
- Support the two-year college system's strategies to increase student success in job training and basic skills
- Develop a new financial aid program to support adults who work full-time and go to college part-time

Strategy F: Improve K-12 / higher education linkages to promote student success in college

- Expand access to programs in which K-12 students earn high school and college credit simultaneously
- Increase the number of K-12 students who complete a rigorous high school curriculum that prepares students to do college-level work without remedial instruction, especially in mathematics
- Improve the communication to students, families and K-12 schools of what students must know and do to be considered ready for college
- Revise current HECB minimum college admission requirements to ensure college-bound students are encouraged to take the high school courses they need to prepare for college-level work

V. Governance and accountability

- **Role & mission of state higher education boards**
  - The current higher education governance structure does not promote collaboration and poses unnecessary barriers to change
  - The state should review governance options and consider consolidating the higher education functions performed by the HECB, SBCTC and WTECB into one state governing board
  - College and university boards of regents and trustees should remain in place
  - Higher education and K-12 leaders should work together to reinforce and enhance K-12 education reform and promote a P-16 approach to education

V. Governance and accountability

- **Role & mission of colleges and universities**
  - Examine the state's relationship with its public colleges and universities in order to establish clear goals and expectations

- **Accountability**
  - Use benchmarks and performance indicators to effectively measure results
  - Develop a performance contract pilot project under the terms of House Bill 2111
  - Strengthen and improve the consistency of higher education data systems
  - Develop means to determine the cost of college degrees in specific fields

More information about issues related to the strategic master plan

- The Legislature will conduct public hearings on this interim strategic master plan during the 2004 legislative session and will provide direction for the preparation of the final plan, which will be submitted in June 2004
- In the coming months, the HECB will continue to develop the strategies addressed in the plan and will prepare cost estimates of the plan elements
- To learn more about higher education issues
  - http://www.hecb.wa.gov
- To contact the HECB about the master plan
  - masterplan@hecb.wa.gov