

W A S H I N G T O N  
**H I G H E R**  
**EDUCATION**  
C O O R D I N A T I N G   B O A R D

September 2005

**DRAFT**  
**HECB Agency Request for 2006 Supplemental Budget**

**Performance Level**

1. GEAR UP Scholarships – \$2.1 million to maintain scholarship levels
2. On-line Student Advising System – \$1.1 million for statewide student advising data system
3. Student Data Warehouse – \$152,000 for student-focused data system
4. Purchased Annuity and Retirement Income Plan Authority – \$294,000 to allow HECB to offer TIAA CREF type retirement in lieu of PERS

**Maintenance Level**

1. Technical Corrections – \$0 for necessary corrections
2. Lease Increase – \$324,000 for increased lease costs and additional space

**Introduction**

The state of Washington enacts biennial operating and capital budgets during each odd-numbered year and supplemental budgets each even-numbered year. The state Office of Financial Management (OFM) has directed agencies to submit supplemental budget requests for the 2006 supplemental budget by October 17, 2005.

The Higher Education Coordinating Board's (HECB) spending authority for the current biennium (2005-07, state general fund and legacy fund) is \$392 million. Of that appropriation, \$387 million (99 percent) is earmarked for student financial aid and direct services. The remaining one percent or \$5 million supports the board's coordination and policy efforts.

The agency budget request is one step in implementing the priorities and proposals included in the board's *2004 Strategic Master Plan for Higher Education*. Other aspects of the plan will be carried out through the board's review of institutional budget requests and other board actions.

**Board Action Requested**

The board is requested to adopt the HECB draft 2006 supplemental budget request as outlined below. With board adoption, these proposals will be refined and drafted to meet OFM submittal requirements by October 17, 2005.

**Performance Level**

**1. GEAR UP Scholarships – \$2.1 million to maintain scholarship levels**

Gaining Early Awareness and Readiness for Undergraduate Programs, or GEAR UP, is a federal initiative to help low-income and educationally disadvantaged middle and high school students prepare for and succeed in college. Students who complete the program’s requirements earn annual scholarships for up to four years of college. The Higher Education Coordinating Board is requesting \$2,146,000 for scholarships worth \$4,050 per year to qualifying students.

2005-07 budget impact:

|  |                    |
|--|--------------------|
| Dollars needed                                   | \$2,146,000        |
| 2005-07 state appropriations                     | \$0                |
| <b>Required increase in state appropriations</b> | <b>\$2,146,000</b> |

RCWs requiring amendment: None.

**2. On-line Student Advising System – \$1.1 million for statewide student advising data system**

The *2004 Strategic Master Plan for Higher Education* and House Bill 2382 (enacted in 2004) identify a need for improved efficiency in student transfer. When students take credits that do not transfer, they take longer to complete their bachelor’s degree.

An online, statewide advising system will help improve transfer efficiency. It will 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 will also have the ability to send their transcripts electronically and have them evaluated for applicability toward specific degrees.

The current request of \$1.1 million includes funds to purchase software and set up the system. It is expected to cost \$.55 million each subsequent year to maintain the system.

2005-07 budget impact:

|  |                    |
|--|--------------------|
| Dollars needed                                   | \$1,100,000        |
| 2005-07 state appropriations                     | \$0                |
| <b>Required increase in state appropriations</b> | <b>\$1,100,000</b> |

RCWs requiring amendment: None.

### 3. Student Data Warehouse – \$152,000 for student-focused data system

The *2004 Strategic Master Plan for Higher Education* proposes the state measure student success with an improved data system. In addition, House Bill 3103 (enacted in 2004) directs the Higher Education Coordinating Board to work with the public colleges and universities to establish a data system so that policy decisions may be based on consistent, objective data. As required by law, the board has assembled a research advisory group to identify the most cost-effective methods to collect new data or access existing data. The HECB has taken steps to create a data warehouse, similar to one managed by the two-year college system, with student-level data for analysis and eventual linkage to other data sources, including the K-12 school system.

2005-07 budget impact:

|  |                  |
|--|------------------|
| Dollars needed                                   | \$152,000        |
| 2005-07 state appropriations                     | \$0              |
| <b>Required increase in state appropriations</b> | <b>\$152,000</b> |

RCWs requiring amendment: None.

### 4. Purchased Annuity and Retirement Income Plan Authority – \$294,000 to allow HECB to offer TIAA CREF type retirement in lieu of PERS

The Higher Education Coordinating Board is the only higher education agency or institution in Washington State that does not have the authority to offer its employees a purchased annuity and retirement income plan in lieu of the Public Employees Retirement System (PERS). Funding and statutory authority is needed to allow the HECB to continue to compete in this market for employees.

2005-07 budget impact:

|  |                  |
|--|------------------|
| Dollars needed                                   | \$294,000        |
| 2005-07 state appropriations                     | \$0              |
| <b>Required increase in state appropriations</b> | <b>\$294,000</b> |

RCWs requiring amendment: RCW 28B.10.400 et. Seq. would be amended to include HECB employees.

**Maintenance Level**

**1. Technical Corrections – \$0 for necessary corrections**

Technical corrections are made to the 2005-07 biennial budget affecting Financial Aid Administration and the Health Professional Conditional Scholarship, Washington Promise Scholarship, and State Need Grant programs. Funding between these programs is adjusted, but there is no net financial impact.

2005-07 budget impact:

|  |            |
|--|------------|
| Dollars needed                                   | \$0        |
| 2005-07 state appropriations                     | \$0        |
| <b>Required increase in state appropriations</b> | <b>\$0</b> |

RCWs requiring amendment: None. However, certain proviso language in the budget will need to be amended.

**2. Lease Increase – \$324,000 for increased lease costs and additional space**

Due to an increase in lease costs effective in October 2005 and the continued expansion of the state’s very successful GET program, additional funds are needed to pay for the added cost of existing space and to lease an additional floor in one of two buildings occupied by HECB staff.

2005-07 budget impact:

|  |                  |
|--|------------------|
| Dollars needed                                   | \$1,001,000      |
| 2005-07 state appropriations                     | \$677,000        |
| <b>Required increase in state appropriations</b> | <b>\$324,000</b> |

RCWs requiring amendment: None.

**RESOLUTION NO. 05-14**

WHEREAS, The Higher Education Coordinating Board (HECB) is a 10-member citizen board, directed in statute “to represent the broad public interest above the interests of the individual colleges and universities;” and

WHEREAS, The Higher Education Coordinating Board administers all state-funded financial aid so that loans, grants, and work – state and federal – may be coordinated to provide the best possible service to students and make best use of state resources; and

WHEREAS, The board also provides policy, regulatory, and fiscal recommendations at the request of the Legislature and governor; and

WHEREAS, The budget request reflects the comments and decisions of the board’s fiscal committee; and

WHEREAS, The Office of Financial Management (OFM) has directed public agencies to submit 2006 supplemental budget requests by October 17, 2005;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the 2006 supplemental budget request presented to the board on September 22, 2005, and directs staff to refine and redraft the request to accommodate OFM submittal requirements by October 17, 2005.

Adopted:

September 22, 2005

Attest:

\_\_\_\_\_  
Bob Craves, Chair

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Jesus Hernandez, Secretary