January Council Committee Agenda Planning

<table>
<tr><th colspan="2">Committee for Funding and Affordability (CFA)</th></tr>
<tr><td colspan="2">The Committee for Funding and Affordability will address issues related to state funding policy, tuition policy, student financial aid, and college savings. This includes the three Roadmap actions below.</td></tr>
<tr><th>Action Items:</th><th>Upcoming Scheduled Meeting Times</th></tr>
<tr><td>• Make college affordable.</td><td>Mon, January 27 – 2:30 to 4 p.m.</td></tr>
<tr><td>• Ensure cost is not a barrier for low income students.</td><td>Mon, March 24 -9 to 10:30 a.m.</td></tr>
<tr><td>• Help students and families save for postsecondary education.</td><td>Mon, May 19 - 9 to 10:30 a.m.</td></tr>
<tr><td rowspan="4"><u>STAKEHOLDER MEMBERS</u>
Vi Boyer (ICW) Violet@icwashington.org
Devon Crouch Devon@ICWashington.org
JoLynn Berge (OSPI) jolynn.berge@k12.wa.us
T.J. Kelly (OSPI) Thomas.Kelly@k12.wa.us
Eleni Papadakis (WTB) EPapadakis@wtb.wa.gov
Nova Gattman (WTB) nova.gattman@wtb.wa.gov
Justin Montermini (WTB) Justin.montermini@wtb.wa.gov
Cody Eccles (COP) ceccles@cop.wsu.edu
Paul Francis (COP) PFrancis@cop.wsu.edu
Denise Graham (SBCTC) dgraham@sbctc.edu
Jayme Shoun (student voice) aswsuv.dla@vancouver.wsu.edu</td><td>Wed, July 9 - 9 to 10:30 a.m.</td></tr>
<tr><td>Wed, September 17 - 9 to 10:30 a.m.</td></tr>
<tr><td>Wed, October 29 - 9 to 10:30 a.m.</td></tr>
<tr><td>LOCATION OF MEETINGS:
WSAC Offices

<u>WSAC MEMBERS</u>
Paul, Marty, Karen
Staff: <u>Marc Webster</u>, Rachelle, Christy</td></tr>
<tr><td colspan="2"><u>January 27 Meeting Agenda:</u>
• Meeting Logistics
• 2014 Roadmap Action Update:
  o Make College Affordable
  o Ensure Cost is not a barrier for low income students
• Other Roadmap Actions (if applicable):
  o Help Students and families save for postsecondary education
• Defining “affordability”
  o Tuition rates, student debt, cost of attendance
• Lessons from other states
  o Funding/Budgeting Systems
• Related Legislation
  o HB 1624, SB 5883, HB 1725, SB 5390, SB 6042, HB 2619, HB 2429</td></tr>
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Committee for Funding and Affordability

Meeting Notes – 1/27/14

Meeting Attendees: Paul Francis (COP), Marty Brown (SBCTC), JoLynn Berge (OSPI), Denise Graham (SBCTC), Nova Gattman (WTECB), Devon Crouch (by phone; ICW), Jayme Shoun (Students, WSU-V)

Staff: Marc Webster, Rachelle Sharpe, Randy Spaulding

Marc opened the meeting by discussing the three goal areas related to Funding and Affordability, and emphasizing that the Committee's work would focus on two of them, "Make College Affordable" and "Ensure Cost is Not a Barrier for Low-Income Students." Further, given that WSAC's request for full-funding of the State Need Grant program was developed and submitted as part of the agency budget request, the Committee would spend much of its time focused on the goal of developing a new funding policy – the focus of the "Make College Affordable" action item.

Marc discussed the question of why a new policy was needed – that the lack of a coherent policy or an ability to translate appropriation amounts into something meaningful (beyond a connection to enrollment levels) left higher education at particular risk of budget cuts. Paul Francis itemized several recent efforts at crafting guidelines around funding, from the Council of Presidents' goal of returning to a 50:50 share of the cost of instruction, to HB 1795 in 2011, to the tuition and per-student funding language developed in Washington Learns, to Performance Plans – none of which fundamentally changed Higher Education's budget prospects, and all of which seemed to have been ignored by subsequent legislatures. Marty Brown extended the history of "funding policies" to the mandated share of the cost of instruction from the early 1980s, and the requirement that institutions maintain enrollment within a narrow band around budgeted levels in the 1990s.

The big questions, Marty said, are: 1) What are we (the state) buying? 2) What does it cost? And 3) Who pays for it? These are the fundamental questions that led to the development of the K-12 "Prototypical School model" and which the higher education policy must address. Washington has tried many different answers to the first question, from enrollments ("Access") to an adequate amount of funding per student ("quality"), and the current approach of block grants with an enrollment floor ("Independence").

All of these policies have changed over time, but Paul reinforced the fact that the legislature may throw out any new policy when revenue declines. Denise offered that the most effective way to guarantee state funding or the continued utility of a funding policy would be to engage the business community to support it, with a focus on higher education's return on investment.

JoLynn briefly described the Prototypical School model, and the group discussed the differences between the approach the state takes in K-12 and Higher Education. Adopting pieces of the K-12 approach – from funding that changes as the instructional staff mix changes – are difficult to move to a higher education context where appropriations are not directly tied to staffing or enrollment at all.

Denise and others wanted more information on the practices in other states. Marc mentioned that there are many approaches, and that many states now use a "hybrid" model that allows for a portion of state funding to be driven out based on institutional performance. Mississippi is an example of a state that has attempted to define an adequate base funding for college/university operations and then a separate pot of funding to be distributed based on performance metrics. Tennessee now tries to allocate 100% of higher education funding based on performance, while other states have different allocation processes for different sectors (ie. Community colleges vs. baccalaureate institutions, or regional versus research schools). Denise mentioned that these differences in part reflect the different mechanisms states have for distributing funds to campuses. Many states have central higher education offices that make allocations separate from the legislative process. Washington has this model for the two-year sector, but not for the four-years. This may make it more difficult to craft a policy that works for all institutions.

The group asked staff to return with more information on the different models of funding and allocating state funding. They also wanted to review the changes in Washington State funding policies since 1980. Staff will present this at the Committee's next meeting in March.

Committee for Funding and Affordability

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Discussion Highlights

- Focus of the workgroup will be on "Make College Affordable"
- Why is a new policy needed?
    - The lack of a coherent policy or an ability to translate appropriation amounts into something meaningful (beyond a connection to enrollment levels) left higher education at particular risk of budget cuts.
- History of funding policies in Washington
    - No policy is binding, and the state has changed course several times in the last five years.
- Difference between K-12 and Higher Education funding policies
    - Overview of K-12's Prototypical School Model
    - Higher education funding as a block grant, with an enrollment "floor"
- What should the basis of the policy be? The "three questions:" 1) What are we (the state) buying? 2) What does it cost? and 3) How do you split the cost between the state and students?
    - Cost of instruction, as was required by statute in the 1980s, and has been discussed by the Council of Presidents?
    - Enrollment/Access
    - Quality/Per-student funding

- What do other states do?
    - Who does the allocating – a board, the legislature?
- Can a new policy be flexible enough to incorporate other approaches (such as performance/incentive funding)?

Next Steps

- Collect more information on the different models of allocating state funding to higher ed.
- Review the changes in Washington State funding policies since 1980.