

PRELIMINARY BOARD MEETING AGENDA

Olympic College
Humanities and Student Services Building, HSS 119/121
1600 Chester Avenue, Bremerton, WA 98337
April 26, 2012

9:00 Welcome and Introductions

Tab

- Ethelda Burke, Chair, Higher Education Coordinating Board
- David Mitchell, President, Olympic College

Approval of March 29 Board Meeting Minutes

1

Report of the Executive Director

Don Bennett, executive director, will outline the board agenda and present a brief update on HECB programs and activities.

9:15 Education Committee Report

Sam Smith, Chair

New Degree Program for Approval: Bachelor of Applied Science in Management, Centralia College, Resolution 12-06

2

9:20 Fiscal Committee Report

Charley Bingham, Chair

2012 Supplemental Operating and Capital Budgets

A summary of the supplemental operating and capital budgets adopted by the Legislature will be presented.

3

9:45 Financial Aid Committee Report

Jesus Hernandez, Chair

Policy Review: State Need Grant

The HECB has engaged a financial aid workgroup to participate in a comprehensive review of the State Need Grant program. A separate study will describe longitudinal student outcome data.

4

The purpose of the review is to evaluate program policy goals and coordination with federal policies, and to develop a set of recommendations in preparation for the 2013 Legislative Session and 2013-15 biennial budget. Rachelle Sharpe, HECB Director of Student Financial Assistance, will give an overview.

Implementation of the Strategic Master Plan: Progress Reports

Agenda items for Tabs 5-8 below illustrate continuing efforts toward achieving the goals identified in the 2008 Strategic Master Plan for Higher Education, with its core objective to raise educational attainment in Washington. Progress reports are designed to illustrate the ‘living’ nature of strategic planning to guide new and continuing work occurring throughout the state’s education system.

Improving student achievement and thereby raising state educational attainment is a key objective contained in HB 2483, legislation passed this year to establish a new Student Achievement Council. Continuing to chart progress on critical elements of the 2008 strategic plan will provide focus and momentum for new strategic planning responsibilities required under that act.

10:15 College Bound Scholarship Update 5

More than 100,000 students have applied for the College Bound Scholarship since the program was created in 2007. This fall marks the first cohort of College Bound students entering college. More than 9,000 graduating seniors have completed financial aid forms and are expected to enroll in fall of 2012.

Rachelle Sharpe, director of the student financial assistance division, and Michelle Alejano, College Bound Scholarship outreach director with the College Success Foundation, will review progress in outreach efforts, student character-istics, development of the payment system, and support provided to the senior class.

11:15 Implementing the Common Core State Standards 6

The state is moving aggressively to implement Common Core State Standards in Math and English Language Arts. The work impacts every part of our education system. To implement the new standards, an unprecedented degree of collaboration is taking place throughout K-12 and higher education.

Representatives from OSPI, SBCTC, and HECB will discuss the steps being taken at the state level to move this work forward.

- Alan Burke, Deputy Superintendent, K-12 Education, OSPI
- William S. Moore, Director, Core to College Alignment & Transition Mathematics Project, SBCTC
- Weiya Liang, Associate Director, GEAR UP Program, HECB
- Randy Spaulding, Director of Academic Affairs and Policy, HECB

12:00 Board Lunch – Board Room, College Service Center

1:00 Update on Kitsap Higher Education Center 7

In 2008, the Board reviewed the need for a higher education center in the Kitsap/Olympic Peninsula region, and issued a report and recommendation to develop two centers – one at Peninsula College and one at Olympic College. Despite budget cuts to higher education over the last four years, some progress has been made on these initiatives.

- Bill Chance, Executive Director, Northwest Education Research Center (NORED)
- David Mitchell, President, Olympic College
- Brinton Sprague, Interim President, Peninsula College
- Bob Olsen, Assoc. Dean for Undergraduate Programs and Student Services, WSU
- Jeffrey Brown, Professor of Engineering, Olympic College

| | |
|---|-----------------|
| <ul style="list-style-type: none"> Lois Longwood, Director, Degree Programs and Professional Studies, WWU - Extended Education | |
| <p>2:00 Strategic Master Plan Metrics – Status Report</p> <p>In February, the Board reviewed a conceptual model for a dashboard to monitor progress on the seven ‘next steps’ for the 2008 Strategic Master Plan for Higher Education in Washington. These steps, recommended by an Advisory Committee of stakeholders and constituents, were approved by the Board in November 2011.</p> <p>The seven steps present a way in which higher education can address the state's most critical needs and show demonstrable gains on the state's goals to increase educational attainment during the current economic crisis.</p> <p>Christy England-Siegerdt, HECB Research and Planning Director, will present high-level indicators for monitoring each of the seven next steps.</p> | <p>8</p> |
| | |
| <p>2:20 Public Comment - <i>A sign-in sheet is provided for public comment on any of the items above.</i></p> | |
| <p>2:30 Adjournment</p> | |

***Final HECB Meeting will be June 28, 2012
Senate Hearing Room 4, Capitol Campus, Olympia***

April 2012

Draft Minutes of March 2012 Board Meeting Teleconference

Board members

Earl Hale, Vice Chair

Charley Bingham

Roberta Greene

Bill Grinstein

Addison Jacobs

Sam Shaddox

Sam Smith

Welcome and Introductions

Vice Chair Earl Hale opened the teleconference at 10:00 a.m. by asking the Board members to identify themselves, as well as institutional representatives who called in to the conference.

ACTION AGENDA

Minutes of February Board Meeting Approved

Action: Addison Jacobs moved for approval of the minutes of the Board's February 2012 meeting. Roberta Greene seconded the motion, which was unanimously approved.

New Degree Programs Approved

Action: Charley Bingham moved for approval of two new degree programs: UW Seattle, Ph.D. in Global Health: Metrics and Implementation Science (Resolutions 12-03) and; WWU, Bachelor of Arts in Education in General Science – Middle Level (Resolution 12-04). Sam Smith seconded the motion, which was unanimously approved.

Adoption of Rules Change – Degree-granting Institutions Act

The proposed rules would increase fees for initial degree authorization, degree authorization renewal and degree authorization reapplication. The rules also would establish fees for new program applications and new site applications, and create definitions for a “new program application” and “new site application.”

Last year, the Legislature allowed the HECB to eliminate unnecessary barriers to the delivery of online, competency-based education by Western Governor University-Washington. Consistent with that legislation, WGU-Washington has been granted a temporary waiver from the authorization requirement of the Degree-Granting Institutions Act. The proposed rules include language to allow a specific exemption category for schools that receive legislative recognition as Washington schools, provided the schools comply with all conditions established by the Legislature.

The proposed rules also add clarifying language to assist stakeholders in understanding Washington requirements for degree-granting institutions.

Action: **Bill Grinstein** moved for approval of Resolution 12-05, adopting changes to **rules governing the Degree-granting Institutions Act**. **Addison Jacobs** seconded the motion, which was unanimously approved.

Update on the 2012 Legislative Session

Don Bennett, executive director, provided a brief update on the legislative session and the state of the proposed supplemental operating and capital budgets. Bennett noted that on March 31 (the 20th day after adjournment of the regular session, Sundays excepted), bills passed become law regardless of whether the governor has signed them. The 30-day special session must adjourn on Tuesday, April 10.

Neither the House nor Senate budget bill had passed the Legislature, Bennett reported. The issues being discussed by legislators went beyond differences in spending levels to encompass current and future spending reforms. Amending pension law to prevent public employees with 30 years of service from retiring at 62 (a provision that would not become effective for 30 years) and closure of the Plan 2 retirement systems for new employees hired after July 1, were sticking points. Consolidating health insurance purchasing at the state level for K-12 employees also was a reform issue. Bennett emphasized the proposed spending reforms did not reduce spending in the current biennium, but were projected to achieve savings in future years.

Academic Affairs Updates

The HECB Academic Affairs division reported that the HECB is collaborating with the Office of the Superintendent of Public Instruction (OSPI) to initiate a \$1.7 million, three-year statewide educator professional development effort focused on improving teaching and learning in math, science and English. Proposals are being sought by May 25, 2012 for one or two professional development projects conducted as partnerships between one or more higher education institutions and one or more high-need school districts.

A primary goal is to implement new Common Core State Standards in mathematics and the Next Generation Science Standards for grades 6-12. Proposals also are expected to address closing the achievement gap and improving postsecondary attendance and completion. In addition, they may address implementing Common Core State Standards in English Language Arts.

Projects will deliver professional development designed to prepare teachers and principals to implement the standards to improve student achievement. It is hoped the expertise developed through these partnerships can be leveraged to provide integrated professional development that addresses learning standards and content across multiple districts in the state.

Financial Aid Update

Rachelle Sharpe, director for Student Financial Assistance, reported that staff has begun the process of reviewing State Need Grant (SNG) policies. The report will be worked on through monthly meetings with college financial aid administrators, SBCTC, COP, the independent colleges, and legislative staff. Evaluating SNG policies is required by law.

Agency transition planning

Bennett reported working with the governor's staff to make the transition from the HECB to the Student Achievement Council seamless and coordinated. A professional has been hired to help agency leadership in the planning process.

The meeting **adjourned at 11:00 a.m.**

April 2012

Bachelor of Applied Science in Management Centralia College

Introduction

Centralia College proposes to offer a Bachelor of Applied Science in Management beginning Fall 2012. This self-supporting degree is uniquely designed to accommodate place-bound students in the region. Enrollment is projected to be 30 students (headcount) in 2012, increasing to 62 students by 2014-15. By 2014-15, 24 students are expected to graduate annually.

Relationship to Institutional Role and Mission and the Strategic Master Plan for Higher Education in Washington

The proposed program will support the college's mission to "improve peoples' lives through lifelong learning" with the goal of providing all students a "quality education while keeping the costs of their college experience as affordable as possible." An affordable, local degree in management will fill a gap in the educational opportunities within the college's district by providing a trained workforce that will help attract and retain businesses and industries. This, combined with the program's unique combination of a cohort hybrid model, directly supports the *Strategic Master Plan for Higher Education's* goals to increase educational attainment and promote economic growth.

Program Need

Centralia College's management program will serve critical local needs. The average annual openings in management positions in Lewis County are expected to increase from 200 to 350 by 2018, most of which will require work experience plus a bachelor's degree. Local employers report that there is a lack of qualified individuals available for management positions. Overall, only 10 percent of Lewis County residents over the age of 25 hold a bachelor's degree of any type. Lewis County needs more residents with bachelor's degrees in management to meet the current needs of local businesses and to attract new businesses to the area.

Program Description

The proposed 180 quarter credit applied baccalaureate degree program will prepare students for management positions in local businesses and for those interested in becoming entrepreneurs. The program's mission is to “graduate individuals who are well-grounded in management knowledge and ethical values, who possess the requisite skills in communications, teamwork, and business fundamentals, and who are ready to provide leadership and effective decision-making to both existing and startup organizations.”

The program is designed to serve place-bound students through a cohort hybrid model. Students will be admitted as a group and proceed together through a prescribed sequence of courses. Cohort models are characterized by a collaborative, supportive environment in which collective learning experiences enhance knowledge. The program will also be the only applied baccalaureate degree at a community or technical college to begin as an entirely hybrid program. Each course has a two-hour, face-to-face component each week with the remainder of the course conducted online. The program has a two-year track for students who are able to enroll full-time and a three-year track for students who need a part-time schedule.

Admission Requirements

As part of a cohort model, the college will accept 30 students into the program each fall quarter. Applicants must have earned an associate's or higher degree from a regionally accredited college or university. Prospective students also must have completed courses in English composition, college-level math, social science, natural science, and five additional general education courses. Students with technical degrees may have to complete several quarters of coursework to meet the 25 credits of general education course prerequisites before entering the program.

General Education Requirements

Students will be required to complete 60 quarter credits to meet the general education requirements for the proposed program. This includes 25 quarter credits expected to be satisfied through the associate degree. These credits encompass 10 credits of communication skills, including English 101 and an upper-division communications course; 15 credits of social sciences, including an upper-division course in leadership and organizational behavior; 10 credits of mathematics; 10 credits of humanities, including an upper-division course in ethics; 10 credits of natural science, including one lab course; and five additional credits in one of these areas. Students entering with a transfer associate's degree typically will have completed these requirements as part of their associate's degree program.

Core Coursework

Students will complete 55 quarter credits in core management courses. Students will complete courses in accounting; financial management; business principals, planning, and strategy; human resources; marketing; project management; operations management; and strategic management and policy. Students will also complete a practicum that will focus on understanding the application of management functions through direct interaction with local managers in the private,

public, and non-profit sectors. Their capstone experience will consist of three courses: operations management, strategic management and policy, and a management internship. The internship will require application of the program's learning outcomes in a local business setting.

Faculty Qualifications

Faculty in the proposed program will be required to hold a minimum of a master's degree or a bachelor's degree with a professional certification. College-level teaching experience and significant managerial experience is preferred. Faculty will be responsible for developing and teaching courses in their area of expertise.

Assessment

Courses will be evaluated through the use of student evaluations, administrative observations, and faculty team evaluations. Program administration will work closely with the program's advisory committee to track program performance on a course-by-course basis. This program will be the first to incorporate faculty team evaluations, which will be conducted on a quarterly basis for the first three years to ensure the faculty operate as a "faculty learning community." If this proves useful, faculty team evaluations may be incorporated elsewhere. The program will be evaluated through annual monitoring reports, annual administrative program review, and educational program review.

Accreditation

Program accreditation is not available.

Options beyond the Baccalaureate Degree

The College is still in the process of exploring opportunities for their graduates to matriculate into graduate programs. Discussions are currently underway with City University, Brandman University, Gonzaga University, The Evergreen State College, University of Washington, University of Washington Tacoma, and Western Governor's University.

Program Costs

The proposed program will enroll 30 students (headcount) the first year, increasing to 62 students (headcount) by the third year. The executive director will spend 0.67 FTE overseeing the program while teaching one course each quarter. The program will require 1.0 FTE faculty the first year, 2.0 FTE faculty the second year and beyond of which 1.0 FTE will be tenured/tenure-track and 1.0 FTE will be adjunct. Most of the courses will be taught by existing faculty, although the college plans to hire five or six additional adjunct faculty. A 0.75 FTE administrative assistant will be needed in the first year and 1.0 FTE in the second year. The library will provide 0.20 FTE staff to support the program during the evenings.

At full enrollment in the third year, the total cost of instruction would be \$320,653, or \$12,332 per FTE, assuming 26 FTE are enrolled in the third year. This is slightly higher than the estimated cost of approximately \$10,000 per FTE for Columbia Basin's Bachelor of Applied Management (2009) and for Peninsula College's Bachelor of Applied Management (2007).

The proposed program will be self-supporting through tuition and fees. Tuition will be the same amount as the other state-supported bachelor of applied science programs, which are required to charge the same tuition as the state's regional colleges. In 2011-12, this is \$219 per credit for part-time students taking 10 credits and \$149 per credit for full-time students taking 15 credits. Centralia's budget assumes these rates will increase by approximately 12 percent in 2012-13, which increases the cost per credit to \$246 and \$167 respectively.

External Review

Two external reviewers evaluated the proposal: Dr. Joan McBee, associate professor at Southern Oregon University, and Dr. Deborah Meadows, dean at Columbia Basic College. Both reviewers made several suggestions, all of which were addressed by the college. Dr. Meadows noted that "the degree course selection was well thought through ... the decision of integrating strategic management and understanding how policy guides business practices is a strong course choice." Dr. McBee stated that "I like how most of the classes have a practical component such as an applied final project."

Staff Analysis

The proposed program will expand access to higher education in the South Puget Sound Region in a way that supports the *Strategic Master Plan for Higher Education* and Centralia College's mission. The proposed program will respond to employer, student, and community demand. The unique delivery model, a cohort hybrid model, will provide a viable pathway for place-bound individuals seeking to enter management positions.

Staff Recommendation

After careful review of the proposal and supporting materials, staff recommends approval of the Bachelor of Applied Science in Management at Centralia College. The Higher Education Coordinating Board's Education Committee discussed the proposal during its April 10, 2012 meeting and recommended approval by the full Board.

RESOLUTION NO. 12-06

WHEREAS, Centralia College proposes to add a Bachelor of Applied Science in Management;
and

WHEREAS, The program would support Centralia College's mission and the *Strategic Master Plan for Higher Education*; and

WHEREAS, The program would respond to student, employer, and community demand without duplicating existing programs; and

WHEREAS, The program has support from external reviewers; and

WHEREAS, The program would be offered at a reasonable cost; and

WHEREAS, The program would be offered through hybrid delivery at Centralia College;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Bachelor of Applied Science in Management at Centralia College, effective April 26, 2012.

Adopted:

April 26, 2012

Attest:

Ethelda Burke, Chair

Earl Hale, Vice Chair

April 2012

2012 Supplemental Operating and Capital Budgets

On April 11, 2012, the state Legislature adopted revised spending levels for the state's 2011-13 biennium operating and capital budgets. These supplemental changes follow from the "Early Action" 2011-13 Supplemental Budget adopted in December 2011.

When contrasted against total projected resources, the revised 2011-13 spending levels leave a reserve of \$319 million in the state's Near General Fund (NGF) and Opportunity Pathways Account (OPA).

Operating Budget Summary (NGF + OPA)

The supplemental budget revises total state operating budget appropriations (NGF + OPA) to \$31.2 billion. This is a reduction of about \$1 billion, or minus three percent, from the amount initially appropriated for the 2011-13 biennium (\$32.2 billion).

Table I summarizes the adopted supplemental budget for higher education institutions and agencies and compares these new appropriation levels to those contained in the 2011-13 biennial budget. Additionally, Table I shows the changes in spending authority for Human Services and K-12.

As shown in Table I, state funding (NGF + OPA) for the public institutions is about one percent less than the amount authorized in the initial 2011-13 biennial budget. Overall, higher education funding is about one-half of one percent less.

This percentage change in the spending level for higher education compares to a six percent decrease in Human Services and a one percent reduction in K-12.

Illustration 1 shows how appropriation levels for Higher Education, Human Services, and K-12 have changed as a percentage of the (pre-recession) state budget of 2007-09. As is shown, state funding for Higher Education is now about 26 percent less than in 2007-09. Human Services funding is about 10 percent less, while state funding for K-12 is around one percent greater than in 2007-09.

Significant increases in student tuition have occurred to mitigate the reduction in state funding for higher education. As shown in Table I, tuition revenue is now about 64 percent of the total of state funding and tuition for the public baccalaureate institutions, and 36 percent for the community and technical colleges. In this regard, it is also important to note that the 2012 supplemental budget demonstrates the Legislature's continuing commitment to fund state financial aid programs.

Capital Budget Summary

The 2012 supplemental capital budget provides \$1.1 billion in new capital project funding. These projects are financed from both state bonds and local funds.

Table II provides a listing of the capital project funding authorizations (state bonds and locally funded) for the higher education institutions provided in the supplemental capital budget. As is shown, of the total new statewide authorizations of \$1.1 billion, higher education is authorized \$320 million. This higher education authorization includes the following projects which have a direct relationship to the Higher Education Coordinating Board's long-standing capital funding priorities:

| | |
|---|----------|
| UW Bothell Phase 3 | \$62,850 |
| WSU Spokane – Riverpoint: Biomedical and Health Sciences | \$37,075 |
| Lower Columbia College: Health and Science Building | \$38,615 |
| Skagit Valley College: Academic and Student Services Building | \$30,574 |
| Tacoma Community College: Health Careers Center | \$39,107 |

Table I
2012 Higher Education Supplemental Operating Budget Proposals
Tuition + Near General Fund + Opportunity Pathway Account
(dollars in thousands)

| | Estimated Tuition Revenue ⁽¹⁾ | Enacted 2011-2013 Biennial Budget | | | Adopted 4-11-12 Supplemental ⁽²⁾ | | | | |
|---|--|-----------------------------------|-------------------------|-----------------------|---|-------------------------|----------------|--------------|---|
| | | State Funding (NGF & OPA) | Total (Tuition + State) | Tuition as % of Total | State Funding (NGF & OPA) | Total (Tuition + State) | Percent Change | | Tuition as % of Total (institutions only) |
| | | | | | | | State | Total | |
| Higher Education Institutions and Agencies | | | | | | | | | |
| University of Washington | \$855,900 | \$426,573 | \$1,282,473 | 66.7% | \$421,417 | \$1,277,317 | -1.2% | -0.4% | 67.0% |
| Washington State University | \$407,035 | \$303,366 | \$710,401 | 57.3% | \$301,211 | \$708,246 | -0.7% | -0.3% | 57.5% |
| Eastern Washington University | \$108,783 | \$68,957 | \$177,740 | 61.2% | \$68,085 | \$176,868 | -1.3% | -0.5% | 61.5% |
| Central Washington University | \$115,650 | \$64,141 | \$179,791 | 64.3% | \$65,058 | \$180,708 | 1.4% | 0.5% | 64.0% |
| The Evergreen State College | \$63,288 | \$36,344 | \$99,632 | 63.5% | \$36,248 | \$99,536 | -0.3% | -0.1% | 63.6% |
| Western Washington University | \$158,009 | \$80,629 | \$238,638 | 66.2% | \$79,715 | \$237,724 | -1.1% | -0.4% | 66.5% |
| Baccalaureate Institutions | \$1,708,665 | \$980,010 | \$2,688,675 | 63.6% | \$971,734 | \$2,680,399 | -0.8% | -0.3% | 63.7% |
| Community and Technical Colleges | \$633,404 | \$1,154,723 | \$1,788,127 | 35.4% | \$1,144,958 | \$1,778,362 | -0.8% | -0.5% | 35.6% |
| Total - Public Institutions | \$2,342,069 | \$2,134,733 | \$4,476,802 | 52.3% | \$2,116,692 | \$4,458,761 | -0.8% | -0.4% | 52.5% |
| Higher Education Coordinating Board | na | \$292,480 | \$292,480 | na | \$292,480 | \$292,480 | 0.0% | 0.0% | na |
| Council for Higher Education | na | \$997 | \$997 | na | \$0 | \$0 | -100.0% | -100.0% | na |
| Office of Student Financial Assist | na | \$321,432 | \$321,432 | na | \$0 | \$0 | -100.0% | -100.0% | na |
| Student Achievement Council | na | \$0 | \$0 | na | \$325,468 | \$325,468 | na | na | na |
| Total - Higher Education | \$2,342,069 | \$2,749,642 | \$5,091,711 | 52.3% | \$2,734,640 | \$5,076,709 | -0.5% | -0.3% | 52.5% |
| Statewide Comparisons | | | | | | | | | |
| Human Services | na | \$12,080,537 | na | na | \$11,395,360 | na | -5.7% | na | na |
| K-12 | na | \$13,783,417 | na | na | \$13,647,398 | na | -1.0% | na | na |
| All Other | na | \$6,339,848 | na | na | \$6,198,588 | na | -2.2% | na | na |
| Total - State Budget | na | \$32,203,802 | na | na | \$31,241,346 | na | -3.0% | na | na |

(1) Tuition revenue amounts reflect tuition rates adopted by the public institutions for Fiscal Year 2012 and estimated revenue for Fiscal Year 2013. These estimates will be updated to reflect actual tuition levels to be determined by the institutions for Fiscal Year 2013.

(2) Amounts include Early Action Supplemental Changes.

Illustration 1
Major Budget Components by Percent Change in General Fund Appropriations
2007-09 through 2011-13
(Higher Education includes Opportunity Pathway Account)

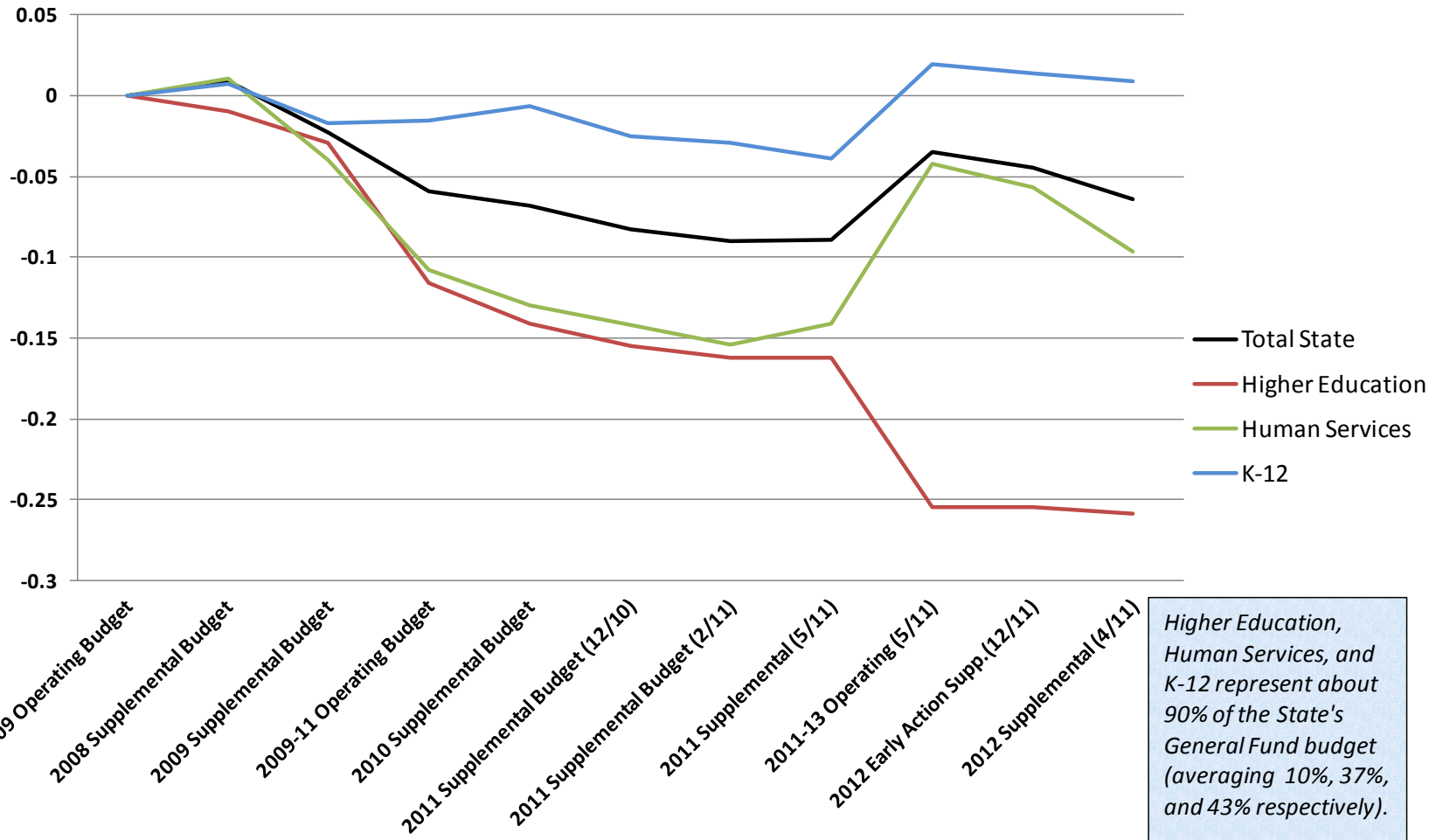


Table II
2011-13 Capital Budget - 2012 Supplemental
Higher Education Projects
Total Budgeted Funds (TOT-B)
(dollars in thousands)

| Institution/Project | New Spending Authorizations |
|--|------------------------------------|
| University of Washington | \$69,797 |
| Anderson Hall Renovation | -\$1,553 |
| Burke Museum Renovation | \$3,500 |
| UW Bothell Phase 3 * | \$62,850 * |
| UW Tacoma Campus Development and Soil Remediation | \$5,000 |
| Washington State University | \$38,896 |
| High-Technology Education Equipment | \$1,821 |
| WSU Spokane - Riverpoint Biomedical and Health Sciences * | \$37,075 * |
| Eastern Washington University | \$2,540 |
| Minor Works - Preservation | \$2,540 |
| Central Washington University | \$703 |
| Combined Utilities | \$273 |
| Minor Works Preservation | \$430 |
| Western Washington University | \$1,530 |
| Minor Works - Preservation | \$1,530 |
| Community & Technical College System | \$206,603 |
| Administrative System Replacement * | \$50,000 * |
| Clover Park Technical College: Allied Health Care Facility | -\$121 |
| Equipment Pool | \$15,000 |
| Everett Community College: Corporate and Cont Ed Center Renovation * | \$4,000 * |
| Everett Community College: Index Hall Replacement | -\$631 |
| Lower Columbia College: Health and Science Building * | \$38,615 * |
| Tacoma Community College: Health Careers Center | \$39,107 |
| Olympic College: College Instruction Center | \$3,624 |
| Skagit Valley College: Academic and Student Services Building * | \$30,574 * |
| Spokane Community College: Extended Learning Center * | \$3,100 * |
| Tacoma Community College: Health Careers Center | \$39,107 |
| Total Higher Education | \$320,069 |
| Total State | \$1,078,341 |

* Projects funded in whole or part by Certificates of Participation or Reimbursable Bonds.

2012 Supplemental Operating and Capital Budgets

Higher Education Coordinating Board

April 26, 2012

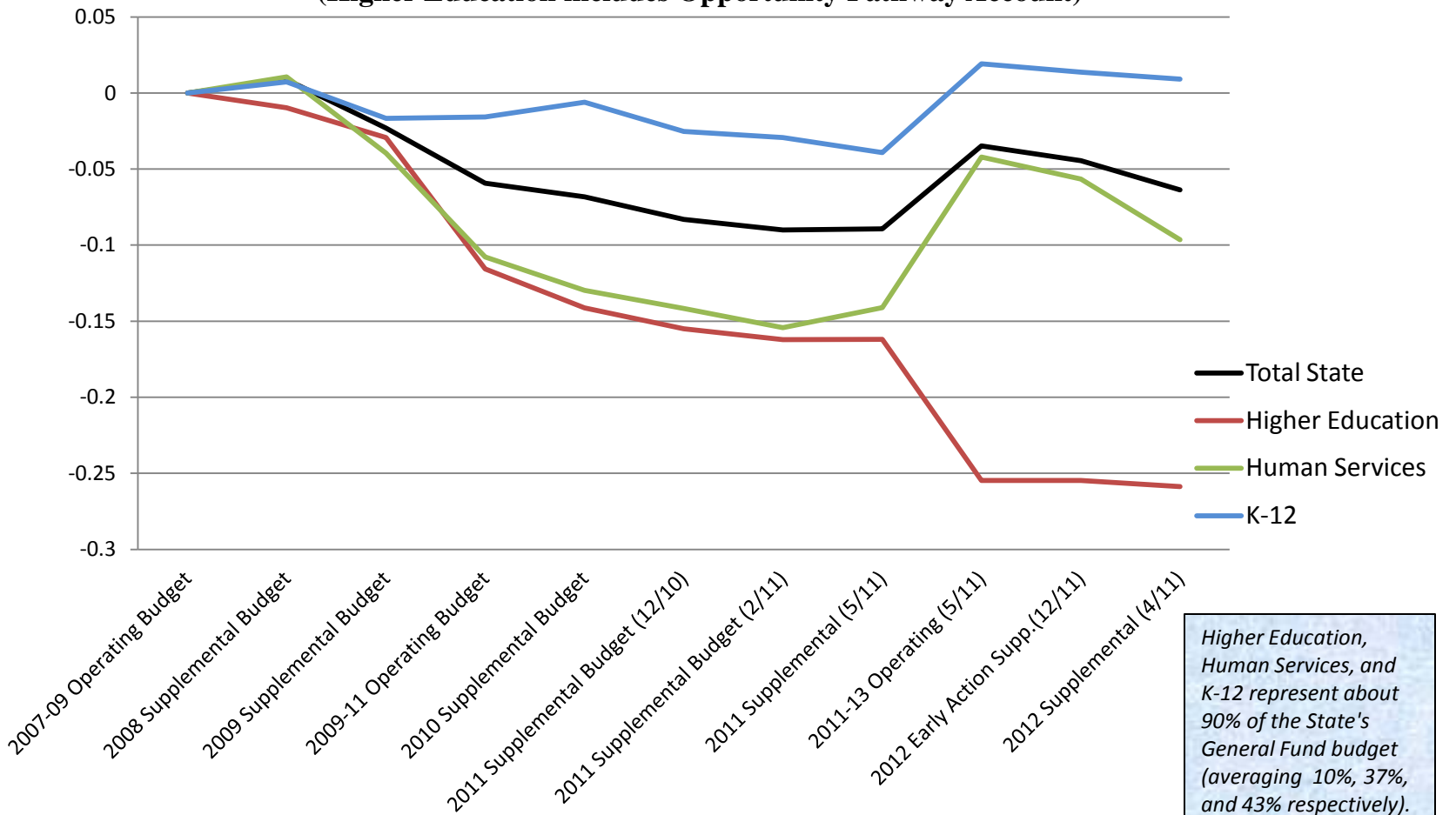
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| Human Services | na | \$12,080,537 | na | na | \$11,395,360 | na | -5.7% | na | na |
| K-12 | na | \$13,783,417 | na | na | \$13,647,398 | na | -1.0% | na | na |
| All Other | na | \$6,339,848 | na | na | \$6,198,588 | na | -2.2% | na | na |
| Total - State Budget | na | \$32,203,802 | na | na | \$31,241,346 | na | -3.0% | na | na |

(1) Tuition revenue amounts reflect tuition rates adopted by the public institutions for Fiscal Year 2012 and estimated revenue for Fiscal Year 2013. These estimates will be updated to reflect actual tuition levels to be determined by the institutions for Fiscal Year 2013.

(2) Amounts include Early Action Supplemental Changes.

Illustration 1
Major Budget Components by Percent Change in General Fund Appropriations
2007-09 through 2011-13
(Higher Education includes Opportunity Pathway Account)



Higher Education, Human Services, and K-12 represent about 90% of the State's General Fund budget (averaging 10%, 37%, and 43% respectively).

Illustration 2
General Fund Appropriations in Constant (2000) Dollars as a Percent of 2000
Appropriations with Higher Education Tuition Revenue

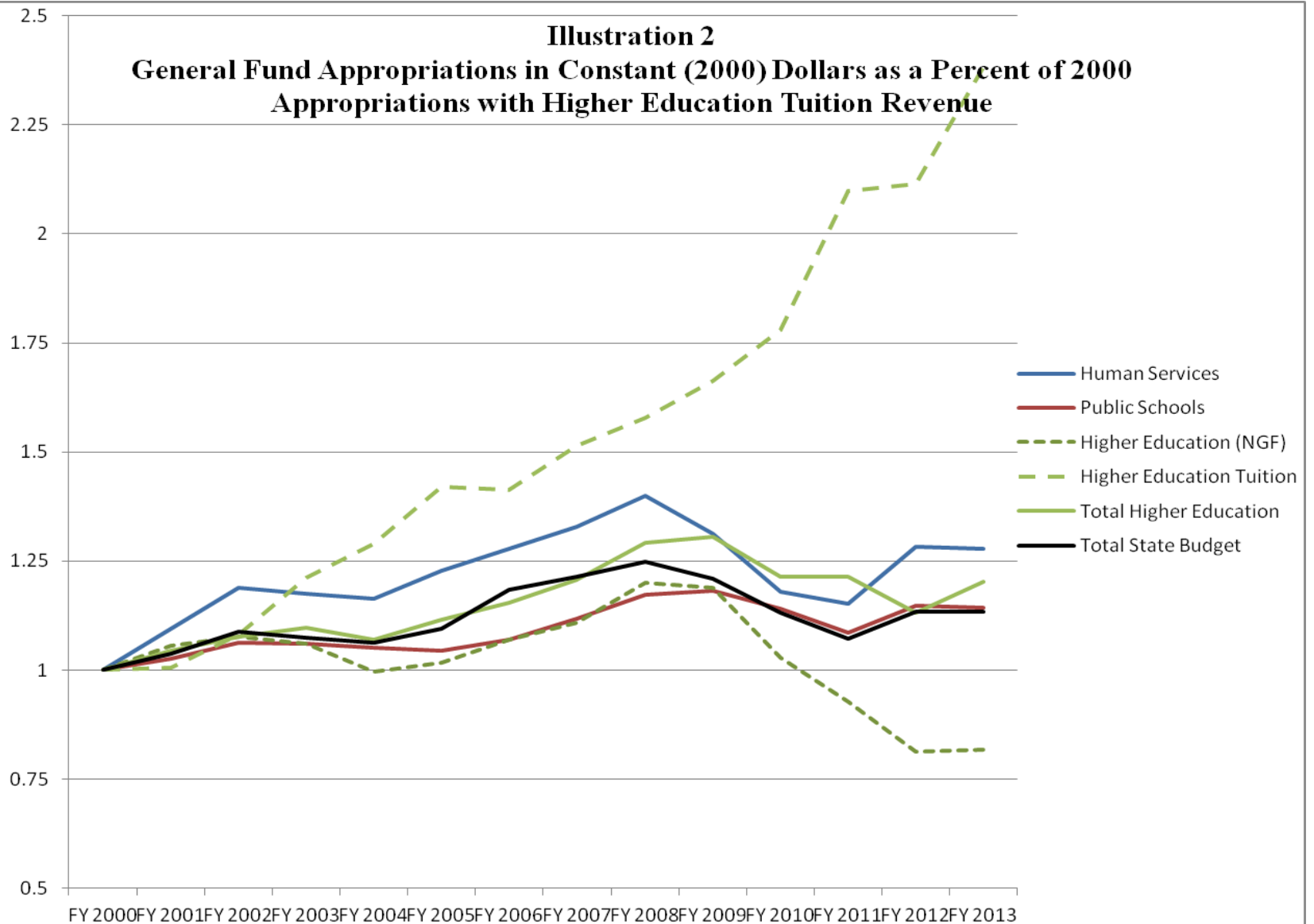


Table II
2011-13 Capital Budget - 2012 Supplemental
Higher Education Projects
Total Budgeted Funds (TOT-B)
(dollars in thousands)

| <u>Institution/Project</u> | <u>New Spending Authorizations</u> |
|--|------------------------------------|
| University of Washington | \$69,797 |
| Anderson Hall Renovation | -\$1,553 |
| Burke Museum Renovation | \$3,500 |
| UW Bothell Phase 3 * | \$62,850 * |
| UW Tacoma Campus Development and Soil Remediation | \$5,000 |
| Washington State University | \$38,896 |
| High-Technology Education Equipment | \$1,821 |
| WSU Spokane - Riverpoint Biomedical and Health Sciences * | \$37,075 * |
| Eastern Washington University | \$2,540 |
| Minor Works - Preservation | \$2,540 |
| Central Washington University | \$703 |
| Combined Utilities | \$273 |
| Minor Works Preservation | \$430 |
| Western Washington University | \$1,530 |
| Minor Works - Preservation | \$1,530 |
| Community & Technical College System | \$206,603 |
| Administrative System Replacement * | \$50,000 * |
| Clover Park Technical College: Allied Health Care Facility | -\$121 |
| Equipment Pool | \$15,000 |
| Everett Community College: Corporate and Cont Ed Center Renovation * | \$4,000 * |
| Everett Community College: Index Hall Replacement | -\$631 |
| Lower Columbia College: Health and Science Building * | \$38,615 * |
| Tacoma Community College: Health Careers Center | \$39,107 |
| Olympic College: College Instruction Center | \$3,624 |
| Skagit Valley College: Academic and Student Services Building * | \$30,574 * |
| Spokane Community College: Extended Learning Center * | \$3,100 * |
| Tacoma Community College: Health Careers Center | \$39,107 |
| Total Higher Education | \$320,069 |
| Total State | \$1,078,341 |

* Projects funded in whole or part by Certificates of Participation or Reimbursable Bonds.

April 2012

State Need Grant Policy Review

Information Item

New legislation directs the Student Achievement Council and the Washington State Institute for Public Policy (WSIPP) to prepare separate reports on the effectiveness of the State Need Grant program in meeting the higher education needs of low-income students and achieving the state's higher education goals.

The agency legislation (E2HB 2483) requires the Council to report on these issues:

- Outcomes of students receiving state need grants.
- Impacts on meeting the state's higher education goals for educational attainment.
- Options for prioritizing the State Need Grant.

The operating budget requires WSIPP to evaluate academic outcomes of SNG students and conduct a longitudinal study to determine:

- The extent to which this program has increased access and degree attainment for low-income students.
- Whether the funding has been utilized in the most efficient way possible to maximize the enrollment and degree attainment of low-income students.

In support of these efforts, the HECB has convened a workgroup of financial aid administrators and stakeholders to conduct a comprehensive policy review. The review will consider policies that provide students equitable opportunity across educational sectors and withstand economic cycles. The workgroup intends to evaluate the overarching policy goals and coordination with federal and campus aid.

The review aims to ultimately complement the WSIPP study and provide recommendations to the Council and legislators.



April 2012

College Bound Scholarship Update

Information Item

Established by the Legislature in 2007, and now in its fifth year, the College Bound Scholarship program provides financial assistance to low-income students who want to achieve the dream of a college education. Students who meet income requirements for the free and reduced price lunch program may apply during seventh or eighth grade — creating an early awareness of available funding.

To date, more than 100,000 students have applied for the College Bound Scholarship. About 9,000 seniors have filed the Free Application for Federal Student Aid (FAFSA) for the 2012-13 academic year. Of these students, nearly 90 percent are on track to meet minimum requirements and about half have 3.0 grade point average or higher.

HECB staff will share some of the policies and procedures developed to allow campuses to identify eligible students and make scholarship payments beginning Fall 2012. The College Success Foundation will share their initiatives to support schools and districts and provide guidance to the first cohort of Seniors, with some highlights of activities in the Bremerton and Kitsap County region.

April 2012

Implementing Common Core State Standards

Washington's 2008 Strategic Master Plan set an overarching goal of raising statewide educational attainment. A principal strategy to achieve this goal involved creating higher expectations for all K-12 students. Two initiatives central to this strategy, teacher professional development and college readiness, have been strengthened by continuing cross-sector collaboration.

The Transition Math project and College Readiness projects, in place at the time the master plan was developed, have helped improve our understanding of what is needed to create more successful transitions from high school to college. In part they have succeeded by bringing together faculty from high schools, two-year college, and four-year colleges to talk about curriculum and expectations.

The resulting definitions have provided new insights into the level of skills and habits of mind needed to ensure students will succeed in college and have laid a strong foundation for improved teacher professional development activities. For example, we now know that learning the subject matter alone is not enough. Students who take responsibility for their own learning, persevere through problem solving, and pay close attention to detail, gain an advantage broadly across math, science and English.¹

Washington and 45 other states are pursuing what now amounts to a national movement to adopt the common core state standards in math and English language arts. But even though the new standards align well with existing standards both laterally (within the state's K-12 system) and upward (to meet college entrance requirements) more work is needed. The Common Core Standards are being phased in and will be fully implemented by the 2014-15 school year – at which time students will be assessed using a new assessment system currently in development.

Therefore, the State Board for Community and Technical Colleges (SBCTC) has taken a lead role in developing a new partnership to win buy-in from the nearly 300 school districts the standards will impact, as well as increased support from higher education partners. The SBCTC also intends to explore ways to smooth the high school to college transition. Other partners include the Higher Education Coordinating Board (HECB), Office of the Superintendent of Public Instruction (OSPI), and the Council of Presidents (COP).

Funded through the **Core to College: Preparing Students for College Readiness and Success** grant program, the partnership aims to foster long-term collaborations between state higher education and K-12 entities that will improve student achievement and college readiness, and ultimately increased rates of enrollment and graduation.

¹ More information on College Readiness is available at <http://collegereadinesswa.org/>. Information on the transition math project can be found at: <http://www.transitionmathproject.org/>.

One key to this success is using the Common Core State Standards and assessments to establish a statewide common definition of college readiness to signal a student's preparedness for credit-bearing college courses. Having such a baseline also will inform processes to transition students successfully between high school and higher education environments.

Washington is the lead partner in the Smarter Balance Consortium, which is one of two national consortia working to develop an assessment system for the Common Core State Standards. The goal of the consortium is to develop a comprehensive assessment system by the 2014-15 school year. Pilot testing will begin next year and larger-scale field testing will begin 2013-14. The transition to new standards and a new assessment system will have important implications for professional development needs of teachers and administrators.

A natural outgrowth of the move to common standards and a common assessment system would be a better integrated and more consistent approach to professional development. While professional development funding is complicated by multiple funding streams that are targeted to specific purposes, there is a great deal of overlap, which provides opportunities for collaboration.

The HECB has partnered with OSPI on two separate projects that will hopefully become a model for continued cooperation on professional development focused on high school to college transitions.

In the first of these projects the state GEAR UP program is collaborating with OSPI to build school district capacity to support implementation of Common Core State Standards in high-needs school districts.

Through this project GEAR UP has partnered with OSPI to provide information, training, and workshops to 3-5 high-need (50 percent or more of their students qualify for free or reduced price lunches) school districts in each of the nine Educational Service District (ESDs) in Washington.

School districts will apply for a grant through a competitive process. Consideration for selection includes regional distribution, district size, and existing district capacity. The grant award amount for school districts is up to \$4,500 per district. Funding will cover substitute teachers (when necessary), travel, and a small stipend to those under a teaching contract for the summer training.

To participate, school districts will agree that:

- All team members commit to attending two, two-day trainings; one in late spring and one in August.
- During the August workshop, each district will produce or refine an implementation plan for Common Core State Standards.
- All content leaders will attend the regionally-provided content trainings.
- The school district will provide some collaborative time for school faculty learning.

Teams:

- Each school district will create a team of 3 – 6 members.
- Each school district will determine at least one math content facilitator, at least one English Language Arts content facilitator, one building administrator and other curriculum and instruction personnel as appropriate.
- School districts are encouraged to build a team of educators with a variety of skills that may include teacher leaders, instructional coaches, principals, curriculum staff, or superintendents.

The second project combines funding from the HECB Title IIA educator professional development program, and the OSPI Math Science Partnership program. The agencies plan to jointly administer a professional development grant program focused on implementation of the Common Core State Standards in Mathematics and Next Generation Science Standards for grades 6 – 12.

The program will fund one or two professional development projects conducted by partnerships of one or more higher education institutions and one or more high-need school districts.² Projects will deliver professional development designed to prepare teachers and principals to implement the Standards to improve student achievement. Projects also may address implementation of the Common Core State Standards in English Language Arts. Ideally, project partnerships will have sufficient expertise to provide integrated professional development activities that address learning standards and content knowledge across multiple districts in the state.

The mission of each funded project is to implement the *Common Core State Standards in Mathematics* and *Framework for Science Education*³ for grades 6-12, in a way that accomplishes all of the following:

1. Improves teachers' subject matter knowledge in the academic subjects they teach;
2. Promotes strong teaching skills by ensuring teachers are able to use the *Common Core State Standards in Mathematics* and/or *Washington State K-12 Science Standards* to enhance their instructional practices; and
3. Improves principal/assistant principal subject matter knowledge (if appropriate) and instructional leadership skills specific to mathematics and/or science.

Contingent on the availability of federal funding, a total of up to \$1.7 million dollars may be available over three years beginning July 2012. Projects that do not address both mathematics and science would receive a reduced award. Under current federal statutes, the anticipated federal funding sources are:

- | | |
|---|-----------|
| ▪ No Child Left Behind Act Title II Part A Subpart 3 (HECB) | \$900,000 |
| ▪ No Child Left Behind Act Title II Part B (OSPI) | \$800,000 |

² See the grant announcement for more information and a list of eligible districts <http://www.hecb.wa.gov/node/293>.

³ National Research Council. *A Framework for K-12 Science Education: Practices, Crosscutting Concepts, and Core Ideas*.

These programs are important components of the No Child Left Behind legislation. They encourage scientifically based professional development as a means for improving student academic performance.

Subpart 3 of Title II, Part A of the No Child Left Behind Act (NCLB) authorizes a competitive grant program to fund professional development partnerships between institutions of higher education and school districts.

The intent of this partnership grant program is to increase student academic achievement in core subject areas (including mathematics, science, English, and Language Arts) by enhancing classroom teachers' content knowledge and ability to use state standards to improve instructional practices; and to enhance principals' and assistant principals' content knowledge (if appropriate) and instructional leadership skills. The HECB is responsible for the administration of this program. A total of \$900,000 of the anticipated funding listed above is contingent on continued federal funding for this program.

Title II, Part B of NCLB authorizes a Mathematics and Science Partnership (MSP) competitive grant program to fund professional development partnerships between institutions of higher education and school districts. The intent of this partnership grant program is to increase academic achievement of students in mathematics and science by enhancing the content knowledge and teaching skills of classroom teachers. The Office of Superintendent of Public Instruction (OSPI) is responsible for the administration of the MSP Program. A total of \$800,000 of the anticipated funding listed above is contingent on continued federal funding for this program.

Realizing the high degree of overlap between these Title II programs, the HECB and OSPI have agreed to jointly fund and administer a competitive grant program designed to capitalize on the similarities between the two programs. Combining funding streams in this way allows a project to accomplish more than funding under a single funding stream would allow.

For example, the federal Title II Part A Subpart 3 program provides funding for professional development designed to increase content knowledge (if appropriate) and instructional leadership skills of principals and assistant principals, whereas the federal Title II Part B program does not.

A project funded by both federal programs is able to provide professional development for both teachers and principals, provided that it tracks costs attributable to principal/assistant principal professional development separately from those attributable to teacher professional development. A project funded by both programs is also able to serve more educators than would be feasible under either program alone.

The Master Plan laid out aggressive goals for increased educational attainment in Washington that relied on improvements in the P-20 pipeline as well as other system improvements and strategic investments to support the growth of our system. The recession has resulted in a 25 percent reduction in state resources for higher education and has forced all state government to redouble efforts to improve efficiency and effectiveness of every dollar spent.

Changes at the federal level also impact this work. Every indication is that the funding used to support professional development activities will move to a competitive award system. In this environment it is critical that state agencies demonstrate a willingness and ability to collaborate in the delivery of services to ensure funds are used in the most effective and efficient way.

The collaborative efforts described above may serve as a model as we go forward and a foundation for future competitive grant activities. To talk more about these efforts the board will be joined by a panel that includes representatives from OSPI, SBCTC, and HECB staff members.



April 2012

Olympic Peninsula Higher Education Centers

Although 60 percent of the 400,000 people on the Olympic peninsula reside in or near population centers in Kitsap County, the rest are broadly distributed across a 5,000-square-mile web of mountains, dense rainforest, and coastlines, which are crosscut by numerous waterways. Timely travel to and from population centers on a regular basis is very difficult for most of these citizens, who have long lacked access to higher education programs and services.

Olympic College in Bremerton and Peninsula College in Port Angeles are well-established public education providers for the region. Both have collaborated with other public and private institutions to deliver a limited number of upper-division and graduate programs, but this effort has not been sufficient to meet the region's need for a sustained array of baccalaureate and graduate degree programs.

In recent years, several initiatives conducted by these institutions have attempted to expand educational offerings for Olympic peninsula residents. In August 1999, the Higher Education Coordinating Board (HECB) funded a demonstration project with Peninsula College to establish the Jefferson County Higher Education Center in Port Hadlock, Washington.

The Center has developed partnerships with public and private institutions to deliver baccalaureate and graduate degree programs and numerous certificate or vocational programs, as well as additional continuing education through individual courses. The Center also provides professional academic and vocational counseling services for individuals.

The majority of the center's programs are conducted via distance education, which has proven to be an effective and efficient means to reach place-bound and time-bound students in the region. However, state budget cuts have taken a toll the center's funding in recent years. From a pre-recession level of \$175,000 per year, its budget has been reduced to \$100,000. Beginning in July 2012 funding will be shifted to the State Board for Community and Technical Colleges (SBCTC).

In 2005, Peninsula and Olympic colleges were selected as two of the first four institutions to participate in a pilot project authorizing applied baccalaureate degrees at the state's community and technical colleges. By 2007, Peninsula was enrolling students in a BAS in Applied Management program, while Olympic was offering a Bachelor of Science in Nursing. Since then the BAS programs have been removed from pilot status and expanded in other parts of the state.

In 2008, the Legislature directed the HECB to develop a program and operating plan for a higher education center in the Kitsap area of Washington, and report findings and recommendations to the Governor and the Legislature by December 1, 2008.

Subsequently, the HECB engaged the services of the Northwest Education Research Center (NORED) to assess regional needs and make recommendations. In addition, HECB staff and NORED consulted with a local advisory committee that included representation from Clallam, Jefferson, Kitsap and Mason counties. The report, like other past studies of regional needs, found that baccalaureate participation rates were well below the state average and that students had limited access to baccalaureate institutions and programs.

Despite these limitations, the report noted that nearly 1,000 students in the region were accessing a wide variety of bachelor's and graduate degree programs from 10 public and private providers. Only about a third of these students were enrolled at public colleges and universities. Furthermore, of these students, all except for those in enrolled in the applied baccalaureate programs were in non-state funded (self-sustaining) programs.

The report, which analyzed a number of university center models, recommended leveraging existing community college facilities as the most effective way to increase baccalaureate access. Developing two similar-sized centers designed to work collaboratively, one at each college campus, would build on the existing public and private programs already serving students in the area, the report concluded.

In November 2008, the HECB adopted the report and recommended additional planning as part of the statewide system design process. The summary of the recommendations and complete report are available at www.hecb.wa.gov/sites/default/files/Kitsap_final_FULL_REPORT_0.pdf.

Following those recommendations the legislature authorized the centers in the 2009-11 budget and provided for 30 full time equivalent (FTE) students Olympic College and 10 FTE students at Peninsula College. In the 2011-13 budget, the legislature directed Washington State University to offer its mechanical engineering degree program at Olympic College for 15 FTE students.

Higher education budgets have been cut, on average, more than 25 percent since 2008-09. Consequently, the centers have not been able to garner the resources necessary to meet the growth expectations laid out in the 2008 plan.

Panelists will discuss recent developments in the effort to increase higher education capacity on the Olympic Peninsula.



April 2012

Update on Strategic Master Plan Metrics

In February, the Higher Education Coordinating Board (HECB) reviewed a conceptual model for a “dashboard” to monitor progress on the seven “next steps” presented in the *Strategic Master Plan* update, approved by the Board in November 2011.

Developed by an advisory committee of stakeholders and constituents, the plan update recommended the state and its public higher education institutions focus on the seven next steps as a way of maintaining momentum toward the goals of increasing higher education capacity and productivity during the current period of diminished state resources.

The advisory committee strongly recommended the state not retreat from the ambitious degree targets needed to increase statewide educational attainment set in the original *2008 Strategic Master Plan*, and emphasized that continued monitoring of the gap between where we are in achieving the goals—and where we should be—must be documented and reported.

To shine a continuing light on the important work outlined in the strategic plan update – including the progress or lack of progress being made on the seven next steps – HECB staff developed a set of clear, simple metrics to present in a dashboard format on the HECB website and in regular publications such as *Key Facts* and the annual *Student Financial Aid Report*.

These high-level metrics will be presented to the Board at its April 26 meeting for review and comment.