



STATE OF WASHINGTON

HIGHER EDUCATION COORDINATING BOARD

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PRELIMINARY BOARD MEETING AGENDA

University of Washington, Seattle

Walker Ames Room, Kane Hall

December 12, 2002

Approximate Times

Tab

8:30 a.m.	<i>Board Continental Breakfast and Review of Meeting Agenda No official business will be conducted.</i>	
9:00 a.m.	Welcome and Introductions <ul style="list-style-type: none">• Bob Craves, HECB Chair	
	<u>CONSENT AGENDA ITEMS</u>	
	Adoption of October 2002 HECB Meeting Minutes	1
	Adoption of HECB 2003 Meeting Calendar <i>(Resolution 02-36)</i>	2
	Promise Scholarship Evaluation Report <i>(Resolution 02-31)</i>	3
	Accountability Report	4
9:15 a.m.	<u>FISCAL COMMITTEE REPORT</u> Closing the Higher Education Funding Gap: New Revenue Options <ul style="list-style-type: none">• HECB staff briefing• Board discussion• Public comment <i>(Resolution 02-32)</i>	5
10:00 a.m.	Welcoming Remarks <ul style="list-style-type: none">• Dr. Lee Huntsman, Interim President, UW• Dr. V. Lane Rawlins, President, WSU	
10:30 a.m.	<i>Break</i>	
10:45 a.m.	High-demand Enrollment: Review of Institutions' Reports <ul style="list-style-type: none">• HECB staff briefing• Comment from institutions	6

11:15 a.m.	<u>EXECUTIVE COMMITTEE REPORT</u> HECB Legislative Agenda <ul style="list-style-type: none">• HECB staff briefing (Resolution 02-33)	7
11:45 a.m.	<i>Board Lunch</i> <i>No official business will be conducted.</i>	
1:00 p.m.	Gender Equity in Higher Education <ul style="list-style-type: none">• HECB staff briefing (Resolution 02-34)	8
1:30 p.m.	Tuition and Fee Report <ul style="list-style-type: none">• HECB staff briefing (Resolution 02-35)	9
2:00 p.m.	K-12 and Higher Education Discussion	
	Overview <ul style="list-style-type: none">• HECB staff briefing	10
	K-12 and Higher Education Partnership to Support Student Learning <ul style="list-style-type: none">• Terry Bergeson, Superintendent of Public Instruction	
	K-12 / Higher Education Articulation <ul style="list-style-type: none">• Roberta May, Chair, State Board of Education	
	Teacher Preparation and Shortage Areas <ul style="list-style-type: none">• Lin Douglas, Director of Professional Education & Certification, OSPI	
<i>3:15p.m.</i>	<i>Break</i>	
3:30 p.m.	Presentation from the Washington Institute for Public Policy (WSIPP)	
	Study on the HECB <ul style="list-style-type: none">• Roxanne Lieb, Director• Jim Mayfield, Senior Research Associate	
	Study on Branch Campuses <ul style="list-style-type: none">• Annie Pennucci, Research Associate	
4:30 p.m.	<u>DIRECTOR'S REPORT</u> <u>PUBLIC COMMENT</u>	
4:45 p.m.	<u>ADJOURNMENT</u>	

Note: Members of the HECB will also participate in a reception for higher education leaders from 5 to 7 p.m., Wednesday, Dec. 11 in the Walker Ames Room of Kane Hall. No official business will be conducted.

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 sufficient time to make arrangements. We also can be reached through our Telecommunication Device for the Deaf at (360) 753-7809.

MINUTES OF MEETING

October 29, 2002

December 2002

HECB Members Present

Mr. Bob Craves, chair
Dr. Gay Selby, vice chair
Ms. Pat Stanford, secretary
Mr. Gene Colin
Mr. Jim Faulstich
Ms. Roberta Greene
Ms. Ann Ramsay-Jenkins
Mr. Herb Simon
Mr. Chang Mook Sohn
Ms. Stacey Valentin

Welcome and Introductions

HECB chairman Bob Craves opened the meeting at 8:45 a.m. and started the round of introductions.

Minutes of September Board Meeting Approved

ACTION: Chang Mook Sohn moved for consideration of the minutes of the Board's September meeting, seconded by **Herb Simon**. **Stacey Valentin** clarified the adjourn time of 5:45 p.m., not 6:45 p.m. The minutes were unanimously approved as amended.

Board Quorum Bylaws Change

ACTION: Herb Simon moved to approve board quorum change, from five members to six members, according to Board Bylaws, section 5. The change was approved unanimously.

Adopting the Budget 2003-2005

Jim Faulstich reviewed the work session regarding the 2003-2005 budget and concluded that Resolution 02-30 exemplifies the board's strong advocacy to increase spending by \$1.1 billion for enrollment demand and financial aid. He summarized that with steady and persistent erosion of the state support, higher education will be able to compete with the rest of the nation, as well as bring median levels up to average with peer groups. For financial aid, the amount would encourage the one-fourth of all high school students who don't attend college because of financial difficulties, to attend, as well as keep up with the 12,000 to 29,000 additional students who will be attending in the next 10 years.

ACTION: **Jim Faulstich** moved for consideration of the adoption of **Resolution 02-30**, the 2003-2005 Operating and Capital Budget Recommendations, seconded by **Herb Simon**. The budget was unanimously approved.

HECB Director Marc Gaspard thanked and congratulated the board and the staff for their hard work and dedication in being clear with their directions and representing the citizens of the state. The next steps are for the budget to be formalized and forwarded to the governor and Legislature. Copies of the presentation and resolution will be made available.

Review of legislative session

Bruce Botka, HECB director of government relations, reported that the November elections would impact the upcoming session regarding political party seats. The schedule of events leading up to the session includes committee re-organization in the first week of December; the HECB's legislative agenda release on Dec. 12' and the governor's budget release on Dec. 20. The legislative session will begin on Jan. 13, 2003.

The HECB legislative topics include the 2003-2005 budget and the projected deficit of \$2 billion in the general fund; tuition recommendations; and the HECB budget, including financial aid enhancements.

Other issues will include undocumented students tuition status; resident tuition policy and practices; WSIPP study of the HECB mission and operations; Financial Aid and State Need Grant policies; Promise Scholarship by the HECB, as well as governance issues; higher education and welfare reform; preliminary information on the branch campus study; and the expansion of the Educational Opportunity Grant.

Fall enrollments

John Fricke, HECB associate director of policy, highlighted the preliminary fall 2002 enrollment numbers from the four-year public universities, emphasizing the growth of *two times* more students than the budget increase. He explained the growth is most likely incoming freshmen, and Gay Selby added that FTE numbers do not represent actual numbers of people.

Community Scholarship Matching Grants

Becki Collins, HECB director of education services, briefed the Board on the proposed rule changes to promote local fund-raising activities for scholarships. The difference is that it's a modest state investment in encouraging communities to invest. Historically the advisory committee, as well as administration, made distribution priorities, and the proposed rules would put into administrative code the current priorities of:

- first priority - organizations that have not previously received the grant;
- second priority - organizations that may have received the grant but have new \$2,000 to have new endowments, encouraging sustained effort;

- third priority - for organizations having raised new monies.
- All categories would have preference to those organizations affiliated with Dollars for Scholars, and there is no maximum amount for organizations to raise.

Tuition and Financial Aid Study by the House Higher Education Committee

Rep. Phyllis Kenney, chair of the House Higher Education Committee, introduced the purpose of the study as to review state funding for the past 10 years, identifying past funding sources; comparing tuition rates throughout the years and with other states; and the 2003-2005 funding pressures.

Susan Howsen, committee staff, presented the details of the study highlighting comparative costs using Consumer Price Index (CPI) numbers and Implicit Price Deflator (IPD) numbers. IPD numbers are used in OFM and Legislative terms, but she said CPI numbers are more realistic for higher education because it reflects the service industry, which includes higher education.

Findings include:

- Financial aid increase from 4 percent to 10 percent in last 10 years;
- Tuition increased *four* times the rate of inflation and when using IPD, very little funding is allotted for program quality;
- Pressures from funding in financial aid stem from enrollment growth including the “baby-boom echo,” as well as economic re-training, quality improvement, and keeping up with inflation.

Board members questioned aspects of the formula and the relevance compared to the value of delivering quality programs that are competitive with peer institutions as well as market demand. Also taken into consideration was tuition-setting authority, faculty salaries, and recommendations legislators will put forth for funding resources. Rep. Kenney responded in assurance of collaborative work for access and maintenance of quality education and quality faculty.

Preview of the Promise Scholarship Evaluation

Pat Stanford introduced the Promise Scholarship Evaluation as a request of the Legislature and how the staff and board must prepare to adopt it at the next meeting. Becki Collins, HECB director of education services, reviewed the process and methodology used in obtaining and evaluating the program, as well as thanked those who worked collaboratively and cooperatively to produce a quality evaluation.

Linda LaMar, HECB senior associate director of education services, highlighted three main areas of the evaluation.

Affordability findings:

- On average, at all types of institutions, aided Promise recipients received more grants and fewer loans than their peers;
- About 54 percent of the 2000-01 Promise Scholarship recipients were estimated to qualify for federal Hope Tax Credits totaling about \$2.4 million. Had they not

received the Promise scholarship, recipients would have qualified for an additional \$1.6 million in tax credits;

- Lack of financial aid did not appear to prevent Promise Scholarship-eligible students from attending college

Academic eligibility findings:

- Using the top 15 percent eligibility standard ensures that students at all schools — urban and rural, large and small, public and private — will be considered for the scholarship;
- Allowing student to meet the academic, high SAT scores provided an alternative use by about 6 percent of the 2000-02 recipients.

College participation:

- Students who were in the top 15 percent cohort attended college at a high rate;
- 63 percent of recipients said receiving the Promise Scholarship influenced their decision to attend in-state;
- Promise Scholarship recipients performed well in college.

Other issues:

- Income cut-off and the focus of the program on low- *and* middle-income families;
- Use of Washington Assessment of Student Learning (WASL) as the academic standard — as the passing rate improves, so will the number of student who would qualify for Promise Scholarships;
- Use of the 10th-grade WASL as the academic criterion for the high school class of 2001 would have significantly increased the number of eligible students and altered geographic and school district distribution of recipients.

Ms. Collins reviewed the preliminary conclusions of:

- The Promise Scholarship program is effectively responding to statutory goals;
- It should be continued with the same criteria;
- The program must be predictable and stable if it is to influence — not just reward — student behavior;
- Funding should support scholarships that are equivalent to full-time community college tuition;
- Use of the WASL as the academic criterion for the Promise Scholarship should be studied further, but the WASL should not replace the top 15 percent as the academic eligibility standard;
- Consideration of expanding eligibility to many more students or extending the program to four years should be deferred until the state's budget situation improves so that such changes would not adversely impact other need-based, student financial aid programs, or further reduce the average scholarship award amount;
- The Promise Scholarship program should be evaluated again after two or three groups of recipients have had time to graduate with a four-year degree.

The Board did ask for other issues concerning the evaluation including gender and racial/ethnic breakdowns of scholarship recipients, as well as effects of using WASL.

The next steps are for the draft to be sent and approved by the Financial Aid committee, and adopted at next board meeting.

Overview of Policies and Practices Affecting Student Residency Status

Ruta Fanning, HECB deputy director, introduced the need for the overview due to the current economic issues as well as press coverage on actions by the UW. The board asked for information, and it was prepared by presented by HECB associate director for policy, Nina Oman.

Residency status terms were discussed including terms related for tuition purposes. Numerous examples were reported under categorical definitions of “resident,” as well as examples of exemptions and waivers. Resident policies in other states were compared, and the general conclusion revolves around the impact on state revenue as well as unwanted effects of financial aid eligibility. Feedback and consideration for change in policy depends on institutional feedback and collaborative work.

The Board adjourned the meeting at 12:45 p.m.

RESOLUTION NO. 02-30

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

WHEREAS, Years of limited state funding support, across-the-board budget cuts, and assumptions of “efficiency increases” as a way to avoid funding enrollment growth have resulted in a drop of state per-student support of 9 percent at public four-year institutions since the 1991-1993 biennium, adjusted for inflation. The financial responsibility for college expenses is being continually shifted to students and their families, threatening the ability of those with limited means to participate; and

WHEREAS, The public higher education institutions enrolled more than 12,000 FTE students in excess of the level funded by the state in fiscal year 2002, and by 2010 an additional 29,000 FTE students above this state-supported level are expected to seek higher education; and

WHEREAS, The HECB finds that the state should re-commit to providing higher education opportunity to its residents as one of its primary duties because the value of higher education to students, their families, the economy, and the state community requires no less; that the state should commit to providing targeted enrollment opportunities to students who need training or re-training to succeed in the workforce and contribute to the state economy; that the state should reverse recent state funding trends and fully support the cost of providing a quality education to students at a price they can afford because students and their families deserve no less; that the state meet its responsibility to enable those students with limited means to participate in higher education through carefully designed and adequately funded financial aid programs; and

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

WHEREAS, The Board finds that the vast majority of the capital projects requested by the institutions are needed for critical facility repairs, renovations and replacements and to alleviate existing space shortages and provide expanded capacity; and that traditional capital budget funding levels for higher education would be insufficient to fund all of the needed projects; and

WHEREAS, The Board has determined that establishing benchmarks for funding levels is an appropriate approach to establishing a total system-wide level of state investment in higher education;

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

THEREFORE, BE IT FURTHER RESOLVED That the Board recommends funding for public higher education be benchmarked to the average of comparable institutions; and

THEREFORE, BE IT FURTHER RESOLVED, That the Board has determined that reaching these goals for the operating budget in the 2003-05 biennium would be accomplished by adding 15,571 new student FTE enrollments, increasing per-student state funding at the level of comparable institutions, and achieving the current HECB financial aid goals. The total cost for these investments is \$1.1 billion in the 2003-05 biennium; and

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

THEREFORE, BE IT FURTHER RESOLVED, That the Board recommends that in the 2003-05 biennium the Governor and Legislature:

1. Provide additional state investments in the higher education operating budget to begin to accomplish the goals outlined by the HECB. The approximately \$1.1 billion estimated to meet this need in the 2003-05 biennium could be invested over four years, and
2. Provide a total of up to \$952 million in capital funding with resources from state General Obligation Bonds, local institutional capital project account funds, and reimbursable bonds to be financed from the Education Construction Fund.

Adopted:

October 29, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

Preliminary HECB 2003 Meeting Calendar

December 2002

Date	Location
Jan 29, Wed. 9:00 a.m. – 5:00 p.m.	Olympia, TBD
Feb. 26, Wed. 1:00 p.m. – 5:00 p.m.	Olympia – TBD
March 26, Wed. 9:00 a.m. – 5:00 p.m.	Olympia, TBD
April 23 or 30, Wed., TBD 1:00 p.m. – 5:00 p.m.	Olympia, TBD
May 28, Wed. 9:00 a.m. – 5:00 p.m.	Central Washington University, Ellensburg
July 30, Wed. 9:00 a.m. – 5:00 p.m.	Pierce College, Puyallup
Sept. 24, Wed. 9:00 a.m. – 5:00 p.m.	Washington State University, Pullman
Oct. 29, Wed. 9:00 a.m. – 5:00 p.m.	Renton Technical College
Dec. 3, Wed. 9:00 a.m. – 5:00 p.m.	Labor & Industries Conference Room

RESOLUTION NO. 02-36

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

WHEREAS, The Operations Committee of the Board reviewed and approved a proposed 2003 meeting schedule at its December 12, 2002 meeting;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board adopts the attached HECB 2003 meeting calendar.

Adopted:

December 12, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

Washington Promise Scholarship Program Evaluation Report

Executive summary

Background

The Washington Promise Scholarship program was established to encourage excellent academic performance and to reward low- and middle-income students who demonstrate meritorious achievement in high school by providing them a two-year college scholarship.

It is the state's first large financial aid program that is targeted to academically meritorious high school graduates and, while the program has an income limit, it is the first major state financial aid program that does not require students to document their need for financial aid under a strict set of federal rules in order to qualify.

The Governor and Legislature established the Washington Promise Scholarship program as a provision in the 1999-01 state operating budget, and the Legislature enacted it into permanent statute in 2002 (SHB 2807). Scholarships were first awarded to eligible students who graduated from high school in spring 1999.

Legislative Charge and Study Overview

Washington's fiscal year 2002-03 operating budgets call for an evaluation of the impact and effectiveness of the Promise Scholarship program. Findings are to be reported to the Governor and the Legislature by December 1, 2002.

Budget language directed the evaluation to:

- A. Analyze other financial aid Promise Scholarship recipients receive through other federal, state, and institutional programs, including grants, work study, tuition waivers, tax credits, and loan programs;
- B. Analyze whether the implementation of the Promise Scholarship program has had an impact on student indebtedness; and
- C. Evaluate what types of students successfully complete high school but do not have the financial ability to attend college because they cannot get financial aid or the financial aid is insufficient.

In addition to the issues specified in the legislation, the Higher Education Coordinating Board (HECB) has examined the extent to which the Washington Promise Scholarship program, during its first two years, appeared to make a difference in high school achievement and attendance at an in-

state college or university, and whether changes to the program might improve program efficiency and/or effectiveness.

While the program is currently in its fourth year, data to address the study requirements were available only for the program's first two years. At the beginning of the evaluation, recipients from the program's first two years had completed at least one year of college, and year-end data about their receipt of other financial aid were available.

As a part of its study, the HECB compared the financial aid awards and federal Hope Tax Credits of Promise Scholarship recipients to other students, considered whether academic eligibility criteria for the scholarship should be changed, and examined the extent to which the program appeared to influence high school achievement and college participation and performance.

The Board's Financial Aid Committee provided direction to the staff regarding the study, and both that committee and the Board's Policy Committee reviewed and discussed the study's major findings.

A stakeholder group, including staff from the governor's office, legislative committees, the Office of the Superintendent of Public Instruction, colleges and universities, and education organizations, was convened at the beginning of the evaluation to discuss study scope. This group met again at the end of the study to review and discuss preliminary findings.

Conclusions

At its October 29, 2002, meeting, the HECB discussed preliminary study findings and concluded:

- The Promise Scholarship program is effectively responding to the statutory goal of providing scholarships to meritorious low- and middle-income high school graduates. The Promise Scholarship program made college more affordable for recipients. Promise Scholarship recipients who received other financial aid, on average, received more grants — and they borrowed less — than other students with similar circumstances.
- For the program to influence — and not just reward — student behavior, it must be predictable and stable. Students must be reasonably sure that, if they meet eligibility standards, the scholarship will be available when they graduate from high school.
- Funding for the Promise Scholarship program should support awards that are equal to full-time community college tuition. Statute sets the maximum scholarship as the amount of tuition charged at the state's community colleges. Statute also directs that the scholarship amount be reduced, if necessary, to provide scholarships to all eligible students. The value of the scholarship, as a percentage of tuition at the community colleges, has declined in each of the last three academic years (from 94 percent in academic year 2000-01 to 48 percent during the current academic year).
- Current standards to establish academic and financial eligibility should be maintained. For 2002-03, students receive the scholarship if they rank in the Top 15 percent of their graduating

classes or attain the minimum score on either the SAT or ACT exam, and family income does not exceed 135 percent of the state's median family income.

Using an income-cutoff for eligibility ensures that state appropriations will be provided to students from low- and middle-income families.

The existing academic eligibility criteria ensure that students at all schools across the state, as well as students who are home-schooled, have the opportunity to apply. Use of the WASL as an academic criterion for Promise Scholarship eligibility should be studied further, as the WASL is further developed and longer-range data become available. However, the WASL should not replace the current "Top 15 percent" academic criteria at this time.

- The program should be evaluated again later, when three or four groups of scholarship recipients have graduated with baccalaureate degrees.

Requested Board Action

At its meeting on December 12, the Board will be asked to adopt Resolution 02-31, approving the Promise Scholarship Program Evaluation report, which provides study detail and incorporates the Board's conclusions. The final report will be transmitted to the Governor and Legislature upon Board adoption.

WASHINGTON PROMISE SCHOLARSHIP Program Evaluation Report

December 2002

CHAPTER 1: INTRODUCTION

The Washington Promise Scholarship is the state's first large financial aid program that is targeted to academically meritorious high school graduates and, while the program has an income limit, it is the first major state financial aid program that does not require documentation of financial need to qualify.

The Promise Scholarship program grew from the concern of Governor Gary Locke and other policymakers that the rapidly escalating cost of higher education was making such education unaffordable for middle-income families. There was a commonly held – but inaccurate – perception that low-income students qualified for a “free ride” to college with grant aid, while little or no federal or state financial aid was available to help middle-income students pay for college costs.

At the same time, the state was promoting improvements in K-12 academic achievement through new, higher standards. The Promise Scholarship program was established to encourage excellent academic performance and to reward low- and middle-income students who demonstrated meritorious achievement in high school by providing them with a two-year college scholarship.

The Washington Promise Scholarship program was first funded in 1999, at the request of Governor Locke, who described the program's purpose as:

- Making the goal of a college education a reality for academically successful high school students;
- Helping ease the debt burden for middle-income families by supplementing other financial aid awards; and
- Providing financial support (a two-year scholarship equal to the resident tuition rate for full-time community college attendance) for those who work hard and perform well in school.

The Promise Scholarship program was created during a period when several other states followed Georgia's lead in creating merit-based scholarship programs to reward high school and college academic performance and to provide financial assistance to middle- and upper-income students. The federal government also enacted a variety of tax credits and incentives, including the federal Hope Scholarship Tax Credit program, aimed directly at making college affordable for middle-income families.

Washington's Promise Scholarship program is different from most other states' merit scholarship programs in several key respects, most notably:

- Unlike most other states' merit programs, it has an income limit; and
- Academic eligibility criteria ensure that the highest-achieving students in every high school in the state will have the opportunity to apply.

This evaluation of the Promise Scholarship program's first two years was undertaken at the request of the Legislature, to determine whether the program's current design supports the achievement of statutory goals, and to identify changes that would increase its effectiveness and/or efficiency.

The Higher Education Coordinating Board will evaluate the Promise Scholarship program again later, when three or four groups of scholarship recipients have had time to complete four-year degree programs.

CHAPTER 2: PROGRAM AND RECIPIENT DESCRIPTION

The Governor and Legislature established the Washington Promise Scholarship program as a provision of the 1999-01 state operating budget, and the Legislature enacted it into permanent statute in 2002 (SHB 2807).

Student Eligibility Criteria. To be eligible, students must:

- Graduate from a Washington public or private high school in the top 15 percent of the class¹ or score at least 1200 points on the SAT or 27 points on the ACT² on the first attempt.
- Have a family income of no more than 135 percent of the state's median family income (MFI)³.
- Enroll in an accredited postsecondary college or university in Washington. Eligible institutions include accredited private career schools, public community/technical colleges, as well as public and private baccalaureate colleges and universities.
- Not pursue a degree in theology.⁴

Period of Award. The Promise Scholarship is awarded for two years. Approximately 94 percent of the recipients return to school for a second year of study.

Number of Recipients. The number of recipients has increased each year. During the 2002-03 academic year, approximately 6,500 students will receive Promise Scholarships. Recipients are nearly evenly divided between first- and second-year students.

Table 2-1

Number of Promise Scholarship Recipients by Academic Year	
1999-00	2,164
2000-01	5,314
2001-02	6,261
2002-03 (est.)	6,500

¹ During the program's first year, eligibility was limited to students in the top 10% of their graduating class.

² The ACT test was added as an eligibility standard in 2002.

³ For the 2002-03 academic year, 135 percent of the state's MFI, and the income cut-off for a family of four is \$85,900.

⁴ The constitutionality of this statutory provision has been challenged. The case is before the 9th U.S. Circuit Court of Appeals.

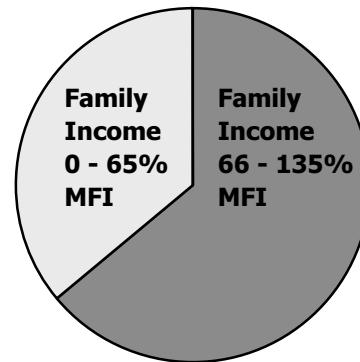
Table 2-2

Promise Scholarship Income Cutoff Family Size of Four by Academic Year	
1999-00	\$69,500
2000-01	\$77,600
2001-02	\$82,500
2002-03	\$85,900

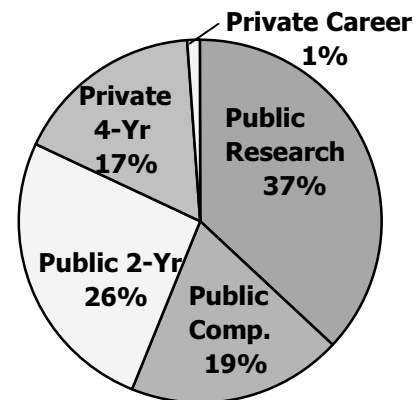
Income Cutoff for Award. To qualify for a scholarship, a student’s family income cannot exceed 135 percent of the state’s median family income, adjusted for family size. Table 2-2 shows the income cutoffs for a family of four, for each year of the program to date.

Income Distribution of Recipients.

Approximately one-third of the 1999-00 academic year Promise Scholarship recipients had family incomes of 65 percent or less of the state’s median family income (MFI). Nearly two-thirds had family incomes between 66 percent and 135 percent of the MFI.



Types of Institutions Attended. Recipients may attend any accredited higher education institution in Washington. The distribution of recipients by type of institution has typically been as shown for the 2001-02 academic year:



Scholarship Amount

- **Maximum Award**
 - ♦ The program's enabling legislation establishes the maximum scholarship at the value of resident tuition and fees charged by Washington's community colleges.
 - ♦ The 2002 state operating budget limited new awards for the 2002-03 academic year to no more than \$1,000.
- **Actual Award**
 - ♦ If the amount of funds available is not sufficient to provide maximum scholarships to all eligible students, awards are prorated by dividing the amount of available funds by the number of eligible applicants. In every year to date, actual awards have been less than the maximum. The actual scholarship – in dollar amount and as a percent of community college tuition – has decreased each year since 2000-01.

Table 2-3

Actual Award as a Percent of Community College Tuition/Maximum Award			
Academic Year	Community College Tuition/Maximum Award	Actual Award	Actual Award as Percent of Maximum Award
1999-00	\$1,584	\$1,225	77%
2000-01	\$1,641	\$1,542	94%
2001-02	\$1,743	\$1,404	81%
2002-03	\$1,984/\$1,000	\$ 948	48%

Program Funding Levels

Table 2-4

Appropriations and Amount Awarded to Students 1999-00 through 2002-03 est.				
	1999-00	2000-01	2001-02	2002-03 est.
Appropriation	\$2,800,000	\$8,600,000	\$8,250,000	\$6,300,000
Awarded to Students	\$2,562,547	\$7,881,947	\$8,485,647	\$6,050,000

Notes:

- ♦ *The appropriation has included up to \$250,000 funds for program administration for each year except 2002, when the administrative allowance was \$260,000.*
- ♦ *The Promise Scholarship appropriation, net of administrative allowance, is placed into trust at the beginning of each fiscal period. All student awards are made from the trust.*

A Promise Scholarship recipient profile is included in Appendix A.

CHAPTER 3: STUDY OVERVIEW

Although the Promise Scholarship program is beginning its fourth year of operation, almost all of this evaluation focuses on students who were identified by their schools as being in the top 10 percent of the 1999 senior class⁵ or in the top 15 percent of the senior class of 2000.⁶ At the commencement of the evaluation, these two groups of students had completed at least one year of college, and year-end data about their receipt of other financial aid were also available.

As indicated in the report, different parts of the analyses were specific to the most appropriate subpopulations of the study group (e.g., students in the top 10/15 percent group who applied for the Promise Scholarship, or students who received the scholarship, etc.).

Primary Data Sources. The Promise Scholarship evaluation used data from six major data sources, listed below. The approximate number of records from each source is shown. As noted above, not all records from a data source were used for each analysis; the report specifies which data sources and subsets were used for each analysis.

Major Data Sources: Promise Scholarship Program Evaluation	
Promise Scholarship Program Database	17,200 Academically-eligible students
Student Financial Aid Unit Record Database	3,400 Aided Promise recipients; and 12,200 Students in comparison group who received need-based student aid
College Enrollment/GPA (provided by institutions)	5,400 Recipient records/51 institutions
WASL Data (provided by OSPI)	67,000 Students
Student Survey	2,400 Respondents - Academically eligible recipients and non-recipients
High School Counselor Survey	120 Respondents

These data sources are described in greater detail in Appendix B.

Study Content. This evaluation responds to the specific issues listed in the legislation directing the study. In addition, it examines the extent to which the Washington Promise Scholarship program, during its first two years, appeared to make a difference in high school achievement and attendance at an in-state college or university, and whether program modifications might improve program efficiency and/or effectiveness.

⁵ This group of students is occasionally referred to in the report as the “1999 cohort.”

⁶ This group of students is occasionally referred to in the report as the “2000 cohort.”

CHAPTER 4: OTHER FINANCIAL AID FOR PROMISE SCHOLARSHIP RECIPIENTS

Legislative language calling for this evaluation focuses on the types and amounts of other financial aid Promise Scholarship recipients received. It directs that the study include, but not be limited to, the following three questions:

- What other financial assistance did Promise Scholarship recipients receive through other federal, state, and institutional programs, including grants, work study, tuition waivers, tax credits⁷, and loan programs?
- What impact did implementation of the Promise Scholarship program have on student indebtedness?
- To what extent were eligible students unable to attend college because they did not qualify for financial aid or because financial aid was insufficient?

Promise Scholarship Recipients and Student Financial Aid. The Promise Scholarship program provides college scholarships to income-eligible students who have performed meritoriously in high school. Although recipients' family incomes cannot exceed 135 percent of the state's median, students are not required to qualify for "need-based" student financial aid to receive a Promise Scholarship.

About 58 percent of the 5,314 students who received Promise Scholarships in the 2000-01 academic year also received some amount of need-based student financial assistance. Some received a minimal amount of aid; others received financial aid covering their full college costs. In total, 3,096 Promise Scholarship recipients who documented their need for financial aid during the 2002-03 academic year received \$31.8 million in the form of grants and scholarships, tuition waivers, work study, and student loans.⁸

To be considered for need-based student financial aid, the student and his/her family must complete an application form⁹, reporting details about their income, family status, and other factors that influence their ability to pay for college costs. Based on the information reported, the family's expected contribution toward college costs is calculated, using nationally standardized formulas. Because the calculated expected family contribution is based on the financial circumstances of the family, it is the same, regardless of the type of institution the student attends.

⁷ Federal education tax credits are awarded on a different basis than traditional student financial aid. Therefore, the analyses of these two types of assistance were completed separately.

⁸ Promise Scholarship recipients who were not awarded need-based student financial aid may have received other scholarships or student loans; however this analysis is limited to students who received need-based student financial aid.

⁹ A nationally standardized application form – the Free Application for Federal Student Aid – is used to determine eligibility for almost all federal, state, and institutional need-based financial aid programs.

A student may receive need-based financial aid for up to the difference between the cost of attending a particular college and the amount the family is expected to pay. The costs of attendance used to establish eligibility for financial aid include tuition and fees and standardized allowances for room and board, books, transportation, and personal expenses. Typically, the allowances for books and living costs for categories of students¹⁰ are similar among institutions; therefore, the biggest variable is tuition. Consequently, a student may qualify for more or less financial aid, depending on the cost of attendance at a particular institution.

The amount and types of financial aid a student receives will vary from school to school, and among students at the same institution, except in programs like the Federal Pell Grant and State Need Grant programs, which standardize eligibility across all institutions and which have centrally established grant amounts. Typically, grant aid is awarded to students with the lowest expected family contributions, with work study and student loans available to any who have financial need.¹¹

With the exception of student loan programs¹², the combination of all resources – including scholarships – cannot exceed the student’s documented financial need.

The Promise Scholarship, like all other sources of assistance available to a financial aid recipient, must be considered as a resource in meeting the student’s documented need. While it is not supplementary, the Promise Scholarship can (and ideally will) be used to meet financial need not covered by other aid, or it can reduce the amount of loans the student would otherwise have had to assume.

Study Question: Did the Promise Scholarship affect the amount of grants/scholarships or the amount of loans awarded to needy recipients, compared to students who did not receive a Promise Scholarship?

Study Group. To determine whether the Promise Scholarship affected the amount of grants/scholarships or the amount of loans awarded to needy recipients, two groups of students were selected for analysis:

- 2000-01 Promise Scholarship recipients who were reported by institutions as having received any type or amount of need-based student financial aid during that academic year; and,
- A comparison group of non-Promise recipients who received financial aid during academic year 2000-01.

¹⁰ Different living allowances are established for various groups of students, e.g., students who live with their parents while attending college, those who live in a campus dormitory or in an apartment, etc.

¹¹ Federal student loans are also available for students who do not qualify for need-based financial assistance. Loans assumed by students who do not qualify for “need-based” financial aid are not included in this analysis.

¹² Federal student loans may be used to finance the amount students and their families are expected to contribute toward college costs. Therefore student loans may be borrowed in excess of documented financial need.

The comparison group was selected on characteristics that made them as similar to Promise Scholarship recipients as possible. They were first- or second-year students who were less than 21 years old and who were dependent on their parents for support. In addition, students in the comparison group had net family incomes that were 135 percent or less of the state’s median family income, and they were financial aid recipients during the 2000-01 academic year. To ensure comparability, both study groups were limited to full-time students who attended the same institution through the full 2000-01 academic year.

Table 4-1
Characteristics – Promise Recipients and Comparison Group

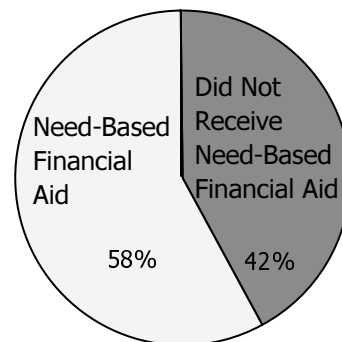
Characteristic	Promise Recipients	Comparison Group
Received financial aid	✓	✓
First- or second-year student	✓	✓
Dependent on parents	✓	✓
Less than 21 years old	✓	✓
Family income up to 135% MFI	✓	✓
Full-time/Full-year at same school	✓	✓
High school academic performance	✓	

The one variable for which data were not available for the comparison group was high school academic performance.

Data Sources. Most of the analysis was based on quantitative data from the Promise Scholarship program’s administrative database and from the year-end financial aid Unit Record Report¹³ submitted by institutions. Qualitative data, as appropriate, was collected from a survey of 1999 and 2000 high school graduates who met academic criteria for the Promise Scholarship program.

Findings. Of the 5,314 students who received a Promise Scholarship during the 2000-01 academic year:

- 58 percent also received other federal, state, or institutional need-based student financial aid;
- 35 percent received assistance from another state program; and
- 26 percent received a State Need Grant.

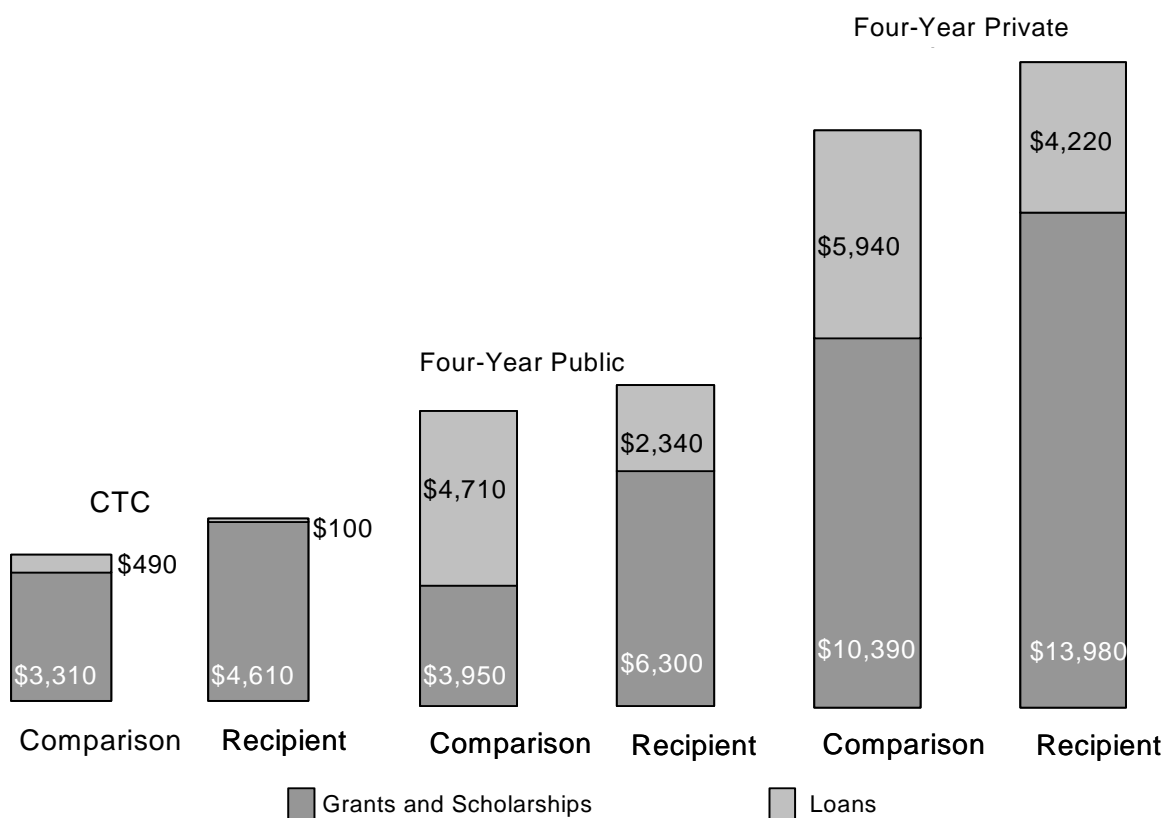


¹³ The student financial aid Unit Record Report is a student- and program-specific report of the types and amount of financial aid awarded to needy students attending Washington institutions in a given academic year. It provides comprehensive information about each financial aid recipient and the amount of aid awarded, by program.

On average, at all types of institutions, Promise Scholarship recipients:

- Received more grants and scholarships than students in the comparison group; and
- Borrowed less than students in the comparison group.

**Grants and Loans Received by Promise Scholarship Recipients and Comparison Group: by Type of Institution
2000-01 Academic Year**



For information showing the financial aid awards of Promise Scholarship recipients and the comparison group by sector and by income level, see Appendix C.

Conclusion. Although the amount of grants and loans varied among sectors and for students with different incomes, aided Promise Scholarship recipients at all income levels and at all types of institutions received more grants and borrowed less than other students with similar circumstances.

Furthermore, 86 percent of the Promise recipients with family incomes up to \$85,000 indicated in the student survey that they would have had to borrow more money to pay for college, had they not received the Promise Scholarship.

The Promise Scholarship program did, in fact, make college more affordable for recipients.

CHAPTER 5: PROMISE SCHOLARSHIP RECIPIENTS AND THE FEDERAL HOPE SCHOLARSHIP TAX CREDIT

The legislation calling for the Promise Scholarship program evaluation directs the HECB to include “an analysis of other financial assistance Promise Scholarship recipients are receiving through other federal, state, and institutional programs, including grants, work study, tuition waivers, *tax credits*, and loan programs” (emphasis added).

Federal higher education tax credits are a relatively new benefit, having been introduced by the Taxpayer Relief Act of 1997 (TRA). The TRA authorized an array of federal income tax benefits designed to preserve and enhance access to higher education for students from middle-income families. The TRA’s signature initiative, and the tax credit most likely to be claimed by Promise Scholarship recipients, is the Federal Hope Scholarship Tax Credit. Therefore, the analysis of tax credits available to Promise Scholarship recipients was based on eligibility for the Hope Scholarship.

The Hope Scholarship Tax Credit Program:

- Although it is called a scholarship, this program is actually a federal income tax credit available to taxpayers and their dependents who paid specified higher education costs during the prior tax year and who owe taxes.
- As summarized in the table on the following page, the Hope Tax Credit is available to first- and second-year college students who enrolled in a degree-granting program at least half-time during the tax year. It allows for a federal income tax credit of up to \$1,500 for tuition and fees, less the amount of scholarships, grants, and tuition benefits received by a student. The credit may be claimed for each of the taxpayer’s dependents who qualify, up to the full amount of taxes owed.
- The amount of the credit is a function of:
 - Family income;
 - The amount of taxes owed;
 - Tuition paid; and
 - The amount of grants and scholarships received.

Table 5-1

Major Provisions Federal Hope Scholarship Tax Credit Program													
Student Eligibility	<ul style="list-style-type: none"> • First two years of college • Two tax-years' limit • Enrolled in program leading to postsecondary degree or certificate • Enrolled at least half time • Not convicted during tax year of a felony for possessing or distributing a controlled substance 												
Income Limits <i>Note: Incomes will be adjusted for inflation after tax year 2001</i>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Married, Joint Filer</u></th> <th style="text-align: center;"><u>Single Taxpayer</u></th> </tr> </thead> <tbody> <tr> <td>Full Value</td> <td style="text-align: center;">Up to \$80,000 AGI</td> <td style="text-align: center;">Up to \$40,000 AGI</td> </tr> <tr> <td>Partial Value</td> <td style="text-align: center;">\$80,000 - \$100,000 AGI</td> <td style="text-align: center;">\$40,000 - \$50,000 AGI</td> </tr> <tr> <td>Not Eligible</td> <td style="text-align: center;">AGI above \$100,000</td> <td style="text-align: center;">AGI above \$50,000</td> </tr> </tbody> </table>		<u>Married, Joint Filer</u>	<u>Single Taxpayer</u>	Full Value	Up to \$80,000 AGI	Up to \$40,000 AGI	Partial Value	\$80,000 - \$100,000 AGI	\$40,000 - \$50,000 AGI	Not Eligible	AGI above \$100,000	AGI above \$50,000
	<u>Married, Joint Filer</u>	<u>Single Taxpayer</u>											
Full Value	Up to \$80,000 AGI	Up to \$40,000 AGI											
Partial Value	\$80,000 - \$100,000 AGI	\$40,000 - \$50,000 AGI											
Not Eligible	AGI above \$100,000	AGI above \$50,000											
Maximum Tax Credit per Eligible Dependent <i>Note: Maximum will be adjusted for inflation after tax year 2001</i>	<ul style="list-style-type: none"> • \$1,500 (100 percent of first \$1,000 tuition plus 50 percent of next \$1000) • May be claimed for each income tax dependent who qualifies • May not exceed the amount of taxes owed 												
Qualifying Expenses	Tuition and required fees (up to \$2,000), less grants, scholarships, fellowships, or other tuition benefits												
Effect of Grants and Scholarships	<p>Grants, scholarships, fellowships, or other tuition benefits are deemed to pay for tuition, dollar-for-dollar, unless:</p> <ul style="list-style-type: none"> • Considered as taxable income by the IRS; or • The grant, scholarship, or fellowship must be applied, by its terms, to expenses other than tuition. <p>Only the amount of tuition that exceeds grants, scholarships, fellowships, or other tuition benefits is used in calculating eligibility for the Hope Tax Credit.</p>												

The Hope Tax Credit was established to make college affordable for middle-income families. Several features, as shown on the following table, distinguish it from traditional financial aid programs:

Table 5-2

Major Differences Between Traditional Financial Aid Programs and Hope Tax Credits		
	Financial Aid Programs	Hope Tax Credits
Target Population	Low- and middle-income students <i>(No income limit for student loans)</i>	Middle-income taxpayers
Eligibility	Documented financial need	Tax filers who owe taxes
Timing of Receipt	Current school year	Tax reporting year following payment of tuition
Recognized College Expenses	Tuition and fees, books, living costs	Tuition and fees
Amount	Up to the amount of documented financial need	<ul style="list-style-type: none"> • Up to \$1,500 • Actual amount a function of family income, tax liability, tuition paid, and grants and scholarships received
Effect of Promise Scholarship	<ul style="list-style-type: none"> • Pays for current education expenses; • Helps meet financial need 	Assumed to pay for tuition, dollar-for-dollar. Reduces amount of tuition eligible for tax credit.

Due to the differences between the tax credit and traditional student financial aid, as listed above, the extent to which Promise Scholarship recipients appeared eligible for a Hope Tax Credit was analyzed separately from the analysis of other student financial aid Promise Scholarship recipients received.

Promise Scholarship Recipients and the Federal Hope Tax Credit

The Promise Scholarship evaluation analyzed:

- The extent to which scholarship recipients appeared to qualify for a Hope Tax Credit;
- The extent to which receipt of the Promise Scholarship appeared to reduce or eliminate eligibility for the Hope Tax Credit, in effect displacing a federal benefit with state funds; and
- The extent to which students would have qualified for federal Hope Tax Credits if tuition, the Promise Scholarship, State Need Grant, and federal Pell Grant award amounts had been at 2002-03 levels.

For detailed information regarding the Hope Tax Credit analysis, see Appendix D.

Study Group. The Hope Tax Credit analysis was conducted using the records of 3,017 students who first received Promise Scholarships during the 2000-01 academic year. Where appropriate for purposes of this discussion, results were extrapolated to the full 2000-01 Promise Scholarship recipient population.

Data Sources. Actual tax documents reporting who claimed the Hope Tax Credit were not available for this study. Therefore, student eligibility and the value of Hope Tax Credits available to Promise Scholarship recipients were estimated, using:

- Income and tax information provided by Promise recipients as a part of their scholarship application;
- 2000-01 tuition at the institution attended; and
- Grants and scholarships awarded to recipients, as reported by institutions in the 2000-01 year-end financial aid Unit Record Report.

Assumptions. The analysis assumed that:

- Tax liability would be the same as in the year for which the student applied for the Promise Scholarship;
- The Hope Tax Credit would be the first credit claimed by eligible taxpayers;
- Promise recipients did not receive scholarships other than those reported on the Unit Record Report; and
- Families who qualified for the federal Hope Tax Credit would claim it on their income tax returns.

These assumptions could potentially result in a slight overstatement of the Hope Tax Credit.

Study Question 1: To what extent did 2000-01 Promise Scholarship recipients appear to be eligible for the federal Hope Tax Credit?

Finding 1. Approximately 54 percent of the 3,017 entering freshmen who first received scholarships in the 2000-01 academic year appeared to be eligible for a Hope Tax Credit. Tax credits received by individual students ranged from \$1 to \$1,500, depending on the amount of tuition paid, the amount of grants and scholarships received, family income, and taxes owed.

Based on that finding, an estimated 3,000 of all 5,314 Promise Scholarship recipients in academic year 2000-01 would have been eligible for Hope Tax Credits totaling approximately \$2.4 million.

Finding 2. Eligibility for the Hope Tax Credit varied by family income. The income distribution of Promise Scholarship recipients who qualified for the tax credit was not the same as the distribution of Promise Scholarship recipients in general.

The following table compares the percentage of Promise recipients to the percentage of those who were estimated as eligible to receive a Hope Tax Credit, by income group. As shown below, recipients with incomes up to 55 percent median family income (MFI) represented 25 percent of all Promise recipients, but only 6.5 percent of those who were eligible for a Hope Tax Credit. Conversely, students with incomes between 101 percent and 135 percent MFI represented 34 percent of the Promise recipients, but 51 percent of the Promise recipients who were eligible for a Hope Tax Credit.

Table 5-3

Income Distribution of Cohort 2000 Promise Scholarship Recipients, Compared to Income Distribution of Promise Scholarship Recipients Who Qualified for Hope Tax Credit 2000-01 Academic Year

Income Distribution	Up to 50% MFI		51-55% MFI		56-65% MFI		66-100% MFI		101-135% MFI	
	#	%	#	%	#	%	#	%	#	%
# and % of All Promise Scholarship Recipients N= 3,017	658	21.8	110	3.6	225	7.5	1,006	33.3	1,018	33.7
# and % of Promise Scholarship Recipients Who Qualified for Hope Tax Credit N= 1,716	83	4.8	30	1.7	90	5.2	638	37.2	875	51.0

0-55% MFI
25.4% of the Promise Recipients
6.5% of the Hope Recipients

56-100% MFI
40.8% of the Promise Recipients
42.2% of the Hope Recipients

101-135% MFI
33.7% of the Promise Recipients
51% of the Hope Recipients

Study Question 2: To what extent did Promise Scholarship awards reduce or eliminate recipients’ eligibility for a federal Hope Tax Credit?

Finding 1. Since the Promise Scholarship is deducted from the price of tuition before eligibility for a Hope Tax Credit is calculated, in some cases the scholarship has the effect of reducing or eliminating the tax credit. Except for students attending low-cost institutions, reductions in the Hope Tax Credit were not consistent for any one population group.

- With receipt of the Promise Scholarship, the amount of the tax credit was most reduced for students with moderate incomes and for recipients who attended institutions with low or moderate tuition.
- Few low-income Promise Scholarship recipients qualified for a Hope Tax Credit, because they had low/no tax liability and because they tended to qualify for larger amounts of need-based grants. Conversely, Promise recipients with family incomes between 101 percent and 135 percent of the state’s median family income were much more likely to qualify for a Hope Tax Credit than their lower-income peers.

- Moderate-income students who attended private four-year, or public research universities tended to qualify for a full tax credit. They were eligible for a smaller tax credit at public comprehensive universities, and only a minimal tax credit at community and technical colleges.
- Highest income Promise Scholarship recipients (those with incomes between 101 percent and 135 percent of the median family income) who attended higher-cost institutions got the benefit of both the scholarship and a full tax credit.

Finding 2. Some Promise recipients who qualified for the Hope Tax Credit could have claimed larger tax credits had they not received the Promise Scholarship. For these students, state appropriations effectively reduced a federal benefit the family would have otherwise received.

Had the Promise Scholarship not been awarded in academic year 2000-01, recipients could have claimed an additional \$1.6 million in federal Hope Tax Credits. On average, every \$5 in state appropriations for the Promise Scholarship program resulted in a reduction of \$1 in federal Hope Tax Credits that could have otherwise been claimed.

However, the tax credit “displacement” was not dollar-for-dollar. As shown in Table 5-4 below, even considering the amount of foregone tax credits, Promise recipients experienced a net gain of \$6.3 million because they received the state-provided scholarship.

Table 5-4

Estimated Hope Tax Credits With and Without Promise Scholarship 2000-01 Academic Year			
	With Promise Scholarship	Without Promise Scholarship	Difference
Hope Tax Credit	\$ 2.4 million	\$4.0 million	(\$1.6 million)
Promise Scholarship	\$ 7.9 million	\$0	\$7.9 million
Total Available to Students	\$10.3 million	\$4.0 million	\$6.3 million

Study Question 3: What would have been the impact on Hope Tax Credit eligibility had tuition and fees and the Promise Scholarship award amount been at 2002-03 levels?

Finding. Had tuition and fees and award amounts for the Promise Scholarship, State Need Grant, and federal Pell Grant been at 2002-03 levels, an estimated 244 more students would have qualified for the Hope Tax Credit, and many recipients could have claimed larger tax credits.

This evaluation used data from the 2000-01 academic year. In the 2002-03 academic year, tuition is higher, and the maximum Promise Scholarship is lower¹⁴ than in the year evaluated. Additionally, State Need Grant and federal Pell Grant awards were increased for the 2002-03 academic year. These changes all affect eligibility for the federal Hope Tax Credit.

¹⁴The Promise Scholarship was \$1,542 in 2000-01, the year evaluated. In 2002-2003, the Promise Scholarship is \$948.

To estimate the impact of these changes, the analysis applied 2002-03 values to the 2000-01 study group, holding all other variables¹⁵ constant.

The following table compares the number of Promise Scholarship recipients estimated to qualify/not qualify for a federal Hope Tax Credit using 2001-02 and 2002-03 tuition, Promise Scholarship, State Need Grant, and federal Pell Grant award amounts.

Table 5-5

Estimated Eligibility for Federal Hope Tax Credit 2001-02 and 2002-03 Academic Year Promise Scholarship Recipients		
	2001-02	2002-03
Qualified	2,884	3,128
Did Not Qualify		
♦ AGI exceeded maximum for Hope Tax Credit	77	77
♦ Eligible tuition after grants and scholarships \$0	1,646	1,402
♦ Tax liability \$0	707	707

The increase in the number of students estimated to qualify for the Hope Tax Credit in 2002-03 was a function of increases in tuition and a decrease in the Promise Scholarship award amount. In general, increases in State Need Grant and federal Pell Grant award amounts did not result in a significant change in eligibility for, or the amount of, Hope Tax Credits, since these awards are directed at the lowest-income population that tends not to benefit as much from the Hope Tax Credit as higher-income students.

Conclusion. Many factors determine whether Promise Scholarship recipients will qualify for a federal Hope Tax Credit. Whether they qualify, and the amount of the tax credit, varies for all but the lowest-income students. Except for students attending low-cost institutions, reductions in the value of the Hope Tax Credit were not consistent for any one population group.

If eligibility criteria for the Promise scholarship were changed to ensure that the Hope Tax Credit would not be reduced, the result would be that many students would end up with neither. Such a change would limit the Promise Scholarship to only the lowest-income students.

Timing is also an issue. The Promise Scholarship is awarded during the current school year, when expenses are realized; the Hope Tax Credit is not available until tax forms are filed the year after tuition is paid. Families do not know their eligibility for the tax credit until they file their income tax returns, and may not equate the reduction in taxes owed to money available to pay for college tuition.

Both the Promise Scholarship and Hope Tax Credit programs have been available for only a short time. Little is known about the extent to which families actually claim the credit. It is too soon to recommend a change in eligibility criteria for the Promise Scholarship program because of a federal tax benefit that some recipients may qualify to receive.

¹⁵Variables held constant include family filing status, adjusted gross income, tax liability, grants and scholarships other than Pell, State Need Grant, and Promise, and Hope Tax Credit income cut-offs.

CHAPTER 6: PROMISE SCHOLARSHIP-ELIGIBLE STUDENTS WHO DID NOT ENROLL DUE TO INSUFFICIENT FINANCIAL AID

As a part of its evaluation of the Promise Scholarship program, the Board was asked to determine the extent to which students who were eligible to receive the Promise Scholarship were unable to attend college because they did not qualify for financial aid or because financial aid was insufficient.

Data were not available on the types or amount of financial aid offered to students who qualified academically for a Promise Scholarship but who did not attend a Washington college or university the year following high school graduation. Therefore, this question was addressed through the student survey. Students who were identified as being in the top 15 percent of their high school graduating classes who did not attend college the year following high school graduation were asked why they did not attend.

Study Question: To what extent did students who met academic eligibility criteria for the Promise Scholarship not attend college because they did not qualify for financial aid or because financial aid was insufficient?

Study Group. The study group for this analysis consisted of 1999 and 2000 high school graduates who were identified as being academically eligible to receive the Promise Scholarship, but who did not attend college the year after high school graduation.

Data Sources. Data for this analysis was taken from a survey of academically eligible non-applicants, decliners, and scholarship recipients. This part of the analysis was based on responses from students who indicated that they did not attend college the year after they graduated from high school.

Finding 1. More than 94 percent of Promise-eligible students attended college the year after they graduated from high school (compared to an estimated 60 percent college-attendance rate for high school seniors overall). Therefore, Promise Scholarship recipients were much more likely than other students to pursue education beyond high school.

Finding 2. Six percent of the academically eligible students did not enroll in college the year after high school graduation. They indicated several reasons for non-attendance:

- 61 percent indicated they had not planned to attend college right after high school.
- About half (3 percent of all academically eligible students) cited lack of money as one of the reasons they did not attend college the year after high school.
- There were other reasons for not attending. They included:
 - Family obligations (1.6 percent of all academically eligible students);
 - Not receiving the Promise Scholarship (0.7 percent of the academically eligible);
 - Other reasons (0.8 percent).

Conclusion. Lack of financial aid did not appear to be a significant impediment for Promise-eligible students.

CHAPTER 7: ACADEMIC ELIGIBILITY CRITERIA

One of the goals of the Promise Scholarship program is to encourage meritorious high school achievement. To receive the scholarship, otherwise eligible students¹⁶ must:

- ◆ Be in the top 15 percent of their high school graduating classes; or
- ◆ Score at least 1200 on the SAT on the first attempt; or
- ◆ Score at least 27 on the ACT on the first attempt.

Of the Promise Scholarship recipients who graduated from high school in 2001, and who were first awarded scholarships in academic year 2001-02, 94 percent met the academic standard on the basis of their “Top 15 percent” status, and 6 percent qualified based on their SAT I scores.¹⁷ Since the preponderance of recipients qualified based on the Top 15 percent criterion, the following discussion regarding academic eligibility criteria is in comparison to that eligibility standard.

Other standards could be used to determine academic eligibility. Some states, for example, establish eligibility for their merit aid programs on the attainment of a specified high school grade point average. In Washington, it has been suggested that eligibility be linked to passing the 10th-grade Washington Assessment of Student Learning (WASL) examination.

The 10th-grade WASL was not administered statewide when the Promise Scholarship was first established. However, now that it is required, the test could potentially be used to determine academic qualification for the Promise Scholarship.

This analysis considered four questions:

- (1) How did students in the 2001-02 Top 15 percent group perform on their 10th-grade WASL compared to all 10th-grade students who took the WASL in 1999?
- (2) What would have been the effect of using the 10th-grade WASL, *in lieu of* the Top 15 percent standard, as the academic criterion for the Promise Scholarship?
- (3) What would have been the impact of requiring Promise Scholarship recipients to be in the Top 15 percent of their senior class *and* pass the 10th-grade WASL?
- (4) What would have been the impact of allowing students to meet the academic qualification using *either* the Top 15 percent *or* the WASL criteria?

Study Group. The analysis focused primarily on the high school class of 2001, who took the 10th-grade WASL in 1999.

¹⁶ To receive a Promise Scholarship, an academically eligible student must have a family income that is 135 percent or less of the state’s median family income and attend a postsecondary institution in the state of Washington.

¹⁷ Eligibility based on the SAT or ACT was established primarily to accommodate home-schooled and private school students. The ACT was added as an academic eligibility criterion for the 2002-03 academic year.

Data Sources. The Office of the Superintendent of Public Instruction (OSPI) provided the Higher Education Coordinating Board (HECB) with the names and identification information for students in the top 15 percent of their respective 2001 graduating classes. In addition, OSPI provided demographic and WASL performance data for students who took the 10th-grade WASL at a public school in 1998-99.

Assumptions

- **Schools that did not participate in the 1999 10th-grade WASL.** In 1999, the first school year in which the 10th-grade WASL was administered statewide, local school districts had the option to participate. Two large districts – Evergreen and Vancouver, both in Clark County – did not participate that year.
- The study assumed that students in those districts would have passed the WASL at the same rate as students statewide, and factored the estimated numbers into the analyses.
- **Income information.** Not all students in the Top 15 percent of their classes apply for, and receive, the Promise Scholarship. Family income information is available only for academically eligible students who applied for the scholarship. Consequently, family income information was not available for Top 15 percent students who did not apply for the Promise Scholarship or for students who took the WASL.
- The analysis assumed that the income profile of all 10th-grade WASL passers would be similar to the income profile of the Top 15 percent WASL passers, and that similar percentages of 10th-grade WASL passers would apply, meet the income standard, and accept the Promise Scholarship as the Top 15 percent WASL passers who applied, met the income standard, and accepted the scholarship.
- **WASL test.** The 10th-grade WASL consisted of four tests – mathematics, reading, writing, and listening. A student must have met the standard for all four tests to be considered to have passed the WASL.
- **WASL pass rate.** The 10th-grade WASL was first administered statewide in 1999. To the extent that the pass rate improves in subsequent years, the findings in this analysis will understate the impact of using the WASL as the academic eligibility criterion for the Promise Scholarship program.

Study Question 1: How did students in the 2001-02 Top 15 percent group perform on their 10th-grade WASL, compared to all 10th-grade students who took the WASL in 1999?

Finding. Students in the Top 15 percent group were much more likely to pass the WASL than all 10th-grade test-takers. As shown in Table 7-1, of the 8,275 Top 15 percent students who took the 10th-grade WASL in 1999, 65 percent (5,367) passed all four WASL tests. By way of comparison, of the 67,418 10th-grade students who took the 10th-grade WASL in 1999, approximately 23 percent (14,709) passed all four tests.

Table 7-1

Comparison of WASL Performance in 1999: Top 15% and All 10 th -Grade Students				
	Top 15%		All 10 th -Grade Students	
Number in group	10,287		67,062	
Number who took the WASL	8,275		64,418	
Number/percent who passed all four WASL tests	5,367	64.9%	14,709	22.8%

Although a much smaller percentage of all WASL takers passed all four WASL tests, the number of passers is much larger than the number of passers who were in the Top 15 percent group.

Study Question 2: What would have been the effect of using the 10th-grade WASL, in lieu of the Top 15 percent standard, as the academic criterion for the Promise Scholarship?

Finding 1. Had the 10th-grade WASL been used instead of the Top 15 percent standard to establish Promise Scholarship eligibility for 2001 high school graduates, an estimated additional 1,350 students would have received scholarships (a 45 percent increase).

It would have cost nearly \$1.8 million more than appropriated to provide these additional students with the same average scholarship amount as awarded to recipients in the 2001-02 academic year. The increased cost would have nearly doubled (to \$3.6 million) by the second year, when this larger number of recipients renewed their scholarships and the next class of graduating seniors was awarded.

Conversely, had 1,350 recipients been added to the program in 2001-02 without additional appropriations, the average award for all recipients would have dropped from approximately \$1,350 to an average of \$1,110, reducing the average scholarship by \$240. The following year, assuming that the funding level and the student renewal rate remained constant, the average scholarship would have been reduced to an estimated \$960.

Finding 2. Use of the WASL as the academic eligibility criteria standard would have resulted in a slight change in the distribution of recipients by gender, and only minimal change in the distribution by race/ethnicity.

- A higher percentage of male students, and a smaller percentage of female students would have met the academic qualification, had eligibility been based on the WASL.

Table 7-2

Percent of Academically Qualified, by Gender WASL Compared to Top 15%		
	Top 15%	WASL
Male	36%	45%
Female	64%	55%

- The distribution of recipients by race/ethnicity would have changed minimally, using the WASL:
 - About 4 percent more white students would have qualified academically, using the WASL;
 - Asian/Pacific Islanders would have represented about 3 percent less of the academically eligible population using the WASL;
 - All other categories of race/ethnicity would have been the same using either the Top 15 percent or the WASL as the academic eligibility criterion.

Table 7-3

Percent of Academically Qualified, by Race/Ethnicity WASL Compared to Top 15%		
	Top 15%	WASL
White	81%	85%
Asian/Pacific Islander	11%	8%
Others	8%	7%

Finding 3. Use of the WASL in lieu of the Top 15 percent as the academic standard for Promise Scholarship eligibility would have resulted in a redistribution of recipients by county and by school district.

- Had the WASL been used as the academic eligibility standard in 1999-00:
 - A much higher percentage of qualifiers would have come from King County (an estimated 33 percent, compared to the current 25 percent);
 - Twenty-four other counties (in particular Pierce and Yakima) would have had a smaller percentage of academically qualified students;
 - Five other counties would have experienced a small increase in the percentage of qualifiers; and
 - Nine counties would have had about the same percent of qualifiers.

Changes in the distribution by county, while important, mask changes that occur at the school district level. School districts would also have experienced changes in the percentage of qualifying students, and those changes are not necessarily the same as changes by county.

For example, while a much larger percentage of qualifiers would have come from King County if the WASL had been used as the academic standard, not all school districts in King County would have experienced an increase. The Seattle school district would have had a smaller percentage share of the qualifiers, while the Bellevue school district would have had a larger share.

Study Question 3: What would have been the impact of requiring Promise Scholarship recipients to be in the Top 15 percent of their senior classes *and* pass the 10th-grade WASL?

Finding. Had the Promise Scholarship program required 2001 high school graduates to be in the Top 15 percent of their senior classes *and* pass all four 10th-grade WASL tests, an estimated 1,400 fewer students would have been awarded.

Study Question 4: What would have been the impact of allowing students to meet the academic qualification using *either* the Top 15 percent *or* the WASL criteria?

Finding. Had students been able to meet the academic criterion for the Promise Scholarship *either* by being in the Top 15 percent of their graduating classes *or* by passing the WASL, an estimated 2,700 more students in the high school class of 2001 would have qualified. The added cost of serving these students in academic year 2001-2002 would be about \$3.7 million.

Conclusion. Arguments could be made for using either the Top 15 percent or the WASL as the academic standard for Promise Scholarship eligibility. Both have advantages and disadvantages. Perhaps one of the greatest advantages of the Top 15 percent eligibility criterion is that it provides the opportunity for students from every high school – urban and rural, large and small, public and private – to receive the scholarship, if they meet the income criteria and attend a Washington college or university. If the WASL were used to establish eligibility, the distribution of recipients by county, and by school, would be changed.

Data to estimate the impact of using the WASL as an academic criterion for Promise Scholarship eligibility were available only for the first year in which the 10th-grade WASL was offered statewide. Use of the WASL as an academic criterion for Promise Scholarship eligibility should be studied further, as the WASL is further developed and as students and the state gain more experience with the test and longer-range data become available. However, the WASL should not replace the Top 15 percent as the academic eligibility standard at this time.

CHAPTER 8: OTHER CONSIDERATIONS

As a part of its review of the Promise Scholarship program, the Board evaluated the extent to which the current program design supports achievement of statutory goals, and whether modifications might improve program efficiency and/or effectiveness. Following is a summary of those issues, and the Board's conclusions.

Study Question: To what extent did the Promise Scholarship program influence high school achievement?

Finding 1. Because the program was implemented as the first group of recipients graduated from high school, students did not learn about the program in time for it to influence high school achievement. However, by the program's second year, 68 percent of the recipients had heard about the Promise Scholarship before or during their senior year in high school. Seventy-one percent of the recipients reported that knowing there was a possibility of receiving a Promise Scholarship caused them to work harder academically in high school.

Finding 2. Fifty-nine percent of the high school counselors who responded to the study survey agreed that recipients who knew about the program worked harder in school. However, many counselors said they did not tell students about the Promise Scholarship program because program continuation and funding were uncertain.

Study Question: What was the impact of the Promise Scholarship program on college participation and performance?

Finding. Students who were in the Top 15 percent group attended college at a high rate, and Promise Scholarship recipients performed well in college.

- 94 percent of the students in the Top 15 percent group attended college the year after high school.
- 63 percent of the recipients said receiving the Promise Scholarship influenced their decision to attend in-state schools.
- 92 percent of the recipients enrolled full-time.
- 90 percent had a 2.5 or higher grade point average at the end of the first year in college.
- 94 percent of the recipients returned to college the second year.

Study Question: Should the Promise Scholarship program have a different income cut-off?

Finding. The current income cut-off focuses the program on low- and middle-income students. An income limit allows the state to target its resources on students for whom college affordability is an issue. This policy safeguards against investing large amounts of state resources to provide scholarships to students who could, and would, attend college without the scholarship, an outcome that has been experienced in other states that have programs with no income limit.

Study Question: Are there factors that appear to diminish the impact of the program on student behavior?

Finding. The program's ability to influence high school achievement and college participation has been limited by its lack of predictability and by the declining scholarship amount.

- High school counselors have indicated their reluctance to tell students and families about the program unless they are confident that it will be funded when students graduate from high school.
- As the scholarship declines in value, it will have less influence on student behavior in high school and on students' decisions to attend in-state colleges and universities.

Conclusions. The Promise Scholarship program is effectively responding to statutory goals. It should be continued with essentially the same criteria. However, the program must be predictable and stable if it is to influence – and not just reward – student behavior.

Funding should support scholarships that are equivalent to full-time community college tuition.

This evaluation provided an examination of the program's first two years. The Promise Scholarship program should be evaluated again after three or four groups of recipients have graduated with baccalaureate degrees.

PROMISE SCHOLARSHIP RECIPIENT PROFILE

	1999 Cohort		2000 Cohort	
	#	%	#	%
Applicants	2708		3687	
<i>Sex</i> – F	1780	66%	2371	64%
M	928	34%	1316	36%
AGI -				
<=50%MFI	644	24%	869	24%
>50% & <=100%MFI	971	36%	1563	42%
>100%MFI	1078	40%	1242	34%
Missing	15	1%	13	0%
Recipients –	2164		3225	
<i>Sex</i> – F	1444	67%	2071	64%
M	720	33%	1154	36%
AGI –				
<=50%MFI	516	24%	777	24%
>50% & <=100%MFI	837	39%	1401	43%
>100%MFI	811	37%	1047	32%
Missing	0	0%	0	0%
Sector Attended –				
Research	778	36%	1111	34%
Comprehensive	386	18%	584	18%
CTC	606	28%	997	31%
Private 4-Yr	343	16%	463	14%
Private Career School	18	1%	21	1%
Multiple Sectors	33	2%	49	2%
Load –				
Full-time	1997	92%	2950	91%
Part-time	167	8%	275	9%

DATA SOURCES

The Promise Scholarship evaluation used data from six major sources. These include the Promise Scholarship program administrative database and the student financial aid Unit Record Report database, both of which reside at the Higher Education Coordinating Board (HECB); Washington Assessment of Student Learning (WASL) data from the Office of the Superintendent of Public Instruction (OSPI); a survey of students identified as being academically eligible for the Promise scholarship; data from postsecondary institutions attended by Promise Scholarship recipients; and a survey of high school counselors. These sources are described in greater detail below.

- Promise Scholarship Program Administrative Database.** The HECB maintains a Promise Scholarship program administrative database. This database includes student-level information on Promise Scholarship eligibility and participation. In particular, it includes information on students who were academically eligible; who applied for the scholarship; who were offered the scholarship; and who accepted the scholarship. Additionally, for those who applied, the database contains student demographics and family income information. For those who received an award, the database includes information on which college or university the student attended; the quarter/semester terms for which they enrolled and received an award; and the amount of scholarship funds they received.

At the start of this evaluation, the database included information on students from the high school graduating classes of 1999, 2000, and 2001. However, because only the first two study groups had completed at least one full year of college or university, most of the evaluation's findings are based on the experiences of students from those two cohorts. The only analysis that used information on 2001 first-year recipients was the review of student performance on the 10th-grade Washington Assessment of Student Learning (WASL) program.

Table B-1, below, provides the number of students, by status, during the first year of their eligibility for the Promise Scholarship. Definitions for each status follow.

Table B-1

Total Number of Students By Promise Scholarship Status and Cohort Year

Population	Cohort 1999	Cohort 2000	Cohort 2001
Non-Applicants	4,066	6,784	7,018
Applicants (For first year of eligibility)	2,708	3,687	3,186
Eligibles (Met academic, income, and school requirements)	2,265	3,450	3,381
Recipients (For first year of eligibility)	2,164	3,225	3,186
Decliners (For first year of eligibility)	101	225	195

Source: Promise Scholarship program administrative database

Non-applicants are students who were identified by their high school as being academically eligible for the scholarship but who did not apply in their first year of eligibility.¹ For the 1999 graduating class, the criterion was ranking in the Top 10 percent of the graduating class while for the 2000 graduating class, the criterion was ranking in the Top 15 percent. In addition to being academically qualified, students' family incomes could not exceed 135 percent of the state's median family income, and students were required to attend an in-state college or university at least half time, and be working toward a certificate or degree.

Applicants are students who submitted an application for their first year of eligibility, whether or not they completed the application process. Some of the students began the application process but did not submit all of the required materials; their applications remained incomplete. Nevertheless, these students were counted in the applicant pool.²

Eligibles are students who were academically eligible, completed the application, had family incomes that did not exceed the maximum, and, at the time of application, intended to attend an in-state college or university. Although all Eligibles were offered a Promise Scholarship, ultimately not all accepted it.

Recipients are students who were offered and accepted the Promise scholarship during their first year of eligibility. Some of these students attended college or university for less than a full year and received a pro-rated award for the terms they attended.

Decliners are students who applied and were determined eligible. Although offered the scholarship, they turned it down in their first year of eligibility. Some of these students applied again in the second year and accepted the scholarship.

- **Unit Record Report (URR).** The HECB annually collects student-level data from institutions that participate in state financial aid programs. The resulting database is called the student financial aid Unit Record Report. It includes demographic and financial aid information on each student who received need-based financial aid during the prior academic year. At the time of this evaluation, the most current year's data were for the 2000-01 school year. Consequently, analysis involving the financial aid experiences of students was limited to the 1999-00 and 2000-01 academic years.

¹ The numbers of non-applicants in the table are from the Top 10 percent/Top 15 percent lists only; numbers do not include students who qualified academically with SAT scores. There are two reasons for this exclusion. First, demographic data on SAT qualifiers is incomplete. Second, the SAT criterion was added in the second year of the program primarily for students who were not a part of a high school, in particular, those who are home-schooled.

² Unlike the number of non-applicants, the number of applicants includes those who met academic eligibility criteria by class ranking or by SAT scores. Students have two years of eligibility. Some students who chose not to apply for their first year did so in their second year. There are 61 Cohort 1999 and 33 Cohort 2000 students who applied for the first time in year 2 of their eligibility. Most of the analyses on applicants include year 1 applicants only; the report clearly states when all applicants are included.

Table B-2

Number by Cohort, Recipient Status, and Unit Record Database Match Status				
	# Match With 99-00 URR	# Match With 99-00 & 00-01 URR	# Match With 00-01 URR	#No Match With URR
Cohort 1999				
Year 1 Recipients	280	1,077	85	722
Year 2 Only Recipients	3	18	21	33
Not A Promise Recipient	65	127	26	312
Cohort 2000				
Year 1 Recipients	0	15	1892	1318
Year 2 Only Recipients	1	1	19	61
Not A Promise Recipient	0	3	65	342

- **Promise Student Survey.** The HECB contracted for the administration of a survey of Cohort 1999 and Cohort 2000 students. The survey focused on a number of issues, including the impact of the Promise Scholarship on students' academic performance and decisions regarding college or university the year following graduation from high school.³ The survey was limited to the three categories of students defined under the Promise Scholarship program administrative database data source: non-applicants, recipients, and decliners.

Survey requests went to a *sample* of the non-applicants and the *population* of first-year-eligible recipients and first-year-eligible decliners. The table below presents the numbers of those surveyed, the numbers responding, and the resulting response rate.

Table B-3

Number of Students Surveyed and Response Rate by Group				
Group	#In Population	# Surveyed	# Responded	Response Rate
Non-Applicants	10,850	6,489	1,152	18%
Recipients, Year 1	5,389	5,389	1,174	22%
Decliners, Year 1	326	326	72	22%

Source: Promise student survey.

- **Institution survey.** The HECB surveyed institutions for academic outcome data on Promise recipients who enrolled during the 1999-00 and 2000-01 academic years. Institutions were asked to provide year-to-date credits earned and cumulative GPA information by student and academic year.

³ A copy of the student survey is appended to this report as Attachment 1.

Table B-4, below, details by sector the number of institutions that were surveyed, the number of students for whom data were requested, the number of institutions that responded, and the number of students for whom data were provided.

Table B-4

Institution Survey				
Sector	# Institutions Surveyed	#Students for Whom Data Requested	# Institutions Responded	# Students for Whom Data Provided
Public 4-Year	6	3,045	6	3,036
CTC	35	1,828	35	1,806
Private 4-Year	13	858	10	794
Total	54	5,731	51	5,636

Source: Promise Scholarship administrative database and Institution Survey.

To simplify the analysis, the data were limited to students' performance in the last college or university attended during the first year following high school graduation. The resulting dataset included 5,290 students; the details are in the table below. All data elements were not available for all these students, e.g., The Evergreen State College (TESC) does not give grades, therefore, although there is course credit information for TESC students, there is no grade point average information.

Table B-5

Number of Institutions and Students in Analysis, by Sector		
Sector	# Institutions Included	#Students Analyzed
Public 4-Year	6	2,885
CTC	34	1,649
Private 4-Year	10	756
Total	50	5,290

Source: Promise Scholarship administrative database and Institution Survey.

- **Counselor Survey.** High school counselors were surveyed to elicit information regarding when and how they informed students about the Promise Scholarship program and their opinions regarding the impact of the program on students' academic performance and college aspirations and choices. One hundred twenty-two high school counselors or administrators responded to the Web-based survey.⁴

⁴ A copy of the high school counselor survey is appended to this report as Attachment 2.

- **WASL Database.** OSPI maintains a WASL database, which includes student-level data for each WASL administration. For the first time in the spring of 1999, all schools were asked to participate, although voluntarily, in the 10th-grade WASL program. The 10th-grade WASL consisted of four tests—mathematics, reading, writing, and listening. A student may be in the WASL database but not have taken one or more of the four tests. OSPI has categorized reasons for not taking a test as follows:

1. Absent, not tested
2. IEP, exempt
3. No longer enrolled, exempt
4. Incomplete, not tested
5. Refusal, not tested
6. ESL, exempt
7. Invalidated, not tested

In calculating WASL pass rates, OSPI did not include in the denominator those students who were exempted (2, 3, 6), but included all others.

OSPI provided the HECB with spring 1999 10th-grade WASL performance data on more than 67,000 students. Of the 10,287 Cohort 2001 Top 15 percent academically eligible students, OSPI was able to match 8,334 to a WASL record. In some instances, Top 15 percent students could not be matched to the WASL records due to difficulties of matching by name (the method used by OSPI), and the lack of WASL information in the OSPI database for private school students, and for students whose districts or schools did not participate in the spring 1999 10th-grade WASL program.

OTHER FINANCIAL AID FOR PROMISE SCHOLARSHIP RECIPIENTS

The analysis of other financial aid received by Promise Scholarship recipients, and the effect of the Promise Scholarship on the amount of grants, scholarships, and loans awarded to scholarship recipients was limited to students who received need-based student financial aid. Quantitative data for the analysis was provided by the student financial aid Unit Record Report (URR). The URR database contains information only for students who received financial aid on the basis of documented financial need. Therefore, this analysis is limited to Promise Scholarship recipients who were awarded any other type or amount of financial aid based on need.

Where appropriate, the analysis took into account qualitative information about the impact of the scholarship on student financing of higher education. Qualitative information was collected from a survey of 1999 and 2000 high school graduates who met academic criteria for the Promise Scholarship program.

To do the analysis, student information from the Promise administrative database was combined with financial aid data from the Unit Record Report. Financial aid awarded to a comparison group of need-based financial aid recipients was used to assess whether the financial aid experiences of Promise recipients were typical of other aided students.

This analysis used the most current Unit Record data available, which was for the 2000-01 academic year. To avoid the complications of involving two different academic years in which tuition and financial aid amounts differed, this analysis was limited to students who received a Promise Scholarship during the 2000-01 school year. The analysis was limited to full year, full time Promise recipients who attended one institution only during the 2000-01 academic year.⁵ The comparison group was restricted to dependents in their first or second year of college (i.e., freshmen and sophomores) under the age of 21, whose net family incomes were at or below 135 percent of the state's median family income.⁶

⁵ In addition, the analysis excluded students who attended private career schools, since a very small number (19) of Promise recipients attended schools in that sector.

⁶ The year-in-school and age restrictions were not applied to the Promise students. Although a few Promise recipients were independent, and a few were considered as being in a class level higher than second year (as a result of pre-college credits earned through programs such as Running Start and AP), their financial aid experiences were expected to be more like freshmen and sophomores than juniors or seniors despite their grade designations. The number of such students is relatively small.

Dependency Status		Year in School	
Dependent	2,701	1	1418
Independent	46	2	986
		3	290
		4	51
		5	2

The resulting numbers of students in each group, by sector, is shown in the table below. Because the distribution of the two groups by sector differs, any analysis that combines students from different sectors could be biased. However, nearly all of the analyses are disaggregated by sector; therefore, the effects of this limitation are mitigated.

Table C-1

Number of Need-Based-Aided Promise Recipients & Comparison Students by Sector, 2000-01		
Sector	Promise Recipients	Comparison Students
Research	1,020	2,531
Comprehensive	505	2,083
Private 4-year	721	2,804
CTC	501	4,765
TOTAL	2,747	12,183

Source: Promise Scholarship administrative database and Unit Record Report database.

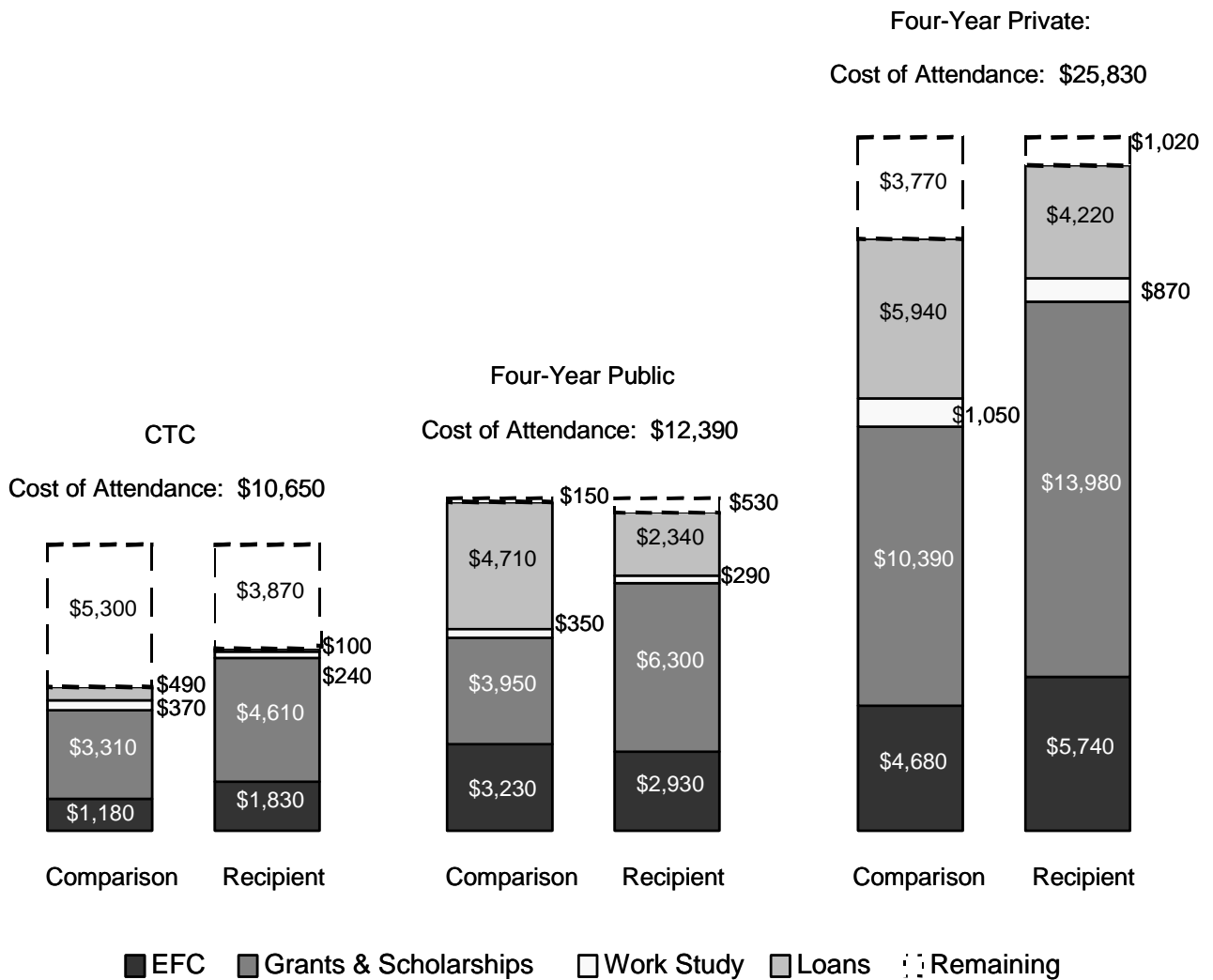
The following charts show the average amount of financial aid received by Promise Scholarship recipients and students in the comparison group during the 2000-01 academic year. Chart 1 provides averages for all students enrolled in each institution type, and Charts 2 through 4 provide information for each sector, by family income category.

- **During the 2000-01 academic year, on average, at all types of institutions, Promise Scholarship recipients:**
 - Received more grants and scholarships than students in the comparison group;
 - Borrowed less than students in the comparison group.

This would indicate that the scholarship provided a financial advantage to recipients.

Chart C-1

Cost of Attendance Covered by Expected Family Contribution (EFC) and Financial Aid Promise Scholarship Recipients and Comparison Group, by Type of Institution 2000-01 Academic Year

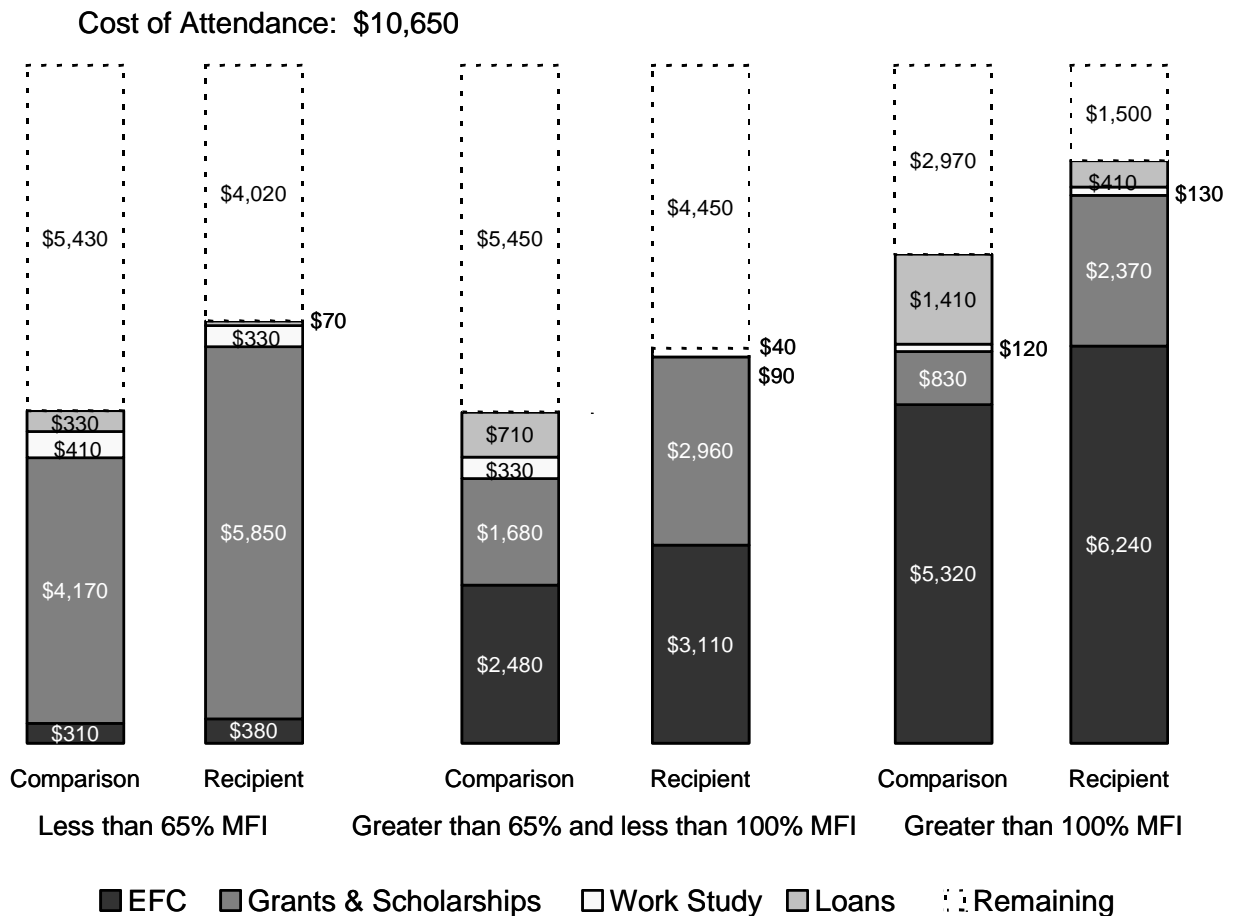


- **At community/technical colleges:**

- Promise Scholarship recipients with incomes up to 65 percent of the median family income received more grants and scholarships than those with higher incomes.
- Promise recipients tended to have higher expected family contributions than comparison students in the same-income category.
- Promise recipients had less remaining need after financial aid than students in the comparison group. However, on average, the amount was substantial. This is due partly to minimal participation in loan programs. In addition, this illustration is based on the standard live-away-from-parent budget. Many students are able to reduce costs by living with their parents while attending a community/technical college.
- At all income levels Promise recipients who attended community colleges borrowed, on average, very little.

Chart C-2

**Cost of Attendance Covered by Expected Family Contribution (EFC) and Financial Aid
Promise Scholarship Recipients and Comparison Group by Income Range
Students Attending Community/Technical Colleges, 2000-01 Academic Year**

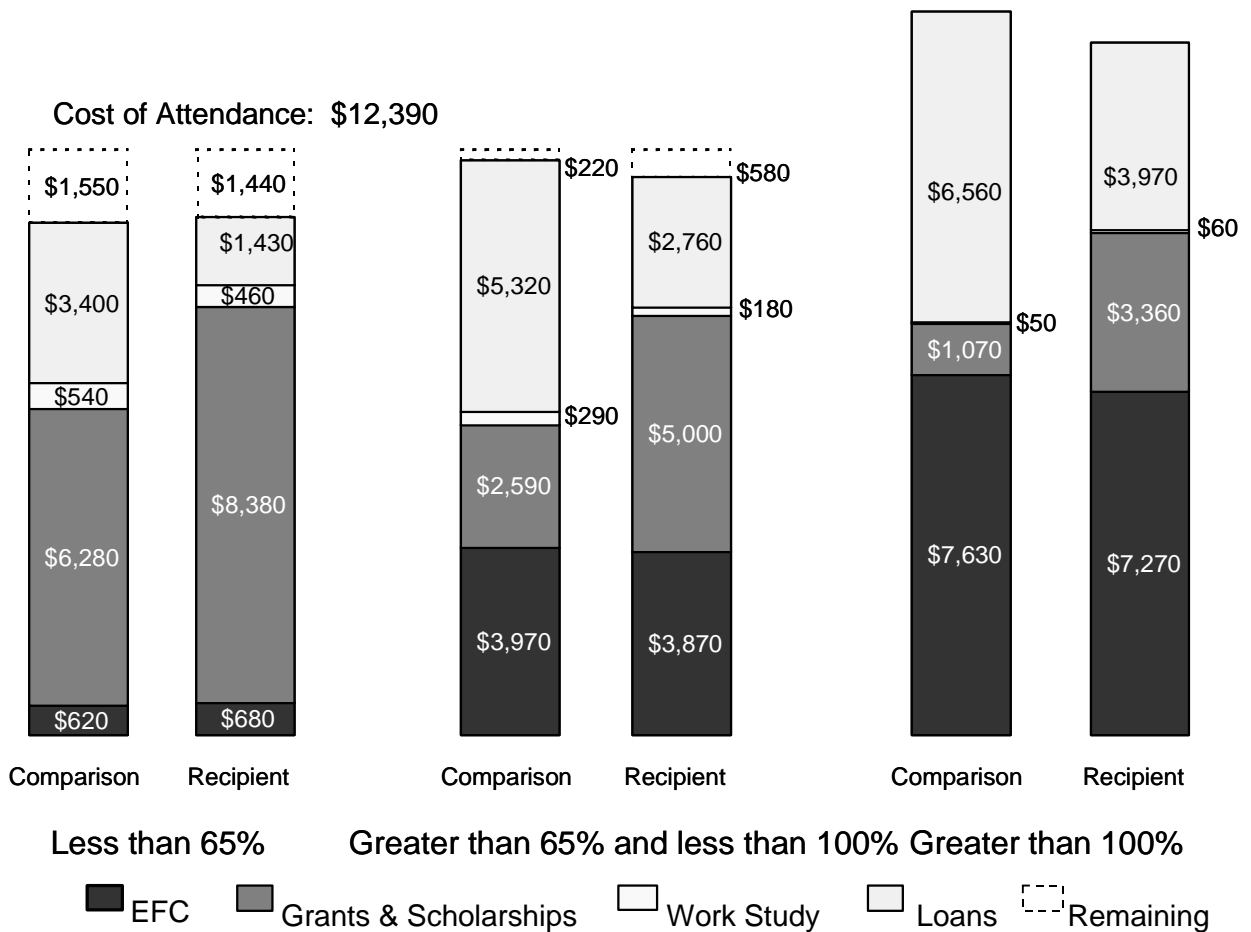


• **At public four-year institutions:**

- The expected family contributions for Promise recipients and the comparison group in each income range were about the same.
- Promise recipients were awarded substantially higher grants, and they borrowed considerably less than the comparison group.
- Both Promise recipients and students in the comparison group in the top income category borrowed to cover a part of their expected family contribution.
- Promise recipients and the comparison group had about the same amount of remaining need.

Chart C-3

**Cost of Attendance Covered by Expected Family Contribution (EFC) and Financial Aid
Promise Scholarship Recipients and Comparison Group by Income Range
Students Attending Public Four-Year Institutions, 2000-2001 Academic Year**

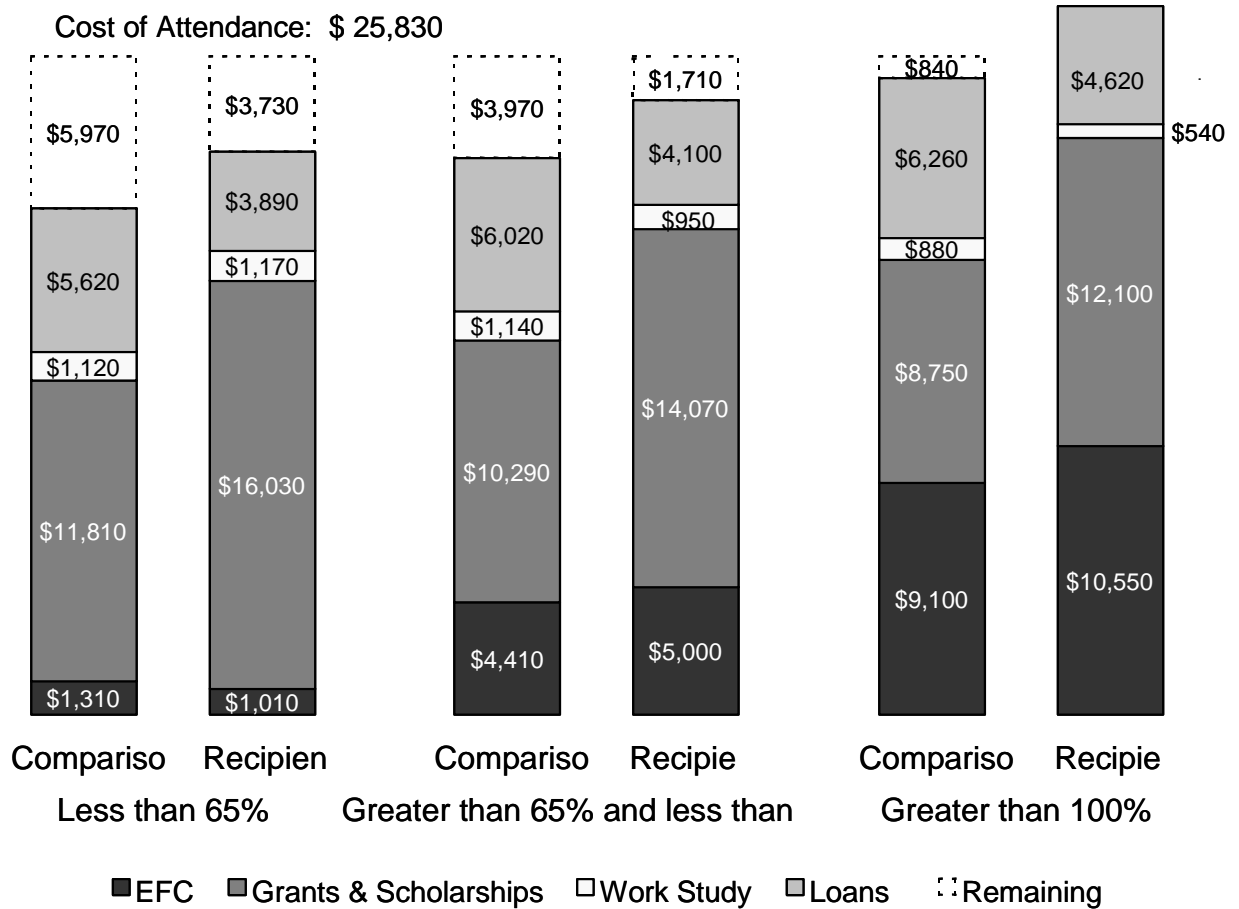


• **At private four-year institutions:**

- The expected family contributions for Promise recipients and the comparison group in each income range were about the same.
- Promise recipients were awarded substantially higher grants, and they borrowed considerably less, on average, than students in the comparison group.
- Promise recipients had less remaining need than the comparison group.
- Promise recipients in the top income category borrowed to help cover some of their expected family contribution.

Chart C- 4

**Cost of Attendance Covered by Expected Family Contribution (EFC) and Financial Aid
Promise Scholarship Recipients and Comparison Group by Income Range
Students Attending Private Four-Year Institutions, 2000-2001 Academic Year**



PROMISE SCHOLARSHIP RECIPIENTS AND THE FEDERAL HOPE TAX CREDIT

A “perfect” Hope Tax Credit analysis requires a substantial amount of information on each student, some of which was not available or not readily available. The Hope Tax Credit analysis used the best readily available data.

The analysis was further complicated by the fact that the Hope Tax Credit is calculated for a tax year that includes parts of two different academic years. The Hope Tax Credit is predicated on tuition and fees paid, and grants and scholarship aid received during a tax year, as well as the adjusted gross income and tax liability⁷ for that tax year.

The following decisions were made to complete this analysis:

- The analysis was based on Cohort 2000 students, e.g., students who graduated from high school in spring 2000, and started college in the 2000-01 academic year. Financial aid data for the Cohort 2000 students were the most current available at the time of the study. Finally, focusing on one recipient group simplified the calculations and reduced confusion that may have occurred from using more than one group.
- The family’s filing status and tax liability for the tax year 1999, reported as a part of the Promise Scholarship application, were used. These data were not available for tax year 2000. The analysis assumed that, in most cases, the filing status would have remained the same and tax liability would not have changed substantially.
- Tuition and fees and grant/scholarship aid received for the 2000-01 academic year were used in the analysis. This amount of tuition was probably somewhat higher than families paid in the 2000 calendar year. However, grants and scholarships that offset the tuition and fees would likely also have been higher.
- The analysis assumed that the Hope Tax Credit was the first credit to be applied to tax liability. This may overestimate the amount of Hope Tax Credit for which families would have qualified. IRS Form 8863 applies the following credits before any education credits: credit for child and dependent care expenses, credit for the elderly and the disabled, and foreign tax credit.
- Students attending private career/proprietary schools are not included in the analyses for several reasons. First, only a few students in the Cohort 2000 population attended a private career/proprietary school. Second, the cost and financial aid experiences of students at schools in this sector are quite divergent, resulting in findings that would not be representative of all private career school students. Finally, private career schools, unlike those in other sectors, are quite different from each other. Therefore, with so few represented, the decision was made to exclude them from the analysis.

⁷ Throughout this document the term “tax liability” refers to taxes owed after credit for standardized or itemized deductions and exemptions are applied to the adjusted gross income, but before any other credits or taxes are applied.

Study Group. There were 3,225 Cohort 2000 first-year Promise scholarship recipients in the 2000-01 academic year. As shown in the table below, of these students, 188 were excluded from this analysis due to missing IRS tax data, and an additional 20 students were excluded because they attended private career schools.

Table D-1

Number of Students By Reason for Exclusion from Analysis	
Reason for Exclusion	# of Students
Missing Filing Status, Tax Liability, & Private Career School	3
Missing Filing Status & Tax Liability	80
Missing Tax Liability & Private Career School	2
Missing Filing Status Only	53
Missing Tax Liability Only	50
Private Career School Only	20

Source: Promise administrative data and application materials submitted by students.

Data Sources. The Promise Scholarship program's administrative database provided information on receipt of the Promise Scholarship during the 2000-01 academic year, the amount of the award received, the family's adjusted gross income, and family size.⁸

IRS tax forms submitted by applicants provided information on filing status and tax liability. Tax liability was from Line 40 on Form 1040, Line 25 on Form 1040A, or Line 10 on Form 1040-EZ.

The 2000-01 tuition and fee rates for the public four-year institutions and the community and technical college sector were obtained from the HECB's tuition and fee study. Tuition and fees for the private four-year institutions were obtained from the HECB's financial aid division's records. If tuition and fees data were not available for a specific institution, the average for the institution's sector as determined by the HECB financial aid division was used.

Grant and scholarship information was obtained from the 2000-01 Unit Record Report database. Promise recipients' administrative record information was matched to their Unit Record Report information, if available. As shown in Table D-2, matching data were found for 1,763 of the 3,017 Cohort 2000 analysis subgroup students.

Table D-2

Number of Cohort 2000 Analysis Students By Unit Record Report Database Matching Results	
Status	Cohort 2000 Analysis Students
In 2000-01 URR	1,763
Not in 2000-01 URR	1,254
Total Cohort	3,017

If the Unit Record Report database did not include a record for a Cohort 2000 student, the student was assumed not to have received grant aid or scholarships other than the Promise Scholarship. Some of these students may have received other merit-based aid and if, in fact, they did, their Hope Tax Credit may be overstated.

⁸ Some records had AGI information that was missing or that appeared in error. Questionable data were checked with the actual IRS forms submitted with the Promise Scholarship application. Any corrections to AGI were made to the working analysis file and not the original administrative database.

ACADEMIC ELIGIBILITY CRITERIA

The evaluation of the Promise Scholarship program included an assessment of the effect of using the 10th-grade Washington Assessment of Student Learning (WASL) examination to determine academic eligibility for the Promise Scholarship. Analyses were conducted to estimate the effect of using the WASL in lieu of, in addition to, and as an alternative to the current criteria that determines eligibility based on a student's inclusion in the top 15 percent of his or her high school graduating class.

The 10th-grade WASL was first offered statewide in 1999. Therefore, analysis was based on students who graduated from high school in spring 2001, and who first received Promise Scholarships during the 2001-02 academic year.

Data

- **Top 15 percent/WASL Match.** The Office of the Superintendent of Public Instruction (OSPI) sent to the Higher Education Coordinating Board (HECB) the list of 2001 high school seniors who were in the top 15 percent of their graduating class. The list included student-level information such as name, address, and school attended, for 10,287 students.⁹

To conduct this analysis, the HECB asked OSPI to match this list against the 1999 10th-grade WASL database. Using the first five letters of the student's last name, linked with the first five letters of the student's first name as the matching criterion, OSPI was able to match WASL data to 81 percent (8,334) of the students on the Top 15 percent list. Of the 8,334 students, 59 (0.71 percent) were exempted from one or more of the four WASL tests; these 59 students were not included in the analyses of test performance.

Students attending private schools were not included in the matched database. Similarly, students who attended schools that did not administer the 10th-grade WASL in 1999 were excluded from OSPI's matched list.

- **WASL Data.** Schools were asked to voluntarily administer the 10th-grade WASL for the first time in 1999. The testing program consisted of four tests in mathematics, reading, writing, and listening. A student may have been in the WASL database but, for one or more reasons, not have taken one or more of the four tests. OSPI has categorized reasons for not taking a test as follows:
 1. Absent, not tested
 2. IEP, exempt
 3. No longer enrolled, exempt
 4. Incomplete, not tested
 5. Refusal, not tested
 6. ESL, exempt
 7. Invalidated, not tested

⁹ An additional 543 students met academic eligibility criteria by scoring 1200 or more points on the SAT I. Although many of these students were in the public school system, they were not included in this Top 15 percent/WASL analysis except as referenced further in this document.

In calculating pass rates, OSPI does not include in the denominator those students who were exempted (2, 3, 6), but includes all others. The table below presents data on students and the number of tests from which they were exempted. As expected, a much higher percentage of all students taking the WASL (3.9 percent) were exempted from one or more tests compared to those who were in the Top 15 percent (0.7 percent).

Table E-1

Number of Students by Number of WASL Tests Exempted				
# Tests Exempted	All Students		Top 15% Students	
	#	%	#	%
0	64,418	96.06%	8,275	99.29%
1	274	0.41%	9	0.11%
2	219	0.33%	3	0.04%
3	324	0.48%	4	0.05%
4	1,827	2.72%	43	0.52%
Total Tested	67,062	--	8334	--

Source: Promise administrative data and OSPI WASL data.

Students who did not take the test or had test scores that were invalidated were included in the analysis. These students were considered not to have passed the WASL. If passing the WASL had replaced ranking in the Top 15 percent as the academic eligibility requirement, these students would have had to qualify academically through the alternate means of SAT or ACT scores instead, if available and appropriate.

- **Missing School Districts.** Not all schools administered the 1999 10th-grade WASL. In particular, two relatively large districts, Evergreen and Vancouver, both in Clark County, did not participate. To more closely estimate the impact of using the WASL on the number of eligible Promise Scholarship recipients, the analysis assumed that students in these two districts would pass the WASL at the same rate as students statewide, and included estimated numbers for those two districts in the findings.

As indicated in Table E-2, about 180 students from public schools in these districts were estimated to have passed the WASL and eventually to have become recipients of the Promise Scholarship.

Table E-2

Calculations Estimating # of Recipients Based on Passing the WASL for Two Districts That Did Not Participate in 1999 10 Grade WASL		
Steps	District 1	District 2
#Top 15% Students – (does not include private schools)	233	202
Estimated Enrollment: (#Top15%)/(0.15)	1,553	1,347
#With No WASL Exemptions – (Statewide %No Exemptions, 96.1%) * (Estimated Enrollment)	1,492	1,294
#Passed WASL Tests – (Statewide %Passed, 22.8%) * (#With No WASL Exemptions)	341	295
#Applied - (Top15%-WASL Passers %Applied, 30.7%) * (#Passed WASL)	105	91
#Eligible - (Top15%-WASL Passers % Eligible, 94.2%) * (#Applied)	98	85
#Recipients - (Top 15%-WASL Passers % Recipients, 96.2%) * (#Eligible)	95	82

Source: Promise administrative database and OPSI WASL data.

- **Family income and institutional choice of WASL-passers.** In addition to meeting academic criteria, to receive a scholarship, the family income of recipients cannot exceed 135 percent of the state's median family income, and recipients must attend an eligible Washington college or university.
 - For purposes of estimating student eligibility, if the WASL were used as an alternative academic criterion for scholarship eligibility, the analysis assumed that the family incomes of WASL passers who were not in the Top 15 percent study group would be like those of students in the Top 15 percent group who passed the WASL. Similarly, the analysis assumed that the same percentage of WASL passers as students in the Top 15 percent study group who also passed the WASL, would apply, be eligible, attend eligible institutions, and receive the scholarship.

Study Question 1. How did students in the 2001-02 Top 15 percent study group perform on their 10th-grade WASL, compared to all 10th-grade students who took the WASL in 1999?

The 1998-99 10th-grade cohort included 67,062 students. Almost 4 percent, 2,644, of the students were exempted from one or more of the four WASL tests. Of the 64,418 students with no exempted tests, 22.8 percent (14,709) passed all four WASL tests.

As shown in Table E-3, 64.9 percent of the students in the Top 15 percent of their class passed all four WASL tests. As expected, this percentage was considerably higher than the passing percentage for all students, 22.8 percent. The distribution of students across number of tests passed was nearly uniform for all students, while for the Top 15 percent students, the large majority passed at least three of the four tests.

Table E-3

Number of Students By Number of WASL Tests Passed				
#Tests Passed	All Students		Top 15%	
	#	%	#	%
Total	64,418	--	8,275	--
4	14,709	22.8%	5,367	64.9%
3	12,546	19.5%	1,648	19.9%
2	11,340	17.6%	640	7.7%
1	12,710	19.7%	380	4.6%
0	13,113	20.4%	240	2.9%

Source: Promise administrative data and OSPI WASL data.

Although more students would have qualified had the WASL been used to determine academic eligibility, the actual additional number of students would depend on the extent to which academically eligible students also met the other eligibility requirements of family income and attendance at a Washington college or university. Research has shown a positive correlation between family income and performance on standardized academic achievement tests. If, in fact, that correlation is true of performance on the WASL, the percent of students not qualifying for the Promise Scholarship because of the family income limit might be higher than if the academic criteria is linked to class standing.

Study Question 2. What would have been the effect of using the 10th-grade WASL, in lieu of the Top 15 percent standard, as the academic criterion for the Promise Scholarship?

Number of Recipients and Cost. As observed in Table E-3, above, a much smaller percentage of all WASL takers passed all four WASL tests. However, the number of passers is much larger than the number of passers who were in the Top 15 percent group.

Table E-4 presents information on Promise program participation of Top 15 percent WASL passers and the corresponding estimates for all WASL passers. It also includes information on the Promise participation of applicants by the type of school – public or private – from which students graduated, and on students who qualified academically through the SAT or means other than the Top 15 percent list.

Table E-4

Comparison of Estimated Promise Scholarship Program Status										
Promise Program Status	All WASL Passers (est. based on Top 15% WASL Passers)									
	Top 15% WASL Passers		Top 15% WASL Passers		Top 15% Public		Top 15% Private		SAT/Other	
	#	%	#	%	#	%	#	%	#	%
Academically Eligible	5,367	--	14,709	--	9,821	--	465		543	--
Applicants	1,648	30.7%	4,517	30.7%	3,275	33.3%	74	15.9%	228	42.0%
Eligible (plus income)	1,553	94.2%	4,256	94.2%	3,106	94.8%	67	90.5%	205	89.9%
Recipients	1,494	96.2%	4,095	96.2%	2,931	94.4%	65	97.0%	190	92.7%

Source: Promise administrative database and OPSI WASL data.

The percentages of Top 15 percent WASL passers who were academically eligible, who applied, were determined eligible, and received the scholarship, were applied to all WASL passers. Using this methodology, of the 14,709 10th-grade WASL passers in 1999, 4,517 would have applied for the Promise Scholarship, and 4,095 would have received it. In comparison, 2,996 Cohort 2001 Top 15 percent students were recipients.¹⁰

Therefore, about 1,100 more recipients would have received the scholarship in the 2001-02 school year, had the WASL been used in lieu of the Top 15 percent as the academic criterion for Promise Scholarship eligibility (assuming that the number of recipients qualifying by SAT scores remains the same). During the 2001-02 academic year, the average award for a Cohort 2001 recipient was \$1,355. With that average award, an additional \$1,490,500 would have been needed to fund the additional 1,100 students.

¹⁰ The numbers in the Top 15 percent columns are the students identified by OSPI's Top 15 percent list who were matched to data on the Promise administrative application file. The SAT/Other column includes students on the Promise administrative application file who were not matched to students on the Top 15 percent list. Of the unmatched applicants, based on last name, first name, and date of birth, about 144 students were matched with the SAT-eligible list; the remaining 84 applicants could not be matched with either list. Most of the analysis focuses on the matched students, based on the presumption that the unmatched numbers would remain relatively stable regardless of the criterion used to assess academic eligibility. To the extent that those who qualified by SAT scores also passed the WASL but were not in the Top 15 percent, the recipient number will decrease.

Student Demographics. Gender and race information were not available from the Top 15 percent list, but were available for students in the WASL database. Therefore, the estimated impact on scholarship distribution by gender and race/ethnicity was conducted only for WASL takers (both those who were in the Top 15 percent and for all 10th-grade WASL takers).

- **Gender.** As indicated in Table E-5, the percentage of qualifiers who are female was higher using the Top 15 percent criterion (63.93 percent) than it would have been, using the 10th-grade WASL (54.78 percent).

Table E-5

Distribution by Gender: Top 15% and WASL				
Gender	Top 15%		WASL	
	#	%	#	%
Female	5328	63.9%	8057	54.8%
Male	2993	35.9%	6642	45.2%
Unknown	13	0.2%	10	0.1%
Total	8,334		14,709	

- **Race/Ethnicity.** A higher percentage of qualifiers of Asian/Pacific Islander backgrounds is represented in the Top 15 percent criterion (10.96 percent) than would be with the WASL (7.92 percent). Conversely, the percentage of qualifiers of white backgrounds is higher with the WASL (84.69 percent) than with the Top 15 percent criterion (80.97 percent). The percentages are similar under the two criteria for the other race/ethnicity groups.

Table E-6

Distribution by Race/Ethnicity: Top 15% and WASL				
Race/Ethnicity	Top 15%		WASL	
	#	%	#	%
AmIndian/Alaskan Native	61	0.7%	114	0.8%
Asian/Pacific Islander	913	11.0%	1165	7.9%
Black/African Am	93	1.1%	140	1.0%
Hispanic	206	2.5%	294	2.0%
White	6748	81.0%	12457	84.7%
Multiracial	235	2.8%	425	2.9%
Unknown	78	0.9%	114	0.8%
Total	8,334		14,709	

Geographical, District, and School Distribution. Use of the Top 15 percent criterion assures enrollment size-equity across the state’s high schools in the determination of academic eligibility. The study attempted to estimate the impact on the distribution of recipients, if the WASL were used in lieu of the Top 15 percent criterion to establish eligibility for the Promise Scholarship.

Because students may have taken the 10th-grade WASL at one school and graduated from another, the analysis was conducted using the school in which the 10th-grade WASL was taken. This limited the comparison to WASL passers versus Top 15 percent students who were matched with WASL data. The analysis was further limited to students in schools that were in both the Top 15 percent and WASL databases.

The analysis compares the percentage of the total academic qualifiers from a specific county, district, or school, using the Top 15 percent criterion versus the WASL criterion.

To a large degree, the distribution of qualifiers across counties using either criterion is similar. However, in a few counties, the differences are noticeable. For example, a higher percentage of qualifiers would have come from King County, using the WASL criterion (33.1 percent), compared to the percentage from King County using the Top 15 percent criterion (27.2 percent). On the other hand, the data show that a somewhat higher percentage of qualifiers came from Yakima and Pierce counties based on the Top 15 percent criterion than would have, had the WASL been used in lieu of the Top 15 percent to establish academic eligibility.

The distribution of recipients across districts or schools within counties would have also been different, had the WASL been used as the standard for academic eligibility. Within King County, for example, although a much higher percentage of students would qualify using the WASL, not all schools would experience an increase. Some schools would have a much higher percent of eligible students; others, a much lower percent.

Study Questions 3 and 4. What would have been the impact of requiring Promise Scholarship recipients to be in the Top 15 percent of their senior classes *and* pass the 10th-grade WASL? What would have been the impact of allowing students to meet the academic qualification using *either* the Top 15 percent *or* the WASL criteria?

Based on data availability and the assumptions cited above, the analysis found that, had the Promise Scholarship program required 2001 high school graduates to be in the Top 15 percent of their senior classes *and* pass all four 10th-grade WASL tests, an estimated 1,400 fewer students would have been awarded. Had students been able to meet the academic criterion for the Promise Scholarship *either* by being in the Top 15 percent *or* by passing the WASL, an estimated 2,700 more students in high school class of 2001 would have qualified. The added cost of serving these students in academic year 2001-02 would have been about \$3.7 million.

Table E-7, presents the estimated numbers of Cohort 2001 recipients and costs¹¹ to the program using each of the academic eligibility criteria that were considered.

Table E-7

Number of Recipients and Total Promise Cost By Academic Option: Cohort 2001				
	Top 15%	WASL	Top 15% & WASL	Top15% or WASL
Total	3,186	4533	1,783	5,911
\$	4,318,447	6,129,109	2,421,817	8,025,739
Public	2,804	4,101	1,488	5,417
\$	3,813,943	5,556,855	2,032,483	7,338,315
Clark Cty Districts	127	177	65	239
\$	165,672	233,422	84,792	314,302
Private	65	65*	40	65
\$	89,154	89,154	54,864	123,444
SAT/Other	190	190**	190	190
\$	249,678	249,678	249,678	249,678

*This is the number of actual recipients who ranked in the Top 15 percent of their class. With the WASL criterion, this number could be higher, lower, or the same depending on policies and student performance.

**This number could be smaller if it includes any public school students who qualified with the SAT criterion and also passed the WASL.

¹¹ In calculating cost, actual awards were used where known (e.g., for the Top 15 percent recipients). An average expenditure of \$1,355 was assumed for students who would have become eligible using an alternative academic eligibility criteria. The average award for the 3,186 Cohort 2001 scholarship recipients was \$1,355.

RESOLUTION NO. 02-31

WHEREAS, The Washington Promise Scholarship program was established to encourage excellent academic performance and to reward low- and middle-income students who demonstrate meritorious achievement in high school, by providing them a two-year college scholarship; and

WHEREAS, The Promise Scholarship program is currently in its fourth year of operation, having been implemented in 1999 as a provision of the state operating budget; and

WHEREAS, Washington's fiscal year 2002-03 operating budgets direct the Higher Education Coordinating Board to evaluate the impact and effectiveness of the Promise Scholarship program; and

WHEREAS, Budget language specifies that the evaluation shall include, but not be limited to:

- A. An analysis of other financial assistance Promise Scholarship recipients are receiving through other federal, state, and institutional programs, including grants, work study, tuition waivers, tax credits, and loan programs; and
- B. An analysis of whether the implementation of the Promise Scholarship program has had an impact on student indebtedness; and
- C. An evaluation of what types of students successfully complete high school but do not have the financial ability to attend college because they cannot get financial aid or the financial aid is insufficient; and

WHEREAS, In addition to the specific issues listed above, the Higher Education Coordinating Board has examined the extent to which the Washington Promise Scholarship program, during its first two years, appeared to make a difference in high school achievement and attendance at an in-state college or university, and whether program changes might improve program efficiency and/or effectiveness; and

WHEREAS, The Higher Education Coordinating Board has completed its evaluation of the Promise Scholarship program; and

WHEREAS, Based on its evaluation, the Higher Education Coordinating Board has concluded that the Promise Scholarship program is effectively responding to the statutory goal of providing scholarships to meritorious low- and middle-income high school graduates and that it makes college more affordable for recipients; and

WHEREAS, The Board concluded that the program must be predictable and stable if it is to influence – and not just reward – student behavior; and

WHEREAS, The Board's evaluation concluded that funding for the Promise Scholarship program should support awards that are equivalent to full-time community college tuition; and

WHEREAS, The Board also concluded that current standards to establish academic and financial eligibility should be maintained; however, use of the WASL as an academic criterion for Promise Scholarship eligibility should be studied further, as the WASL is further developed and longer-range data become available; and

WHEREAS, The Board recommends that the program be evaluated again later, after three or four groups of scholarship recipients have graduated with baccalaureate degrees.

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the Promise Scholarship Evaluation report and directs that it be transmitted to the Governor and the Legislature.

Adopted:

December 12, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

2002 ACCOUNTABILITY UPDATE

December 2002

Background

Language in the 1997-99 budget directed the Higher Education Coordinating Board (HECB) to implement an accountability system in consultation with the four-year institutions, tying resources to plans and performance.

The Operating Budget for the 2001-03 biennium (*Engrossed Substitute Senate Bill 5163, Section 601*) states:

Each institution receiving appropriations under Section 604 through 609 of this act shall submit a biennial plan to achieve measurable and specific improvement each academic year as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals. The plans, to be prepared at the direction of the higher education coordinating board, shall be submitted by August 15, 2001. The higher education coordinating board shall set biennial performance targets for each institution and shall review actual achievements annually. Institutions shall track their actual performance on the statewide measures as well as faculty productivity, the goals and targets for which may be unique to each institution. A report on progress toward statewide and institution-specific goals, with recommendations for the ensuing biennium, shall be submitted to the fiscal and higher education committees of the legislature by November 15, 2003.

In October 2001, the Board approved new targets for the 2001-03 biennium. This report compares 2001-02 performance against those targets, as well as against the 1996-99 baseline.

Each institution is required to report on a total of six measures:

- 1) Graduation Efficiency (Freshmen)
- 2) Graduation Efficiency (Transfers)
- 3) Undergraduate Retention
- 4) Five-Year Freshman Graduation Rate
- 5) Faculty Productivity (which can be measured differently by each institution)
- 6) A unique measure for each institution, reflective of its mission

The first four measures listed are common to all the baccalaureate institutions. Graduation efficiency is calculated by dividing the total number of credits required for a baccalaureate degree (minus transfer credits) by the total number of credits completed at that institution.

This calculation gives a measure of “efficiency” in terms of credits completed, rather than measuring efficiency in terms of calendar time to degree, which can be skewed by part-time attendance. Retention rates refer to the number of undergraduate students who return for consecutive years. The percentage of freshmen who graduate within five years is calculated as the fourth common measure. The last two measures are institution-specific, and the manner in which they are calculated can vary by institution.

Summarized data for 2001-02 reveal that:

- Performance for 47 percent of the measures meets or exceeds 2001-03 targets.
- Performance for 79 percent of the measures has improved since 1996-99 (the baseline).

One year remains in the biennium for institutions to meet their targets. For some measures, especially those where little or no improvement has occurred since the baseline period, it may be difficult to meet those targets.

A summary of institutions’ attainment of 2001-03 targets, and the increase in performance necessary to meet the targets on the four measures common to all institutions, follows:

	CWU	EWU	TESC	UW	WSU	WWU
Grad Efficiency: Freshmen	Yes	No 1.9%	No 2.0%	No 2.7%	No 1.6%	No 0.1%
Grad Efficiency: Transfers	Yes	No 4.4%	Yes	No 4.3%	No 0.6%	No 2.5%
Undergraduate Retention (overall)	No 2.0%	No 3.4%	Yes	No 3.9%	No 0.3%	Yes
5-Year Freshmen Graduation	Yes	No 9.5%	Yes	No 0.2%	No 2.1%	Yes

The next accountability report, due November 15, 2003, will provide 2002-03 data and progress toward goals, along with recommendations for the 2003-05 biennium.

2001-02 ACCOUNTABILITY PERFORMANCE

Central Washington University

Eastern Washington University

The Evergreen State College

University of Washington

Washington State University

Western Washington University

CENTRAL WASHINGTON UNIVERSITY

	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	88.0	85.6	92.3	90.0	yes	yes
Transfers	83.8	80.7	89.2	85.0	yes	yes
Undergraduate Retention (overall)	80.5%	82.3%	82.0%	84.0%	no	yes
5-Year Freshman Graduation Rate	39.4%	44.9%	45.7%	45.0%	yes	yes
Institution-Specific Measures						
<u>Faculty Productivity</u>						
Expected Learning Outcomes	92.6%	100.0%	100.0%	100.0%	yes	yes
% Faculty Mentoring Students	22.5%	18.2%	18.2%	22.5%	no	no
Ratio of Student FTE to Faculty FTE	22.2	21.0	23.1	22.5	yes	yes
Transfer Students with Declared Majors	75.1%	78.1%	80.9%	77.0%	yes	yes
Minority Graduation Rate	22.6%	27.5%	26.6%	24.0%	yes	yes
Internship Participation	7.3%	8.0%	7.8%	8.0%	no	yes

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Expected Learning Outcomes: Percentage of degree programs with specifically stated, publicized learning outcomes.

% Faculty Mentoring Students: Percentage of full-time faculty mentoring students in established programs that incorporate a faculty-student mentoring relationship (e.g., CWU research symposium, McNair Scholars Program).

Ratio of Student FTE to Faculty FTE: The ratio of student FTEs to faculty FTEs (IPEDS defined).

Transfer Students with Declared Majors: The percentage of undergraduate transfer students who have declared majors by the end of the third quarter at CWU.

Minority Graduation Rate: Ratio of the number of minority students graduating to all enrolled minority students fall quarter (averaged over three years).

Internship Participation: Percentage of students participating in cooperative education internships (averaged over three years).

CENTRAL WASHINGTON UNIVERSITY: COMMENTS ON PERFORMANCE

Central has met 2001-03 graduation efficiency targets for both freshmen and transfers. This improved performance is attributed by Central as the result of both improved performance and greater accuracy in determining credits required toward different degrees, an essential component of the Graduation Efficiency Index (GEI) equation.

Although undergraduate retention has improved since the 1996-99 baseline, it may be difficult for Central to increase its performance by two percentage points in time to meet the 2001-03 target of 84 percent, especially since Central reports that surveys of non-retained students indicate that they leave for personal or financial reasons, rather than factors that might be influenced by the institution. Central's surveys also indicate that these students are likely to enroll in a community college within a short period, so it is important to note they are not lost to the higher education system completely but instead may be looking for a less expensive route to a degree.

Nearly 46 percent (45.7%) of Central's freshmen graduate within five years, slightly surpassing the 2001-03 target of 45 percent.

All institution-specific measures exceeded projected targets with the exception of two: (1) the percentage of faculty mentoring students; and (2) internship participation. Central explains its performance in faculty mentoring, which has decreased since 1996-99, as related to drops in funding for undergraduate research. Declines in internship participation are more difficult to explain; Central speculates the reason may be due largely to fluctuations in student behavior.

EASTERN WASHINGTON UNIVERSITY

	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	87.9	88.3	89.1	91.0	no	yes
Transfers	77.9	77.4	78.7	83.1	no	yes
Undergraduate Retention (overall)	88.5%	87.4%	85.8%	89.2%	no	no
5-Year Freshman Graduation Rate	41.7%	39.3%	39.5%	49.0%	no	no
Institution-Specific Measures						
<u>Faculty Productivity</u>						
Student Credit Hours/FTE Faculty	305.9	358.0	358.0	333.6	yes	yes
Experiential Learning	2,422	3,107	5,153	2,998	yes	yes
Courses Using Distance Learning Technology	6.4	26.0	29.0	37.0	no	yes
Freshman Academic Involvement Index	33.7	Unavailable	33.9	37.0	no	yes

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Student Credit Hours/FTE Faculty: A ratio of student credit hours to IPEDS-defined faculty FTE for fall quarter.

Experiential Learning (previously entitled Internship/Service Learning Experience):

Total number of students taking experientially-based courses, including research-directed studies, internship, cooperative education and/or service learning credits. Note: The measure definition was changed for the current biennium to include research directed studies as a form of “hands-on” learning experience.

Courses Using Distance Learning Technology: The annual number of courses offered by faculty who use the worldwide Web.

Freshman Academic Involvement Index: The sample average for an 11-question index derived from the College Student Experience Questionnaire (CSEQ) administered annually to students.

EASTERN WASHINGTON UNIVERSITY: COMMENTS ON PERFORMANCE

Eastern's graduation efficiency index measures for both freshmen and transfer students show improvement over the baseline and since 2000-01. An intensive review of programs and curriculum, including an audit of GEI performance at the college and program/department level, is underway. Eastern expects continued progress toward 2001-03 targets as the result of these efforts.

Undergraduate retention in 2001-02 has declined since the baseline and since 2000-01, and Eastern will conduct an in-depth study to better understand the underlying dynamics of this trend.

The five-year freshman graduation rate has declined since the baseline period, and it will be difficult for Eastern to increase by 9.5 percentage points in time to meet its 2001-03 goal. Nevertheless, the intensive program review under way at Eastern is expected to have an impact on this measure during the remaining year of the biennium.

Student Credit Hours per FTE Faculty has steadily increased and has already met the 2001-03 target. Eastern demonstrates high levels of student-centered "hands-on" learning experience in its Experiential Learning measure, which has also met the 2001-03 target. Although courses using distance learning technology have not increased as much as expected, Eastern reports increasing numbers of faculty receiving Internet training, and a major initiative under way to move traditional pencil- and paper-based correspondence and independent learning courses to the Web over the next few years.

The freshman academic involvement index is composed of several different elements. Though this measure shows a slight improvement since the baseline period, Eastern staff have found that some elements of the index have shown a decline. Elements that declined include: fewer students reported asking academic librarians for help, and fewer students discussed their future plans with faculty. These data, along with other findings drawn from the index questionnaire, will be discussed with faculty and students during meetings on the student experience during winter quarter 2003.

THE EVERGREEN STATE COLLEGE

	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	93.0	93.8	92.0	94.0	no	no
Transfers	90.0	91.6	90.0	90.0	yes	equal
Undergraduate Retention (Overall)	76.0%	78.2%	80.0%	78.0%	yes	yes
5-Year Freshman Graduation Rate	45.0%	45.3%	47.0%	46.0%	yes	yes
Institution-Specific Measures						
Undergraduate Retention (Freshmen)	65.0%	<i>Unavailable</i>	71.0%	75.0%	no	yes
<u>Faculty Productivity</u>						
Life-Long Learning Index	31.7	31.5	31.9	31.9	yes	yes
Freshman-Familiarity w/Computers	2.28	2.25	2.01	2.48	no	no
Freshman-Quantitative Thinking	1.88	1.99	2.24	2.08	yes	yes
<u>Diversity</u>						
Retention, Students of Color (Olympia)	77.0%	78.5%	77.0%	80.0%	no	equal
Student Diversity Learning	3.18	3.29	3.29	3.49	no	yes

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Undergraduate Retention (Freshmen): While reporting overall fall-to-fall retention as one of its common measures, Evergreen continues to focus on retention of entering freshmen students as an institution-specific measure in the current biennium. Again, this is consistent with an internal focus on improvement. Evergreen also selected retention of students of color on the Olympia campus as one of its two institution-specific diversity measures.

Life-Long Learning Index: This index is a composite measure of students' estimated gains in learning 11 different areas. For the current biennium, Evergreen is focusing on two specific items within this index, specifically improvement reported by first-time, first-year students. The items are learning gains in "familiarity with the use of computers" and "quantitative thinking." Students rate each learning gain item on a 4-point scale from 1=very little progress to 4=very much progress. This focus is consistent with institutional initiatives related to General Education at Evergreen.

Student Diversity Learning: Students' reported gains at Evergreen in "understanding other people and the ability to get along with different kinds of people" (from the Life-long Learning Index/College Student Experience Questionnaire).

THE EVERGREEN STATE COLLEGE: COMMENTS ON PERFORMANCE

Graduation efficiency for freshmen and transfer students dropped slightly this year, but the 2001-03 target for transfer students has been achieved. For the first time this year, graduation efficiency reporting was captured through a new student tracking system; therefore minor fluctuations may be due to getting the results through a new process with a new data source.

Overall undergraduate retention has remained strong and performance has surpassed the 2001-03 target. Freshman retention reflects similar gains -- improving two percentage points from last year and has exceeded the performance target. Evergreen will continue its efforts to improve freshman retention and will continue to strive for ambitious goals.

Evergreen's freshman graduation rate is highly correlated with freshman retention to the sophomore year. Therefore, although the graduation rate this year increased and surpassed the 2001-03 target, TESC predicts a decrease next year based on low freshmen retention for the cohort coming up for five-year graduation next year.

The Lifelong Learning Index has met the 2001-03 target. However, "familiarity with computers" has decreased, despite Evergreen's efforts to increase the presence of information technology literacy offerings. Based on concerns that "familiarity with computers" was too broad a question to gain meaningful results, a new, more specific technology item was added to the survey of student learning gains in 2002. The college intends to track this item closely and may propose it as a new institution-specific measure for next biennium's accountability report.

Gains in quantitative thinking exceeded the 2001-03 target. Evergreen began a systematic effort to increase the prevalence of quantitative reasoning across the curriculum in summer 2000 and plans to continue efforts in this area.

Retention of students of color at Olympia improved slightly last year, but this year fell to the same level as reported for the baseline period of 1996-99. According to Evergreen staff, although retention of Native American and African-American students increased, retention for Hispanic and Asian/Pacific Islander students decreased. Evergreen plans to continue its efforts retaining students of color.

Diversity learning has remained steady since 2000-01. Evergreen plans to improve this measure through explicit curriculum planning, support services, campus activities, opportunities for dialogue, collaborative learning, faculty development, and partnerships with community-based organizations.

UNIVERSITY OF WASHINGTON

UNIVERSITY OF WASHINGTON	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	89.6	90.8	90.5	93.2	no	yes
Transfers	81.7	82.7	82.7	87.0	no	yes
Undergraduate Retention (Overall)	87.2%	88.5%	88.5%	92.4%	no	yes
5-Year Freshman Graduation Rate	63.8%	64.0%	64.8%	65.0%	no	yes
Institution Specific Measures						
<u>Faculty Productivity</u>						
Enrollment Demand Satisfied	84.8%	88.9%	87.6%	89.4%	no	yes
Quality of Instruction	93.7%	93.7%	94.7%	96.9%	no	yes
Research Funding/Faculty Member	\$216,774	\$262,810	\$269,493	no target set*	n/a	yes
Student Credit Hours/Faculty FTE	202.90	209.40	210.56	209.50	yes	yes
<u>Instruction</u>						
# Undergrads w/Intense Research Involvement	1,122	3,077	3,258	775	yes	yes
Individualized Instruction	4.0%	4.3%	4.4%	4.6%	no	yes
Public Service Internships	842	3355	3561	1535	yes	yes
% Undergrads in Faculty Research	22.4%	28.8%	28.4%	23.7%	yes	yes

*Depends on availability of federal research funds.

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Enrollment Demand Satisfied: The proportion of enrollment demand satisfied by offered enrollment space (course openings).

Quality of Instruction: Percent of students evaluating “amount you learned in the course” as “good or better” (3.0 or above on 5-point scale) on standardized course evaluations.

Funding for Research per Faculty FTE: Grants and contracts per faculty FTE (in nominal dollars).

Student Credit Hours Instructed Per Faculty FTE: State-reported Student Credit Hours divided by Instructional Faculty FTE.

Individualized Instruction: Numbers of hours taken as individualized instruction divided by all undergraduate hours.

Number of Undergraduates Intensively Involved in Research: Number of students who work with faculty on research for 10+ hours per week for at least one quarter; data provided by Office of Undergraduate Education.

Percent Undergraduate Credits Taken as Individualized Instruction: This measures one-on-one intensive academic experiences for undergraduates offered by university faculty.

Number of Undergraduates Involved with Public Service Internships: Number of students who are involved in public service connected with their studies for 10+ hours per week; data provided by Carlson Center For Public Service.

Percent of Undergraduates Reporting a Research Experience with Faculty: Derived from an annual survey of graduating senior students; provides a measure of the cumulative experience over all undergraduate years.

UNIVERSITY OF WASHINGTON: COMMENTS ON PERFORMANCE

Although all of the University of Washington measures have improved since the baseline period, none of the four measures common to all institutions have met the 2001-03 targets. Graduation efficiency and undergraduate retention will need significant gains in the next year in order to attain 2001-03 goals, but the Five-Year Freshman Graduation Rate is very close to meeting the target.

Enrollment Demand Satisfied, Quality of Instruction, and Individualized Instruction are the only three institution-specific measures that have not met the 2001-03 targets. All of the institution-specific measures have shown impressive growth since the baseline period.

The University of Washington reports that its growth in student involvement in research with faculty continues, and that involvement in several statewide efforts will continue to improve student progress. The most far-reaching of these efforts is a statewide database project, Mutual Research Transcript Enterprise (MRTE), which is expected to have important consequences for transfer articulation. Additionally, statewide assessment projects in writing and information literacy are continuing to evolve. Both of these initiatives promise strides in assessment and accountability.

WASHINGTON STATE UNIVERSITY

	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	90.0	90.0	89.9	91.5	no	no
Transfers	81.0	82.6	83.0	83.6	no	yes
Undergraduate Retention (Overall)	84.4%	86.5%	86.1%	86.4%	no	yes
5 year Freshmen Graduation Rate	53.8%	55.8%	53.8%	55.9%	no	equal
Institution Specific Measures						
Freshman Retention	83.7%	83.5%	82.9%	84.7%	no	no
<u>Faculty Productivity</u>						
Student Credit Hours/Faculty FTE	198.5	202.1	213.6	207.7	yes	yes
Individualized Enrollment/Faculty	3.7	3.6	3.8	3.8	yes	yes
Research and Scholarship	80.3%	Not reported	84.4%	no target set *	yes	yes
<u>Technology for Learning</u>						
Distance Student Credit Hours	24,204	46,917	47,306	no target set *	yes	yes
Degree Programs via Distance	6	11	11	12	no	yes
Reengineered Courses	131	754	758	no target set *	yes	yes
Classrooms with Technology	51.4%	73.2%	72.9%	70.0%	yes	yes

*Performance meets or exceeds long-term targets; therefore no target was set for 2001-03.

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Freshman Retention: To better manage its efforts, WSU has set a target for freshman retention, while continuing to report overall undergraduate retention as a measure common to all institutions.

Individualized Enrollment/Faculty: Measures the amount of work faculty do with students in the form of supervising undergraduate research, internships, senior theses, private lessons, and independent studies. (This measure tends to rise and fall with the size of the junior/senior classes.)

Student Credit Hours per Faculty FTE: Number of credit hours generated per instructional faculty FTE. (This measure tends to rise and fall with the size of the freshman/sophomore classes.)

Research and Scholarship: Percent of faculty completing the expected amount and type of scholarship during the past year, based on each college's definition of what constitutes scholarly work in that field.

Distance Student Credit Hours: Credit hours earned through interactive video courses, pre-recorded video courses, online courses and multiple mode courses.

Degree Programs via Distance: Number of different degree programs offered entirely at a distance, through electronic media such as interactive video, online courses, etc.

Reengineered Courses: Number of courses taught "primarily" by electronic means, including WHETS, online, e-mail, video-conference, etc.

Classrooms with Technology: Percent of university classrooms equipped to support technology-intensive teaching.

WASHINGTON STATE UNIVERSITY: COMMENTS ON PERFORMANCE

WSU has not met any of the targets set for 2001-03 measures common to all institutions. However, given its past performance and small gains needed to meet the targets, it is very likely the university will achieve the 2001-03 goals.

All but two institution-specific measures have achieved 2001-03 targets. The two that have yet to achieve the targets are: Freshman Retention and Degree Programs via Distance. WSU needs to add one more distance degree program to achieve the goal for Degree Programs via Distance. Meeting the goal for freshman retention may be difficult, although the recent drop in performance for this measure is not characteristic when compared to baseline and 2000-01 performance.

WESTERN WASHINGTON UNIVERSITY

	1996-99 Baseline	2000-01 Performance	2001-02 Performance	2001-03 Target	Target met?	Does 2001-02 performance exceed baseline?
Common Measures						
<u>Graduation Efficiency Index</u>						
Freshmen	86.6	87.7	86.9	87.0	no	yes
Transfers	80.5	79.9	79.5	82.0	no	no
Undergraduate Retention (overall)	85.5%	86.5%	88.4%	86.0%	yes	yes
5-year Freshman Graduation Rate	54.0%	54.3%	54.5%	54.0%	yes	yes
Institution-Specific Measures						
<u>Undergraduate Retention (frosh to soph.)</u>						
	80.3%	79.4%	81.1%	82.0%	no	yes
<u>5-year Minority Graduation Rate</u>						
	38.4%	46.4%	41.1%	39.0%	yes	yes
<u>Transfers graduating with a B.S. in science (grad efficiency)</u>						
	71.3	69.8	70.7	74.0	no	no
<u>Faculty Productivity</u>						
<u>Individualized Credits/FTE Student</u>						
	1.43	1.61	1.64	1.50	yes	yes
<u>Student Credit Hrs/Undergrad FTE Writing Courses</u>						
	2.10	unavailable	unavailable	2.25	unknown	unknown
<u>Hours Scheduled in Computer Labs</u>						
	22.4	21.4	22.8	25.0	no	yes
<u>Departments Adopting Advising Model</u>						
	0.0%	64.3%	78.0%	75.0%	yes	yes

DESCRIPTION OF INSTITUTION-SPECIFIC MEASURES

Undergraduate Retention (freshman to sophomore): Measures the percentage of freshmen returning for their second year.

Five-Year Minority Graduation Rate: The percentage of minority students who graduate within five years.

Transfers Graduating with a B.S. in Science: Graduation efficiency for transfer students who earn a bachelor's degree in Science.

Individualized Credit/FTE Student: Measures the number of credits generated per FTE student through individual instructional activities, including internships, work on faculty research projects, and other one-on-one activities.

SCH/Undergraduate FTE in Writing Courses: Student credit hours per undergraduate FTE in courses designated as principally or specifically writing based.

Hours Scheduled in Computer Labs: Measures the number of student hours scheduled in university or departmental computer labs per FTE undergraduate.

Departments Adopting Advising Model: Measures the proportion of Western's academic departments that have fully implemented all elements of Western's Departmental Advising Model. Components: (a) A clearly defined departmental advising program, with advisor, location, hours, etc., easily accessible and known; (b) a departmental advising Web page fully operational, based on the established template and criteria; (c) provision of an individualized, written plan of study to each student upon declaration of the major; (d) sponsorship of at least one event annually to help pre-majors decide on a major; and (e) sponsorship of at least one event annually to help advanced majors in the department explore career and graduate school options.

WESTERN WASHINGTON UNIVERSITY: COMMENTS ON PERFORMANCE

WWU has met 2001-03 goals for two of the four measures common to all institutions: Undergraduate Retention and the Five-Year Freshman Graduation Rate. However, graduation efficiency for freshmen is very close to the 2001-03 target, and graduation efficiency for transfers is fairly close to the target.

The institution-specific measures demonstrate good progress, with all but one improved since the baseline, and all but three reaching 2001-03 goals.¹ Freshmen to sophomore retention is very close to the 2001-03 goal, though not quite there yet. Graduation efficiency for transfers graduating with a bachelor's degree in science has decreased since the 1996-99 baseline period but has improved since 2000-01. Hours scheduled in computer labs, although improved, would have to reach a high level of performance in the next year to meet the goal.

¹ Data for Student Credit Hours/Undergraduate FTE Writing Courses was not available at the time this report was written but will be added as soon as it becomes available.

MASTER PLAN 2004/CLOSING THE HIGHER EDUCATION FUNDING GAP: NEW REVENUE OPTIONS

December 2002

I. Background: State Tax System

A. Characteristics

Sales and Use Taxes

- Washington relies heavily on the retail sales and use taxes, which provide 46 percent of state and local government revenues.
- The sales and use taxes are expected to generate \$12.9 billion for the state's general fund in the 2003-05 biennium (57 percent of the total).
- The retail sales and use tax rates are:
 - state – 6.5 percent (no change since 1983)
 - local – 0.5 percent to 2.3 percentfor a maximum rate of 8.8 percent in urban areas of King County.
- Only three states are higher than Washington in combined state and local sales tax rates (Oklahoma, Louisiana, and Alabama).
- The sales and use taxes are “inelastic” (in the long-run they grow more slowly than the economy) and are “volatile” (during boom periods they can grow more quickly than the economy; during busts they can grow more slowly than the economy).

Property Tax

- Property taxes provide another 32 percent of state and local government revenues.
- For the state's general fund, the state property tax levy is expected to bring in \$2.5 billion in the 2003-05 biennium (11 percent of the total) with another \$568 million going to the Student Achievement Fund (created in I-728).
- The average effective property tax is 1.16 percent of market value (\$12.52 per \$1,000 of assessed value).
- Washington ranks 17th among the states in property taxes per \$1,000 of personal income.
- Property taxes are of two varieties:
 - Regular levies – non-voter approved, and
 - Excess or special levies – voter approved.

Business and Occupation Tax

- Washington is the only state with a gross receipts (business and occupation) tax.
- In the 2003-05 biennium, the B&O tax is expected to raise \$4.2 billion for the state's general fund (19 percent of the total).
- The major B&O tax rates are:
 - manufacturing and wholesaling – 0.484 percent;
 - retailing – 0.471 percent; and
 - services – 1.5 percent.

Other State Taxes

- Other major state taxes include:
 - Real estate excise tax – \$898 million (4 percent)
 - Public utility tax – \$548 million (2 percent)
 - Insurance premiums tax – \$406 million (2 percent)
 - A combination of liquor and cigarette taxes/profits – \$377 million (2 percent)

Income Taxes

- Washington has no personal incomes tax (as do 43 other states).
- The other six states without a personal income tax are Alaska, Nevada, Wyoming, South Dakota, Texas, and Florida (each of these has a sales tax, as does Washington).
- Washington has no corporate income tax (as do 46 other states).

Tax Fairness

- Washington's tax system is regressive – the total of state and local taxes paid by households with less than \$20,000 in annual income was on average 16.1 percent of their income, while for households with more than \$130,000 in annual income, the average tax was 4.6 percent of their income.
- While income and property taxes are deductible for federal income tax purposes for those households that itemize deductions, sales taxes are not – costing Washington taxpayers \$523 million in additional federal income taxes annually.

Comparison to Other States

- Washington's tax burden of \$111.25 in state and local taxes per \$1,000 of personal income ranks 20th among the 50 states (1999).
- Washington's tax burden ranking has ranged from 39th in 1981 to 9th in 1991.
- Washington ranks fourth among the states in the share of taxes initially paid by business.
- Washington ranks 45th among the states in the share of taxes initially paid by households.

Primary sources: "Washington's Tax System," presentation by the Washington Department of Revenue for the Washington State Structure Committee, October 15, 2001; "November revenue forecast," Office of the Forecast Council, November 15, 2002; and "Draft Equity Findings," Washington State Tax Structure Study, May 10, 2002.

B. History

Early Years

- In territorial times and for the first 45 years of statehood, Washington derived most tax revenues from property taxes.
- The original state constitution contained no limit on property tax rates, and the tax was used to finance new and expanding governmental programs (by the 1930s, the property tax was about three percent of market value).
- Two "blue ribbon" tax committees during the 1920s both recommended that the tax structure be broadened so property tax burdens could be lowered.

- In 1929, the Legislature imposed an income tax on banks; in 1930 the State Supreme Court found it to be unconstitutional.
- In 1932, the voters passed the first 40-mill property tax levy limit law (in effect, limiting regular property taxes to 2 percent of market value).
- In 1932, the voters also passed an initiative establishing individual and corporate income taxes.
- In 1933, the State Supreme Court found the income taxes to be unconstitutional on the grounds that they were taxes on property and in violation of the constitutional uniformity requirement for property taxes.

1935 Revenue Act

- 1935 Revenue Act – complete change in state government’s tax system.
 - New taxes still in use: retail sales; compensating (use); liquor; cigarette.
 - Prior taxes reimposed: business and occupation; public utility; inheritance (since repealed).
 - New taxes not in use today: admissions (transferred); stock transfers (vetoed); radio (unconstitutional); fuel oil (repealed); conveyance (repealed); medicines and toiletries (vetoed); store licenses (vetoed); gift (repealed); corporation net income (unconstitutional).
 - State Supreme Court rules that the retail sales and B&O taxes are excise taxes – the Legislature is given wide authority as to rates, exemptions, classifications, etc.

Since 1935

- Pre-World War II – Raising rates and broadening bases:
 - 1937 – Motor vehicles transferred to excise tax (MVET).
 - 1939 – Sales tax broadened to include food and services to personal property.
 - 1941 – Sales tax extended to services to real property.
 - 1941 – Sales tax increased from two percent to three percent.
- World War II Period – Expenditure growth limited by war and surpluses accumulate
 - 1944 – 40 mill limit written in state’s constitution
 - Constitutional dedication of gas tax for highway purposes
- Post-World War II
 - 1948 – Expenditures increase – welfare initiative, baby boomers
 - 1951 – General fund deficit, excise taxes increased (including creation of Real Estate Excise Tax)
- 1959 Tax increases
 - Sales tax increased from 3.33 percent to 4.0 percent
 - B&O surtax from 40 percent to 76 percent
 - Liquor tax from 10 percent to 15 percent
 - Cigarette tax from 5 cents to 6 cents
 - MVET from 1.5 percent to 2.0 percent
- Property tax – new limits/reductions
 - 1965 – enacted property tax lid law
 - 1966 – Passed retired person constitutional amendment

- 1969 – Court orders 50 percent assessments
- 1970 – Legislature cuts millage rate
- 1970 – Approved current use constitutional amendment (lower values for timber, agriculture and open space)
- 1971 – Legislature passes the 106 percent levy lid
- 1971 – Voters approve the one percent property tax limit (regular property taxes cannot exceed one percent of market value)
- Income tax proposal – 1969
 - One percent property tax limit
 - Single rate income tax with referendum for graduated rates in 1975
 - Measure failed by a vote of 2 to 1
- City and county 0.5 percent sales tax first authorized in 1970
- Tax reform proposal – 1973
 - Graduated individual rates not to exceed eight percent
 - Corporate top rate of 12 percent
 - Full funding of schools
 - Special maintenance and operation (M&O) school levies prohibited
 - Exemption of business inventories
 - A rate cap on state and local sales taxes of 5.3 percent
 - Exemption of food from sales tax
 - Eliminate B&O tax
 - Defeated 3 to 1
- 1976 – Court orders full funding of basic education
- 1977 – Sales tax taken off food by initiative
- 1981 – Inheritance and gift taxes eliminated by initiative
- 1981 – Increase sales tax rate 4.5 percent to 5.4 percent
- 1982 – Double round of surcharges; food subject to sales tax for 14 months
- 1983 – Sales tax increase from 5.4 percent to 6.5 percent
- 1993 – Last major tax increase
 - B&O service category experienced large increases
 - Most rate increases have been roll backed since then
- 1993 – I-601 passed to limit growth in state expenditures
- Other recent initiatives and referenda:
 - Ref. 47 – Property tax levy lid reduction (CPI)
 - Ref. 49 – Transfer MVET funds to transportation
 - I-695 – Eliminates the MVET
 - I-728 – K-12 class size reduction; transfers money from general fund to Student Achievement Fund
 - I-732 – COLAs for K-12 teachers
 - I-747 – Limits property tax levy lid to one percent
 - I-753 – Increases the cigarette tax by 60 cents

Primary sources: “Major Milestones and Trends in Washington’s Tax Structure, 1935–2001,” presentation by Don Burrows for the Washington State Tax Structure Committee, November 2001; and “History of Taxes in Washington,” Don Burrows and Don Taylor, 1984.

C. Impact on 2003-05 State Revenues of Recent Ballot Measures

R-47 Property tax reduction	\$906 million
R-49 MVET transfer from general fund to transportation	\$301 million
I-747 Property tax reduction	\$117 million
I-728 K-12 class size (diversion of property tax and lottery)	\$770 million
I-732 Teacher COLA	<u>\$280 million</u>
Total impact on State General Fund	\$2.374 billion
I-695 Eliminated MVET (unconstitutional/Leg. passed)	\$1.871 billion

Source: Office of Financial Management, November 6, 2002.

D. Budget Shortfalls: 2003-05, 1993-95, 1983-85, and 1981-83**2003-05**

Revenue forecast (November 2002)	\$22.7 billion
Maintenance Level Budget "Plus"*	<u>\$24.7 billion</u>
Shortfall	(\$2.0 billion)
Percent of Revenues	9 percent

*Includes costs to carry-forward current policies of the 2001-03 biennium plus other costs such as a higher estimate of health care inflation, salary cost-of-living increases for state employees (not covered by I-732), employee health benefits maintained at current level, and tort costs. Does not include increased higher education enrollments.

1993-95**Total tax increases of \$700 million and total collections of \$16.6 billion; 4 percent**

- Sales tax extended to selected services.
- B&O tax on business services increased from 1.5 percent to 2.5 percent.*
- B&O tax on financial services increased from 1.5 percent to 1.7 percent.*
- B&O tax on other services increased from 1.5 percent to 2.0 percent.*
- Temporary B&O surtax of 6.5 percent applied to other classifications.

*These tax increases were later rolled back to 1.5%.

In constructing the 1993-95 GF-State biennial operating budget, the Legislature faced a basic shortfall of \$1.7 billion between the March 1993 forecasted general fund revenues and the original maintenance level budget. Policy enhancements, including continuation of local criminal justice assistance, and an increase in the size of the general fund reserves increased the overall budget shortfall to \$2.1 billion.

To close the shortfall, the Legislature focused on three primary mechanisms. First, state general fund spending reductions of \$701 million were made. This included \$167 million in reductions

to the original maintenance level Essential Requirements Level (ERL) budget, and \$534 million in policy cutbacks. Second, fund shifts and other revenue adjustments totaling \$753 million were implemented. The most significant of these adjustments was approximately \$368 million in federal fund shifts, primarily in the Title XIX Medicaid program. Third, a general tax package to raise approximately \$649 million in additional revenue was authorized.

Despite the significant budget shortfall, the Legislature provided funding for several new budget initiatives. In K-12 education, \$58 million was provided to support the education reform measure enacted in 1993. The Legislature increased higher education enrollments by more than 10,000 in the budget through \$46 million from the general fund and \$35 million from the new Employment and Training Trust Fund (unemployment compensation). In addition, a total of \$55 million GF-State was added to the State Need Grant program to provide financial aid grants for an additional 18,150 students.

1983-85

Tax increases of \$1.6 billion and total collections of \$8.2 billion; 20 percent

- Sales tax increased from 5.4 percent to 6.5 percent; was not imposed on food.
- Sales tax extended to telephone service (except local residential service).
- B&O tax on services increased from 1 percent to 1.5 percent.
- All surtaxes temporarily implemented in 1981-83 were made permanent.

1981-83

Total tax increases of \$1.5 billion and total collections of \$6.8 billion; 22 percent

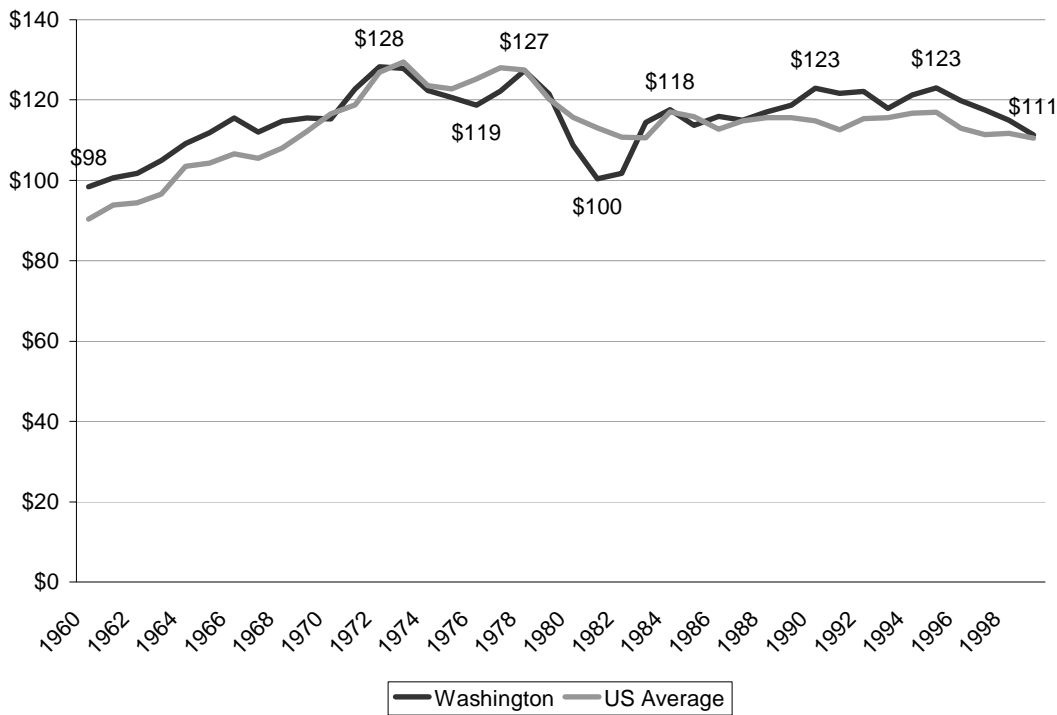
- Sales tax increased 4.5 percent to 5.5 percent.
- Cigarette tax increased 16 cents to 20 cents.
- Liquor tax from 4 cents per ounce to \$1.72 per liter.
- Beer tax from \$1 or \$1.50 to \$2.60 per barrel.
- Wine tax from 75 cents per gallon to 20.25 cents per liter.

- Sales tax reduced from 5.5 percent to 5.4 percent and tax reimposed on food products (expires 6/30/83).
- B&O surtax of 4 percent later increased to 7 percent (expires 6/30/83).
- Public utility surtax of 4% later increased to 7 percent (expires 6/30/83).
- Insurance premiums surtax of 4 percent (expires 6/30/83).
- Cigarette tax increased to 20.8 cents and later increased to 23 cents (expires 6/30/83).
- Liquor sales and liter surtax of 4 percent later increased to 14 percent (expires 6/30/83).
- Beer and wine surtaxes of 4 percent later increased to 7 percent (expires 6/30/83).
- Real estate excise surtax of 4 percent later increased to 7 percent (expires 6/30/83).
- Motor vehicle excise surtax of 4 percent later increased to 7 percent (expires 6/30/83).
- State lottery established.

E. State and Local Taxes Over Time and Compared to Other States

- Washington’s state and local taxes per \$1,000 of personal income have gone from \$98 of taxes per \$1,000 of personal income in 1960 to a peak of \$128 per \$1,000 of personal income in 1972 and have drifted downward since then.
- In most years, Washington’s state and local taxes have been slightly higher than the national average.
- Washington’s tax system is volatile and subject to swings based on the state of the economy.
- In 1981, Washington ranked 39th among the states in state and local taxes per \$1,000 of personal income; ninth in 1991; 17th in 1993; 11th in 1995; and 20th in 1999.

**State and Local Taxes Per \$1,000 of Personal Income
Washington and U.S. Average, 1960-1999**



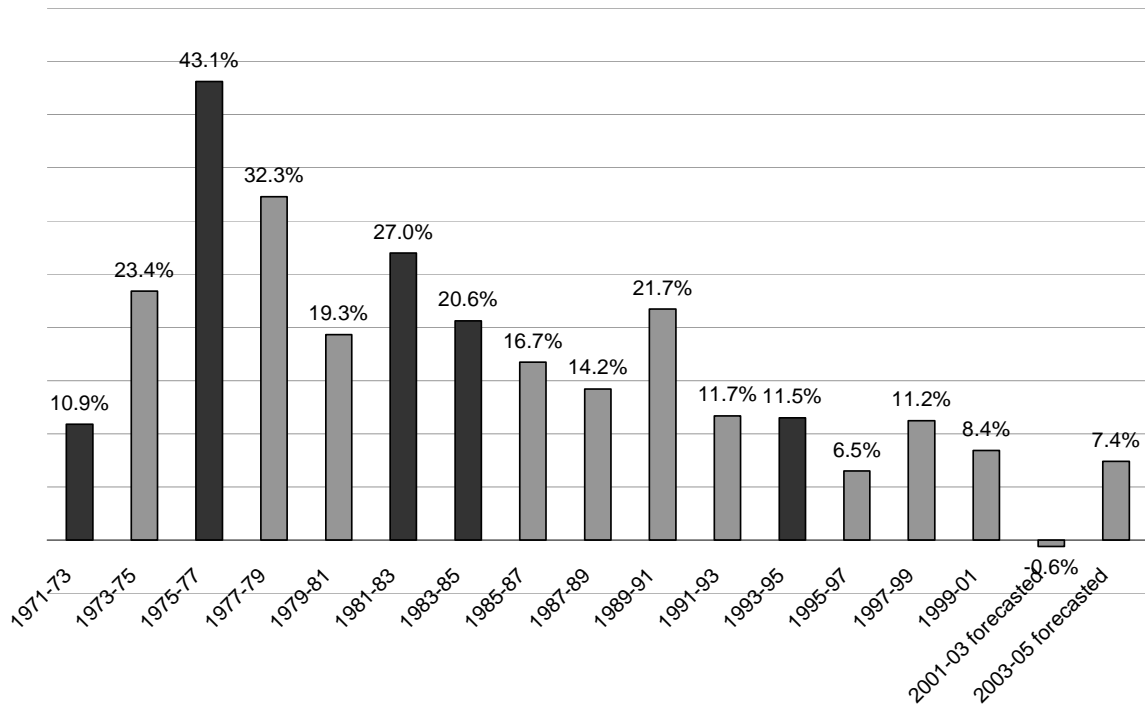
- On a per-capita basis, state and local taxes in Washington were \$3,148 in 1999, ranking 13th among the states. Washington ranked 12th among the states in per capita personal income in 1999.
- The repeal of the Motor Vehicle Excise Tax will first show in the data beginning in 2000.

- Adding \$500 million in new taxes in 2004 would increase the level of taxes by \$2.30 per \$1,000 of personal income. On a per capita basis, this averages to \$81 per person.
- When comparing a state's taxes to other states, it is best to combine both state and local taxes. The states have made different choices as to how to finance governmental programs – primarily public education. For example, Washington funds public education primarily at the state level; thus state taxes in Washington are higher than the national average, and local taxes are lower than the national average.
- There are several ways in which state and local tax burdens may be measured. Each approach has its own merits and is suited to a particular purpose. The two primary methods are the amount of taxes in relation to personal income and population.
- To measure the relative ability of states to finance the cost of government, the total state and local taxes may be divided by the total state personal income – a statistic representing the “wealth” of all residents living in each state. In essence this allows the measurement of state and local taxes as a share of the state's economy. This makes for a good comparison over time and among states.
- Per capita taxes can also be used to measure relative tax burdens. This measure is far from complete because of differences in the level of income among the states that greatly influence their capability to finance the cost of governmental services. Also, over time the level of taxes per capita will increase due to higher incomes and inflation. Year-to-year comparisons need to be adjusted to correct for these influences.

F. State General Fund Collections

- State general fund revenue collections in the 2001-03 biennium are below those of the 1999-01 biennium.
- The four years, 2001-05, represent the slowest growth in state general fund tax collections over three decades.

Biennial (2-Years) Growth in State General Fund Revenues



G. "Gates Committee"

The Legislature passed legislation in 2001 requiring an examination of the current tax system and development of tax alternatives. The legislation created a committee (chaired by Bill Gates Sr.) to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the 21st century.

The committee is scheduled to present a report to the legislative fiscal committees on December 3, 2002. The committee met on November 18 and finalized its recommendations and report.

The committee was to examine the elasticity, equity, and adequacy of the state's tax system. Members were required to develop multiple alternatives that would:

- Increase harmony between tax systems of this state and its border states;
- Encourage commerce and business creation; and
- Encourage home ownership.

The development of the alternatives were to be guided by:

- Administrative simplicity, economic neutrality, fairness, stability, and transparency;
- The alternatives were to range from incremental improvements in the current tax structure to complete replacement of the tax structure;

- Most alternatives were to be revenue neutral and contain no income tax;
- Alternatives were to consider effects of tax incentives and disincentives, including exemptions, deferrals, and credit; and
- The committee was to examine tax structures of other states and review previous tax reform studies.

The committee identified its top 10 problems with Washington's tax system:

- Lower-income households pay a higher percentage of their income in state and local taxes than do higher income households.
- The increasing share of services in consumer spending, along with increased opportunities for making purchases out-of-state, result in taxable retail sales growing more slowly than the economy as a whole over the long run.
- State and local taxes are more burdensome because the retail sales tax paid by households is not deductible from federal income taxes.
- Individuals can avoid sales tax by shopping in bordering states with lower sales tax rates or by making remote purchases.
- It is politically difficult to build and maintain adequate reserve funds during good economic times.
- Initiatives have impacted long run adequacy.
- Some Washington firms are able to avoid the B&O tax by shifting their income generating activities (such as manufacturing) to other states.
- Initiatives and state-imposed reductions in tax bases have impacted local adequacy.
- To the extent that business taxes are passed on to consumers, business taxes are not transparent.
- B&O tax pyramiding (at least 2:1) results in non-neutralities between different industries and between vertically integrated and non-integrated firms.

To address these concerns the committee has a set of recommendations that a majority of committee agrees upon. All of the proposals are "revenue neutral" in that they would not raise more money than the state currently does in a typical year. These recommendations include:

Replacement Alternatives

- A value-added tax to replace the business and occupation tax.
- A flat rate personal income tax to reduce the sales tax and eliminate the state property tax. Share all or part of the state property tax with local governments and/or schools.

Incremental Alternatives

- Extend the retail sales tax to consumer services.
- Extend the current 0.5 percent excise tax on boats to motor homes and travel trailers and consider increasing the rate to 1 percent.
- Review tax exemptions every 10 years to make sure economic and social goals are achieved.
- Avoid dedicated taxes.

- Create a constitutionally mandated rainy day fund.
- Streamline the retail sales tax.
- Simplify local B&O taxes.
- Increase the small B&O tax credit from \$35 to \$70 a month and index the credit to adjust with inflation.
- Exempt construction labor from sales tax.
- Continue to impose an estate tax.

II. Examples of Tax Increases

<u>Major alternatives discussed by the "Gates Committee"</u>	Annual Collections - 2005 <u>\$ in millions</u>
1. Personal income tax – 1%; no exemptions	\$1,639
2. Personal income tax – 1%; \$5,000 per exemption	\$1,356
3. Personal income tax – graduated rates 3% - 5.5%	\$6,653
4. Corporate net income tax – 16%	\$2,300
5. Value added tax – 1.1%	\$2,100
6. Unified goods and services tax – 4%	\$7,700
7. Modified VAT/flat tax on wages – 4.2%	\$7,700
 <u>Other tax alternatives</u>	
8. Increase sales/use tax rate:	
a. 0.1% - 6.5% to 6.6%	\$96
b. 0.2% - 6.5% to 6.7%	\$191
c. 0.3% - 6.5% to 6.8%	\$287
d. 0.4% - 6.5% to 6.9%	\$382
e. 0.5% - 6.5% to 7.0%	\$477
f. 0.6% - 6.5% to 7.1%	\$572
g. 1.0% - 6.5% to 7.5%	\$949
9. Extend sales tax to consumer services	\$352
10. Extend sales tax to business services	\$1,026
11. Extend sales tax to financial services	\$785
12. Extend sales tax to medical services	\$564
13. Extend sales tax to manufacturing machinery	\$162
14. Extend sales tax to food	\$670
15. Extend sales tax to prescription drugs	\$250
16. Extend sales tax to barber/beautician services	\$22
17. Extend sales tax to cable television	\$36
18. Extend sales tax to motor vehicle fuel	\$183

	Annual Collections - 2005 \$ in millions
19. Increase B&O and public utility taxes	
a. 10% surtax on all rates	\$258
b. 20% surtax on all rates	\$517
c. 25% surtax on all rates	\$646
d. 40% surtax on all rates	\$1,033
20. Increase B&O service rate – 1.5% to 1.75%	\$138
21. Payroll tax - 3¢ per hour	\$150
22. Soft drinks – 1 cent/12 ounces	\$35
23. State property tax levy increased 22.5¢	\$135
24. Real estate excise – 1.28% to 1.6%	\$114
25. State tax on all gambling activities	\$76
26. Non-tribal electronic slot machines	\$120 - \$300
27. Lottery-run video machines	\$272

Sources for collection estimates:

Items 1-7 – Washington State Dept. of Revenue at the request of the Washington Tax Structure Committee, August 9, 2002.

Items 9-18, 20, 22-25 – Washington State Dept. of Revenue, October 21, 2002.

Items 8 and 19 – derived from “Washington State Tax Structure Study SimTax Model.”

Item 21 – HECB staff analysis, September 10, 2002.

Item 26 – Quote from Lincoln Ferris, *Seattle Times*, October 6, 2002.

Item 27 – Washington State Lottery.

RESOLUTION NO. 02-32

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

WHEREAS, Years of limited state funding support, across-the-board budget cuts, and assumptions of “efficiency increases” as a way to avoid funding enrollment growth have resulted in a drop of state per-student support of nine percent at public four-year institutions since the 1991-93 biennium, adjusted for inflation. The financial responsibility for college expenses is being continually shifted to students and their families, threatening the ability of those with limited means to participate; and

WHEREAS, The HECB has determined that establishing benchmarks for funding levels is an appropriate approach to establishing a total system-wide level of state investment in higher education, that Washington institutions receive substantially less state funding per student than comparable institutions located in other states, and the Board has recommended funding for public higher education be benchmarked to the average of these comparable institutions; and

WHEREAS, The public higher education institutions enrolled more than 12,000 FTE students in excess of the level funded by the state in fiscal year 2002, and by 2010 an additional 29,000 FTE students above this state-supported level are expected to seek higher education; and

WHEREAS, The HECB has found that the state should meet its responsibility to enable those students with limited means to participate in higher education through carefully designed and adequately funded financial aid programs; and

WHEREAS, The HECB has determined that reaching these goals for the operating budget in the 2003-05 biennium would be accomplished by adding 15,571 new student FTE enrollments, increasing per-student state funding at the average level of comparable institutions, and achieving the current HECB financial aid goals. The total cost for these investments is \$1.1 billion in the 2003-05 biennium, in addition to the \$2.7 billion currently being spent on higher education; and

WHEREAS, The HECB requested public institutions clearly explain to the Governor, Legislature and the HECB how these additional resources will be used, and the benefits that will accrue; and

WHEREAS, The HECB recommended that in the 2003-05 biennium the Governor and Legislature provide additional state investments in the higher education operating budget to begin to accomplish the goals outlined by the HECB. The approximately \$1.1 billion estimated to meet this need in the 2003-05 biennium could be invested over four years;

THEREFORE, BE IT RESOLVED, That the HECB recommends that state revenues be increased in the magnitude of \$500 million per year to accomplish the recommendation that funding for higher education be increased; and

THEREFORE, BE IT FURTHER RESOLVED, That the HECB recommends that these additional funds for higher education be dedicated to higher education and be in addition to what is currently being spent on higher education (the maintenance level budget as calculated by the Office of Financial Management), and that the higher education institutions that receive these funds be held accountable for how the funds are spent; and

THEREFORE, BE IT FURTHER RESOLVED, That the HECB finds that the amount of new revenue being discussed is roughly equivalent to what would be raised by increasing the retail sales tax rate by one-half cent (with the state sales tax rate being increased from 6.5 percent to 7.0 percent), however, the HECB recognizes that there are many other possible sources of new funding and does not recommend any particular revenue option and is committed to working with the Governor and Legislature to identify potential sources.

Adopted:

December 12, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

High-demand Enrollment Reports, 2001-02 Overview and Executive Summary

December 2002

OVERVIEW

The 2001-03 state operating budget requires the state's public colleges and universities to report annually to the Higher Education Coordinating Board (HECB) how they have used new enrollments to respond to high-demand program needs. The budget directs each four-year institution to submit a report; the State Board for Community and Technical Colleges (SBCTC) is to report for the system of 34 two-year colleges.

Specifically, the budget (SB 6387) states:

“When allocating newly budgeted enrollments, each institution of higher education shall give priority to high demand fields, including but not limited to technology, health professions, and education. At the end of each fiscal year, each institution of higher education and the State Board for Community and Technical Colleges shall submit a report to the Higher Education Coordinating Board detailing how newly budgeted enrollments have been allocated.”

To help the colleges and universities meet this requirement, the HECB staff, in consultation with the fiscal and higher education committees of the Legislature and the Office of Financial Management (OFM), developed a memorandum containing a number of questions designed to elicit the information desired by the Legislature and Governor. The SBCTC responded on behalf of the two-year colleges. The baccalaureates' Council of Presidents coordinated the reports of the individual four-year schools.

This document provides an overview of issues pertaining to high-demand enrollments and summarizes the institutions' reports for the 2001-02 academic year. The appendices contain the HECB's information request, the full report of the SBCTC, and the full report of each baccalaureate institution.

The staff of the HECB appreciates the efforts of the institutions and the assistance of the SBCTC and the Council of Presidents in fulfilling this reporting requirement. In addition, the staff of the legislative fiscal and higher education committees and OFM provided valuable insights and suggestions to ensure that the intent of the Legislature and Governor was reflected in the HECB's initial request for information.

HIGH-DEMAND ENROLLMENT ISSUES

For several years in Washington, the term “high-demand” has described (1) instructional programs or fields in which student enrollment applications exceed available slots, and (2) career fields in which employers are unable to find enough skilled graduates to fill available jobs.

While workforce training has long been a core mission of the community and technical college system, the state in 1999 recognized the need to expand career-oriented high-demand programs at baccalaureate as well as two-year institutions. Prompted by reports that showed a shortage of trained graduates in career fields that offered strong job and salary growth, lawmakers agreed to a proposal by Governor Gary Locke to direct the HECB to administer a \$4.7 million high-demand enrollment pool. This pool of funds and 550 full-time undergraduate enrollment slots were allocated in response to competitive proposals by the public two-year and four-year colleges and universities. Three baccalaureate institutions and 11 community and technical colleges received funds for new or expanded programs, and these funds remain in the institutions' base budgets for 2001-03.

The high-demand enrollment pool was not continued in the 2001-03 biennium. Instead, the Legislature and Governor directed the public colleges and universities to report each year to the HECB about their activities to create more enrollment opportunities in high-demand fields.

Legislative discussions, the reports of the colleges and universities, and the HECB's experience with the high-demand enrollment pool have revealed a number of statewide issues that will affect the state's long-term ability to increase targeted opportunities for students in high-demand fields.

High-demand programs are often quite expensive. All parties to this discussion recognize high-demand programs are often among the most expensive for colleges to offer, with exceptionally high equipment, facility and other costs compared to traditional "talk and chalk" instruction. This poses a major challenge, given the state's current fiscal environment.

In the 1999-2001 biennium, the Legislature and Governor acknowledged these high costs by providing more than \$9,000 per FTE student for the competitive high-demand pool – well above the average per-student funding for general undergraduate enrollments. And, in its 2001-02 report, Washington State University indicates it spends up to six times more to educate students in high-demand, high-need programs than in typical social sciences programs.

The need for funds to expand and create new high-demand programs is one of the reasons why the HECB has recommended a substantial increase in "core" funding for the public colleges and universities. The HECB has also recommended restoration of funding for a competitive 1,000-FTE high-demand enrollment pool like the one it administered in 1999-2001, with per-student funding of up to \$10,000 per FTE.

Reallocations are an important, but limited, source of high-demand funds. Colleges and universities regularly shift funding from among their various academic and workforce programs. Along this line, the Eastern Washington University report offers a very enlightening discussion about institutional budgeting. But because high-demand programs are often quite expensive, it is an over-simplification to assume that colleges and universities can shift enrollment allocations on a one-for-one basis from low-cost, low-demand programs to much more expensive high-demand programs. As the introduction to the four-year institutions' reports states, "...there are limits to how much reallocation is possible without reducing funding below sustainable levels in other important programs."

Colleges face conflicting pressures and expectations. As these reports imply, colleges and universities are trying to respond to a conflicting set of expectations. On one hand, they are

pressured to dramatically increase high-demand enrollments to provide career opportunities to students and to meet the state's need for a skilled work force. At the same time, they also face the prospect of continued cuts to their base budgets. All this is occurring when every two-year and four-year college and university is over-enrolled, with growing numbers of prospective students on the way. Demand for all kinds of college education is increasing rapidly with the growth in the size of the prime college-age population and increasing needs for the retraining of older students.

Partnerships in support of high-demand programs. Partnerships among educational institutions (for example, CWU's university centers at several community colleges) and public-private partnerships involving businesses, labor groups, economic development councils and industry associations are critical to the state's long-term ability to respond to high-demand program needs. Several of the institutions' reports – particularly that of Washington State University – describe partnerships that offer excellent models for maximizing the return on the state's investment.

A note about definitions. Since 1999, the term “high-demand” has commonly referred to academic and job training programs or fields of instruction at two-year and four-year colleges and universities that share two major traits:

- (1) Student enrollment pressure has outstripped available slots; **and**
- (2) Employers have significantly more job vacancies than can be filled by graduates of Washington colleges and universities.

When it administered the 1999-2001 high-demand enrollment allocation, the HECB's review team, which included a cross-section of educators, labor market specialists and economic development experts, decided that a proposal would not be considered a high-demand project unless it documented both unmet student enrollment demand **and** unfilled jobs for graduates of the specific high-demand field. This two-pronged standard remains the definition used by the HECB.

The community and technical college report attached to this document generally reflects this approach. For example, the report states, “Demand for community and technical college programs are driven by two main factors: 1) demand from students and 2) the workforce training needs of Washington state.”

However, the reports from the public four-year college and universities use a different, three-part definition. Those reports define “high demand” programs as those with unmet **student** enrollment pressure; “high need” programs as those for which **employers** and the state need more graduates than the higher education institutions currently provide; and “high cost” programs that are significantly **more expensive** to offer than the average program. Under these definitions, instructional programs may meet one, two, or all three of these standards.

While appreciating the four-year institutions' desire to address all of the components of the high-demand enrollment issue, the HECB staff would caution against defining the term “high-demand” as purely student-centered. The definition of “high-demand” programs should continue to encompass both the student enrollment demand **and** the needs of Washington employers and industry sectors.

EXECUTIVE SUMMARY OF THE COLLEGES AND UNIVERSITIES' REPORTS

Community and technical college system

The two-year colleges received authorization and funding for 1,750 new full-time enrollments in 2001-02.

New enrollments were allocated according to a system enrollment plan that responds to anticipated population growth and citizen demand. Individual colleges assign new enrollments into specific programs – a local decision in response to student and community needs.

Across the system, enrollment growth in 2001-02 occurred primarily in three areas: academic transfer (8.5 percent increase), developmental (6.8 percent) and basic skills courses (4.2 percent). Enrollment was flat in overall workforce program enrollment (0.1 percent increase).

Despite little change in overall workforce enrollment, colleges continued recent efforts to shift training programs toward high-wage occupations and away from lower-wage programs. For example, between 1997 and 2002, colleges increased their enrollments in information technology training by 56 percent. In addition, colleges have increased opportunities for students to complete short-term training in fields such as health care.

On-line distance education enrollments in all areas continued its dramatic recent increase. The two-year system now serves more than 5,000 FTEs via on-line instruction.

Central Washington University

CWU received no new enrollment funding in 2001-02. The previous (1999-2001) biennial budget reduced authorized enrollment by 400 FTE due to what the university describes as “a brief and temporary downturn in enrollment.”

Through internal reallocations, the college has increased enrollment in a number of high-demand programs during the past two to four years. These include computer science, industrial and engineering technology, music and music education, and law and justice.

CWU's six university centers around the state are collaborating with local community and technical colleges to offer a number of upper-division and graduate courses and programs, including high-demand offerings in education, engineering technology, business administration, and law and justice.

Specific program enrollment numbers for 2001-02 were not included in the university's report.

Eastern Washington University

EWU received authorization and funding for 69 new full-time enrollments in 2001-02, but increased enrollment in high-demand programs by about three times that number.

The university's report focuses on growth in several high-demand programs:

- Health sciences: 103 FTE increase during 2001-02;
- Computing and engineering sciences: 28 FTE increase; and
- Counseling, educational and developmental psychology and special education: 62 FTE increase.

EWU uses a budget allocation process for state funds and tuition revenue that reflects both enrollment changes (in upper- and lower-division, graduate and program enrollments) and policy objectives. This process enables the university to shift funds to areas that are growing, and to redirect resources from programs with relatively low enrollment.

The university notes that in the policy-based distribution, "Resources are allocated on the basis of institutional values and linkages and not on fair share." Further, EWU is also reviewing programs with low demand with the goal of program consolidation or elimination.

One of Eastern's major policy investments in 2001-02 was to use \$150,000 in tuition dollars to create and fund a School for Computing and Engineering Sciences.

Eastern's report said further growth in computing and engineering sciences depends on the funding and completion of the Cheney Hall capital construction project, for which the university has requested and the HECB has endorsed \$24 million in the 2003-05 biennium.

The Evergreen State College

Evergreen's report focuses on the entire 2001-03 biennium rather than the first fiscal year. It notes that the college received authorization and funding for 124 new full-time enrollments during the biennium (41 FTE in 2001-02 and 83 FTE in 2002-03).

During the biennium, TESC has allocated the new state-funded enrollments to four broad course and program areas:

- Tribal programs (undergraduate and master's in public administration);
- Two- and four-credit courses in foreign language, writing, mathematics, film and theater;
- Upper-division programs in Tacoma for working adults; and
- Quantitative reasoning support for students.

Specific program enrollment numbers for 2001-02 were not included in the university's report. Since most of Evergreen's classes are inter-disciplinary, the college said it does not "departmentalize" its curriculum and does not allocate FTE enrollments to a particular department.

University of Washington

The UW received authorization and funding for 132 new full-time enrollments during 2001-02. Sixty-eight FTE were designated for undergraduate programs and 64 FTE for graduate programs. Nine of the new undergraduate enrollments were earmarked for the main campus in Seattle. The remainder were divided between the Bothell (25 FTE) and Tacoma (34 FTE) branch campuses.

In allocating new enrollments, the university favored programs for which the necessary instructional infrastructure was already in place (teaching labs, office space for additional faculty, etc.) over those that required more money than the state provided.

Several new and ongoing initiatives will expand high-demand offerings in computer engineering, bioengineering, information sciences at the Seattle campus and the computer and software systems program at the Bothell branch campus. At the Tacoma branch campus, the university is developing the new Institute of Technology with two-year college and industry partners.

The university said it also used the new enrollment allocation to increase the enrollment capacity in “bottleneck” courses that are often the prerequisite for high-demand programs.

Specific program enrollment numbers for 2001-02 were not included in the university’s report.

Washington State University

WSU received no new enrollment funding in 2001-02. In fact, the authorized enrollment at the Pullman campus was reduced by 277 FTE in response to what the university describes as “a temporary leveling of enrollment.”

The university’s responses to high-demand program needs occurred through budget reallocations, but the report said WSU’s ability to shift funding internally was “severely limited by budget reductions.”

The university depends on a mix of high- and low-cost programs to balance its budget, and high-demand programs often are very expensive. The university’s report describes the high cost of several high-demand programs. For example, WSU cited the \$30,070 annual cost per FTE in the health sciences field, compared with \$5,357 for a social sciences student.

Specific program enrollment numbers for 2001-02 were not included in the university’s report.

Western Washington University

WWU received authorization and funding for 150 new full-time enrollments in 2001-02.

In allocating new enrollments, Western said it remains “highly constrained in terms of classroom and laboratory space” and that its facility utilization rate far exceeds the norms established by the HECB.

WWU has attempted to build capacity for more students in several high-demand programs, including computer science, engineering technology and management information systems. The university notes that it received a HECB high-demand enrollment grant in 1999-2001 that added 65 FTE students to the management information systems program.

Specific program enrollment numbers for 2001-02 were not included in the university's report.

The university cites the difficulty of recruiting and retaining faculty as a "critical impediment" to its effort to expand high-demand programs. The report indicates faculty turnover has been substantial in such areas as engineering technology, while salaries have not been competitive in various business disciplines.

The university continues to favor a proposal by Provost Andrew Bodman for the state to provide "premium funding" as a way to recognize the colleges' and universities' extraordinary costs in providing many high-demand instructional programs. The report describes this approach as "a highly cost-effective alternative to the so-called "high-demand" pool requested by the HECB."

2003 HECB Legislative Priorities

December 2002

BACKGROUND

The 2003 legislative session will convene on Monday, January 13, following a general election in which Republicans gained a 25-24 majority in the Senate, while Democrats gained a net of two seats to continue their control of the House with a 52-46 majority. The regular session will last a maximum of 105 days and will focus on the development of the state operating and capital budgets for the 2003-05 biennium, which begins on July 1.

The 2003 session will continue the state's recent trend of narrow – or non-existent – partisan advantage in the Legislature, coupled with Democratic control of the governor's office.

- This will be the 10th session since 1987 in which the majority party in the Senate has held just a one-vote margin. Between 1959, when the Senate expanded to 49 members, and 1987, there was a 25-24 majority only twice.
- Shared control of the Legislature – Republicans in the majority in one chamber with Democrats in charge of the other – has also been a frequent recent occurrence. This will be the eighth such session since 1987, not including the three years in which there was a 49-49 partisan deadlock in the House.
- Washington has had a Democratic governor every year since Governor Booth Gardner took office in 1985.

At its October 29 meeting, the Higher Education Coordinating Board adopted its biennial operating and capital budget recommendations to the Legislature and Governor and reviewed a number of the higher education policy issues that are expected to arise during the 2003 session.

Since then, the Board's Executive Committee, composed of Chair Bob Craves, Vice Chair Gay Selby, and Secretary Pat Stanford and Fiscal Committee Chair James Faulstich, has further reviewed these budget and policy issues. This document summarizes these issues and describes the committee's recommended positions for consideration by the full Board.

LEGISLATIVE ISSUES AND RECOMMENDED HECB POSITIONS

Operating Budget

As in all odd-numbered years, the Legislature's primary task in 2003 will be to develop the operating and capital budgets for the coming biennium. Writing the operating budget for 2003-05 will be especially challenging. Faced with an operating budget deficit estimated at \$2 billion to \$2.6 billion, legislators and the Governor will choose from among three basic options: (1) eliminate or reduce state programs; (2) adopt tax and-or fee increases; or (3) enact some combination of cuts and revenue increases.

In October, the Board endorsed a major funding increase for higher education enrollments, core funding and financial aid. The Board's budget recommendation calls for the current \$2.7 billion higher education budget to be increased by \$1.1 billion, approximately 40 percent. This investment would let the state:

- Add more than 15,500 full-time enrollment slots in the public two-year and four-year colleges and universities to keep pace with population growth and respond to the state's economic recovery needs;
- Increase "core" funding for such things as new program development, instructional equipment and faculty salary increases, so that state support for higher education institutions reaches the average for comparable colleges and universities nationwide; and
- Provide state financial aid to more students and ensure that grant and scholarship amounts keep pace on a dollar-for-dollar basis with increases in tuition.

Capital Budget

In October, the Board recommended the state invest \$952 million of state bonds, local capital funds and reimbursable bonds from the state Education Construction Account to:

- Reduce the backlog of replacement, preservation and renovation needs of college and university facilities;
- Ease overcrowding and improve deficient facilities in the community and technical colleges; and
- Complete several major construction projects at the regional comprehensive institutions and the research universities' branch campuses.

Other budget-related issues

Tuition. The HECB continues to recommend that the governing boards of the public colleges and universities be granted tuition-setting authority for all types of students, while recognizing the goals of affordability and predictability. This year, the Legislature and Governor set maximum limits for resident undergraduate tuition, and the institutions set rates for all other categories of students without restriction. The Board's position is detailed in Resolution 02-01, adopted January 24, 2002. The current tuition arrangement is in force only through June 2003, and the Legislature and Governor are required to adopt a new tuition framework this session.

HECB agency budget request. In September, the HECB submitted its own agency budget proposal to the Office of Financial Management and the Legislature. This request was revised following the October 29 board meeting to reflect the Board's increased financial aid request. The largest enhancements in the agency budget proposal would support student financial aid and a competitive HECB grant program to expand high-demand instruction programs at two-year, four-year and private colleges and universities.

Caseload enrollment forecasting for higher education base budgets. Legislation is expected that would place higher education enrollment funding on the same footing as that of K-12 education and other “caseload-driven” programs. In essence, this proposal would use the results of caseload forecasts to provide higher education enrollment increases in “maintenance level” budgets. At present, enrollment increases needed to maintain the state’s current effort in light of population growth must be included in the budget as “enhancements”. The current approach obscures the fact that additional enrollments are needed just to maintain the status quo. It also treats population-driven enrollments the same way as policy-driven increases, such as those for health-care or other high-demand programs. The Executive Committee recommends the full Board endorse this concept.

Creation of new or expanded financial aid programs. The Board is frequently asked to support the creation of new financial aid programs, such as conditional scholarships or dedicated funds for specific purposes. The Executive Committee recommends the Board maintain the position it has taken consistently in the past – that any new funding for financial aid programs not come at the expense of support for the State Need Grant program, which remains the Board’s highest financial aid priority.

Legislative Policy Issues

The HECB Executive Committee recommends the full Board endorse the following positions on legislative issues that are expected to arise during the 2003 session. In several cases, the Board’s position reflects its longstanding commitment to the concepts of student access to education, equity in providing state services, and the need for both flexibility and accountability in the state’s higher education system.

Undocumented students’ tuition status. Legislation is expected again in 2003 to extend resident tuition rates to students who are living in the state without legal documentation. Known as “undocumented students” or “illegal immigrants”, many of these students have lived in the U.S. for several years and have graduated from Washington high schools. However, current law requires them to pay non-resident tuition if they attend public colleges or universities in this state. The Executive Committee recommends the Board continue to support the concept that underlies this proposal.

Promise Scholarship study. The Legislature will receive the HECB’s evaluation of the Washington Promise Scholarship program when the 2003 session convenes. The report’s primary recommendation is that the program would be more effective if it were adequately funded. The Board’s operating budget recommendation calls for increased funding to ensure Promise Scholarship awards reflect the full value of community and technical college tuition. This year’s grant is just \$948, or 48% of CTC tuition, which are the lowest levels since the program began in 1999.

Education Opportunity Grant. Based on the recommendations of the HECB December 2000 study of the EOG program, the Executive Committee recommends the Board seek legislative approval to expand the existing program and amend the original legislation to reflect the state's changing higher education environment. The EOG program was created to serve "placebound" students, but under current law, only students from the 13 counties directly served by the research university branch campuses may receive the scholarship. The HECB recommends that residents of all 39 counties in the state be eligible, and that they be permitted to use the grant at the branch campuses and other accredited institutions.

State Need Grant policy discussion. The State Board for Community and Technical Colleges' 2003 legislative platform urges the state's higher education community and the HECB to examine several issues related to the State Need Grant program. In addition, the four-year institutions' Council of Presidents has posed a number of policy questions about the Need Grant program that the institutions would like to discuss in the near future. The Executive Committee recommends the HECB staff coordinate whatever activities are needed to ensure full Board consideration of the implications of various policy and-or funding alternatives. All participants in financial aid programs – public and private colleges and universities, private career schools, and representatives of students who receive financial aid – should be represented in this process. The Board also would invite participation by representatives of the appropriate legislative fiscal and policy committees, and the Office of Financial Management.

RESOLUTION NO. 02-33

WHEREAS, State law directs the Washington Higher Education Coordinating Board to review, evaluate and make recommendations to the Legislature and Governor regarding budget, policy and legislative issues in consultation with the state's other educational institutions; and

WHEREAS, The Board has reviewed the budget proposals of the state's system of 34 community and technical colleges and the six baccalaureate universities and college; and

WHEREAS, In order to fulfill its statutory responsibilities, the Board has reviewed a number of legislative issues that are expected to arise during the 2003 Session;

THEREFORE, BE IT RESOLVED, That the Board hereby adopts its 2003 Legislative Agenda, whose highest priorities are described in Tab 7 accompanying this resolution.

Adopted:

December 12, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

Gender Equity in Higher Education

Executive Summary

Gender equity, as a matter of public concern, dates back to at least 1972 when the federal government established Title IX, banning gender discrimination in schools, encompassing athletics and academics.

In the state of Washington, legislation related to Title IX was sponsored in 1989 to ensure gender equity in institutions of higher education. RCW 28.110 prohibits discrimination on the basis of gender against any student in institutions of higher education in Washington. Specifically, discrimination is prohibited in student assistance and services, academic programs, and athletics (intercollegiate and intramural). RCW 28B.15.460 authorizes baccalaureate institutions to use tuition and fee waivers to achieve gender equity in intercollegiate athletics, contingent upon the institutions meeting specific goals.

The Legislature directed the Higher Education Coordinating Board (HECB) to report every four years on the implementation of the laws. This report provides updated information on gender equity at each of the public four-year institutions in Washington, as well as at the community and technical colleges, where applicable. A brief summary of results follows.

Student Support and Services

Pay scales in student employment are not gender-specific, and jobs are not assigned on the basis of gender. An analysis of distribution of pay reveals some small differences in gender. Sexual harassment policies at all public institutions are clearly communicated to a wide audience. Based on these data, past reports, and gender equity plans, discrimination does not exist in student support and services.

Academic Programs

In the community and technical college system, discrepancies exist between men and women in three of the four largest program areas. The largest difference at the public baccalaureate institutions in the top four program areas is in engineering. However, the lack of women in the engineering programs in Washington higher education institutions mirrors findings on a national level. Given that a student's choice of academic program can be due to factors beyond an institution's control, the disparities

noted for academic programs are not necessarily the result of discrimination, but should be noted as an area for monitoring and improvement.

Athletics

Participation rates for female athletes at Eastern Washington University and Western Washington University do not meet statutory goals. Eastern submitted a plan to remedy this inequity in the summer of 2002. Higher Education Coordinating Board (HECB) staff will work with Western to develop a plan by March 2003. The remaining baccalaureate institutions reported participation rates within statutory requirements. The community college system overall shows participation rates for females at an acceptable level (individual community college participation rates vary widely).

Athletically related financial aid: Eastern and Western Washington Universities award low percentages of athletically related financial aid to females, when compared to other four-year institutions. The community college system awards a high proportion of aid to female athletes.

Coaching: Six community colleges do not have any female coaches on staff. The state requires that institutions attempt to provide a role model of each gender. All of the baccalaureate institutions provide coaches of each gender, though there are far fewer female coaches than male.

Athletic expenses: Operating expenses for women's teams are disproportionately low at the University of Washington and Washington State University, due to high football team costs. However, at Western Washington University, the percentage of operating expenses spent for women's teams, at 43.3 percent, is very close to the percentage of athletes who are female, at 46.2 percent. The community college system overall spends a large proportion on women's teams compared to men's teams.

Athletic facilities: The baccalaureate institutions have made large-scale improvements to several facilities to make them more equitable for male and female athletes. However, 10 community colleges report baseball and softball fields as "close to comparable" rather than "comparable" between men and women. Locker rooms at five community colleges were reported as "close to comparable" and "far from comparable" at two community colleges due to inequities in size.

Intramural athletics: Data for University of Washington participation were not available. Western, the largest intramural program reported, showed low participation when compared to the percentage of female undergraduates aged 17 to 24 (46.8 percent compared to 56.7 percent).

Data gathered for athletics indicate varying degrees of disparity between men and women at the public institutions. However, no one measure can indicate whether or not discrimination based on gender exists. For example, while the community colleges overall report a large proportion of aid and expenses for women athletes – several individual colleges report a lack of female coaches, and the need for more equitable facilities. The areas noted as disparate or inequitable in this report should continue to be monitored, and their progress reported in the next report due in December of 2006.

GENDER EQUITY IN HIGHER EDUCATION

December 2002

Background

Gender equity, as a matter of public concern, dates back to at least 1972, when the federal government established Title IX banning gender discrimination in schools, encompassing athletics and academics.

Title IX, now in its 30th year, is credited with revolutionizing athletic participation and academic opportunities for women, as well as creating substantial controversy. The controversy has been focused on the rules concerning equitable athletic participation for women, since opponents of the legislation argue that it forces schools to cut men's teams. Nevertheless, national data show that in 1972, fewer than 30,000 women participated in college varsity and recreational programs compared to 170,000 men. In 2000-01, a total of 150,916 women and 208,866 men were reported on varsity sports teams. Athletic participation for women has thus increased from about 15 percent of the total in 1972, to 42 percent of the total in 2000-01.¹

In the state of Washington, two laws related to Title IX were passed in 1989 aimed at achieving gender equity in higher education. The Legislature directed the Higher Education Coordinating Board (HECB) to report every four years on the implementation of the laws.

The first of these two laws (RCW 28.110) prohibits discrimination based on gender in student services and support, in academic programs, and athletics. The second law (RCW 28B.15.460) authorizes four-year institutions to use tuition waivers to achieve gender equity in intercollegiate athletics if they meet "proportionality" goals. By June 30, 2002, female athletic participation must be within five percentage points of female enrollment (for full-time undergraduates, age 17-24 on main campus). If an institution does not meet that goal, it is required to submit a plan outlining how it will come into compliance.

In July 2002, a gender equity update report using 2000-01 data found equitable athletic participation at all institutions except Eastern Washington University. Eastern has since submitted a plan approved by the Board to achieve equity by 2003-04. Western Washington University's participation rate at that time was close to non-compliance, at 4.9 percent. Since the July 2002 report was published, 2001-02 data show WWU's gap between female athletic participation and female undergraduate enrollment to have increased to 5.6 percent – exceeding the statutory limit, and requiring a new plan for academic year 2003-04.

¹ "Title IX at 30," The Chronicle of Higher Education, June 21, 2002.

Both of the statutes require a report on institutional progress toward compliance in December 2002, with a major assessment of the institutions due in December 2006. This report provides updated information on each of the public four-year institutions, as well as the community and technical colleges, where applicable². Conforming with the statutes, this report will be organized into three sections: (1) Student Services, (2) Academic Programs, and (3) Athletics.

(1) Student Services and Support

Student Employment: Pay scales in student employment are not gender-specific, and jobs are not assigned on the basis of gender.

An analysis of distribution of pay reveals some small differences in gender (see Appendix One). For example, Central Washington University shows a disproportionate distribution at the wage range of \$11 to \$11.99, where 75 percent of the students paid at that range are male, but only 25 percent are female. However, it is important to note that there is a very small number of students (total = 20) paid at that range. A far greater number of students are paid at the range of \$6 to \$6.99 (total = 1,243), and the pay distribution is far more equitable at that range (59 percent women vs. 41 percent men).

Sexual Harassment: Sexual harassment policies at all public institutions are clearly communicated to a wide audience. Many institutions report providing training for faculty and staff at orientation, and giving updates at different times throughout the year. Student handbooks are often the vehicle for providing information on harassment policies to students.

Based on the data used for this report, student services and support appear to be free of gender discrimination.

(2) Academic Programs

In the community and technical college system, women received 57.6 percent of all associate degrees awarded in 2000-01. Therefore, a proportional distribution would require that close to 57.6 percent of the graduates of each degree program ideally should be female.

In the program areas with the largest number of graduates at community and technical colleges, discrepancies exist between men and women in three of the four largest areas. Nursing and accounting technician programs both graduated disproportionately high levels of female students, while information processing was disproportionately low for females (see Appendix Two).

² 2000-01 data were used for the two-year college assessment of equity in athletics; while data from 2001-02 were used for the four-year equity assessment because the data were specially requested and available at the time this report was written, and because the four-year institutions are held to the stricter standard of proportionality by June 30, 2002 for tuition waivers. See "Source" footnotes on all tables for years of data used.

The largest difference at the four-year colleges in the top four program areas is in engineering. Females accounted for 56.2 percent of the University of Washington's graduating class, but only 21.6 percent of those who earned a bachelor's degree in engineering were female. A similar pattern exists at Washington State University, where 54.1 percent of the graduating class was female, but 16.9 percent of the engineering graduates were female. The lack of women in engineering mirrors findings on a national level.³

Although gender differences appear in higher education graduation rates, it is important to recognize that these differences do not necessarily reflect gender discrimination. There may be many external factors beyond an institution's control that affect both a student's choice of major and his/her academic success in that major. While institutions must do all they can to provide a welcoming environment for any student, individual interests, societal stereotypes, and influence of peers all can affect a student's academic activities.

(3) Athletics

Institutions are required to demonstrate equity in intercollegiate and intramural athletic participation, as well as in athletically related financial aid, coaching, expenditures, and facilities.

Intercollegiate Participation: In order to use tuition and fee waivers to remedy inequitable participation rates, four-year institutions must show that their overall proportion of female athletes was within five percentage points of the proportion of female undergraduates by June 30, 2002. If the institution does not meet this goal, it must submit an HECB-approved plan.

The HECB report published in July 2002 (using 2000-01 data) stated that Eastern Washington University did not meet the goal. Eastern has since submitted an approved plan to cap men's teams and increase women's involvement in track and field, as well as other programs.

The July 2002 HECB update reported Western Washington University's participation rate as within the goal – but very close to non-compliance, at 4.9 percent. Since that report, Western's gap has increased to 5.6 percent in the 2001-02 academic year, necessitating a plan that will bring the university into compliance for 2003-04.

³ Kristen Olsen, "Despite Increases, Women and Minorities Still Underrepresented in Undergraduate and Graduate S&E Education", Data Brief, National Science Foundation, January 15, 1999.

The remaining four-year institutions are within acceptable participation rates:

2001-02 Academic year	Full-Time Undergraduates, Age 17-24		Athletic Participation		Gap +/-	Meets Statutory Goal?
	%		%			
	Total	Female	Total	Female		
Central Washington University	6,043	52.5%	468	53.4%	-0.9%	Yes
Eastern Washington University	5,667	58.4%	423	44.9%	13.5%	No
The Evergreen State College	2,403	57.7%	99	56.6%	1.1%	Yes
University of Washington	21,112	51.6%	664	48.8%	2.8%	Yes
Washington State University	12,814	50.7%	537	46.2%	4.5%	Yes
Western Washington University	10,200	56.7%	364	51.1%	5.6%	No

Source: Fall 2001 Enrollment by Age and Gender, IPEDS; Athletic Participation from 2001-02 EADA surveys.

Technical colleges do not sponsor athletic activities, and community colleges are not authorized to use tuition and fee waivers for athletes. Therefore, they are not required to submit an equity plan if they are not within the five percent proportion of female athletes to female enrollment. See Appendix Three for a detailed comparison of female athletes to female enrollments by institution.

It is important to keep in mind that the smaller sizes of the athletic programs at the individual institutions can dramatically affect participation rates. Overall athletic participation by females in the community college system of 46.2 percent leaves a gap of 6.7 percent, when compared to their overall enrollment distribution of 52.9 percent.

Recommendations: RCW 28B.15.465 requires each report on gender equity to include recommendations on measures to help institutions comply. Suggested areas for Western Washington University to address include:

- Roster Management: Capping the size of men's teams and increasing the size of women's teams helps to reduce inequities.
- Program Elimination: If possible, a small men's team might be eliminated to increase the proportion of female participation in athletics.

- Addition of a women's sport or sports: Perhaps Western could consider adding an additional women's team or teams, after considering cost and availability of athletes and facilities.

HECB staff will continue to work with WWU staff as they develop a plan for 2003-04, with a tentative due date for the plan set at March of 2003.

Athletically Related Student Aid⁴: Proportionality within five percent of undergraduate enrollment is not required for financial aid. In any case, since only athletes receive athletically related financial aid, it makes more sense to compare the percentage of athletes receiving aid to the percentage of athletes who are female rather than to the percentage of undergraduates who are female. The table below demonstrates this comparison. Data for both Western and Eastern Washington Universities reflect a disproportionately low amount of athletically related aid awarded to women. Compared to the percentage of athletes who are female (44.9 percent at Eastern), 36 percent of aid awarded to females results in an 8.9 percent difference. At Western, where 51.1 percent of athletes are female, 38.4 percent of aid was awarded to female athletes.

2001-02 Academic Year

Institution	% Female Athletes	% Aid Awarded to Females	+/-
Central Washington University	53.4%	49.3%	4.1%
Eastern Washington University	44.9%	36.0%	8.9%
The Evergreen State College	56.6%	59.0%	-2.4%
University of Washington	48.8%	44.7%	4.1%
Washington State University	46.2%	42.7%	3.5%
Western Washington University	51.1%	38.4%	12.7%

Source: 2001-02 EADA (Equity In Athletics Disclosure Act) Survey.

Appendix Four contains 2000-01 aid compared to the percentage of female athletes at community colleges. As with the other measures in this report, individual community colleges show a wide variety of results. But a look at the community college system as a whole shows aid for females is actually over-represented: 46 percent of all athletes are female, but 53.4 percent of all athletically related aid was awarded to females.

Coaching: The statutory language requires institutions to “attempt to provide role models of each gender.” Most institutions have hired at least one female coach, but some community colleges

⁴ As reported in EADA (Equity in Disclosure Act) surveys, athletically related aid is defined as aid awarded a student that requires the student to participate in an intercollegiate athletics program.

with athletic departments and women's teams do not have any female coaches. Appendix Five lists a summary of coaching staff at each two-year institution. Big Bend, Columbia Basin, Olympic College, South Puget Sound, Walla Walla, and Yakima Valley reported zero female coaching staff on the EADA (Equity in Athletics Disclosure Act) survey in 2000-01.

While a role model exists at each institution for women's teams, there is a noticeable lack of head coaches for men's teams that are female. Coaching staff is distributed at four-year colleges as follows:

2001-02 Academic Year

Institution	Head Coach, Men's Teams		Head Coach, Women's Teams		Asst. Coaches, Men's Teams		Asst Coaches, Women's Teams	
	Male	Female	Male	Female	Male	Female	Male	Female
Central Washington University	5	1	5	1	22	5	10	9
Eastern Washington University	5	0	3	2	14	0	4	5
The Evergreen State College	2	1	2	1	3	1	2	3
University of Washington	9	0	4	6	25	0	11	8
Washington State University	5	0	4	4	22	3	7	16
Western Washington University	5	0	4	3	10	0	3	6
Total	31	2	22	17	96	12	37	47

Source: 2001-02 EADA Survey.

Expenditures: This table lists the total expenses an institution incurs attributable to home, away, and neutral-site intercollegiate athletic contests including team travel, lodging, and meals; uniforms and equipment, and officials (commonly known as "game-day expenses"); and lists the percentage of operating expenses attributable to women's teams, and the percentage of athletes who are female.

2001-02 Operating Expenses	Men's Teams	Women's Teams	% Expenses: Women	% of Athletes Who are Female
Central Washington University	\$ 280,459	\$ 248,116	46.9%	53.4%
Eastern Washington University	\$ 627,219	\$ 362,470	36.6%	44.9%
University of Washington	\$2,261,084	\$1,070,882	32.1%	56.6%
Washington State University	\$1,876,941	\$1,230,361	39.6%	48.8%
Western Washington University	\$ 304,884	\$ 232,485	43.3%	46.2%
Total	\$5,259,019	\$2,983,033	36.2%	51.1%

Source: 2001-02 EADA Survey.

Note: The Evergreen State College operating expenses were not available.

Operating expenses are disproportionately low for women's teams at the University of Washington and Washington State University due to high football team costs. However, at Western Washington University, the percentage of operating expenses spent for women's teams, at 43.3 percent, is very close to the percentage of athletes who are female, at 46.2 percent.

Comparing the percentage of female athletes to operating expenses at community colleges reveals varying degrees of difference at individual institutions (see Appendix Six). Overall for the community and technical college system, 46 percent⁵ of all athletes are female, while 53.4 percent of total operating expenses are incurred for women's teams.

Facilities: Since 1998-99, all the four-year institutions have made improvements to their athletic facilities, as follows:

Central Washington University has equalized the competitive and practice facilities for men and women since the construction of a new softball complex and the renovation of the women's soccer field.

Eastern Washington University completed a new 2,500-square-foot facility that includes nearly 500 lockers and is now home to five women's varsity programs that previously shared facilities with the general student body. The women's basketball and volleyball teams' rooms have been renovated, and an electronic scoreboard and wind shields have been purchased and installed for women's soccer.

The Evergreen State College now has a refurbished women's locker room, with a refurbishment of the men's locker room in progress. A lighted score table was purchased for men's and women's basketball and women's volleyball; a portable sound system was purchased for men's and women's swimming and soccer; and a new net system was purchased for women's volleyball, including reparation of the gym floor. A dedicated soccer field was widened and a permanent scoreboard installed.

The University of Washington has upgraded several facilities that directly enhance opportunities for female athletes. The improvements include a new soccer playing field, enhanced softball field and facility, a new indoor practice facility, and a major renovation of Hec Edmundson Pavilion. In these new facilities, locker rooms, training rooms and other services, and practice and completion opportunities are equal for men and women athletes.

⁵ Bellevue Community College was omitted, lowering the total percentage of female athletes from 46.2% as reported in other tables, to 46%.

Washington State University reports remodeling the basketball locker room, among other improvements to the Beasley Coliseum. New office and meeting rooms for all sports, except swimming, expanded athletic medicine, equipment operations, and video operations facilities were added. The renovated Bohler Gym provides team locker rooms for women's teams in soccer, rowing, volleyball, tennis, track and field, a multipurpose women's locker room for visiting teams, golf, and others. The Bohler Gym was also upgraded for a volleyball competitive facility and basketball practice. The women's swimming coach's office in the Physical Education Building has been redecorated, and a new scoring system was purchased for the swimming venue and the scoreboard retrofitted. Team bench shelters were purchased for the soccer field; new bleachers and a new fencing system were added to the track facility; and a practice green was built for the golf teams. Finally, this fall, the air-supported indoor practice facility will open, benefiting men's and women's track, men's and women's golf, and women's soccer, along with football and baseball.

Western Washington University installed a softball field in 1997-99, as well as obtained funding for a dock for women's crew. In 2001-03, lighting for the dock at the crew facility is planned.

Two-year colleges reported most of their facilities as comparable between men and women, with the following exceptions:

- Baseball and softball fields were reported as "close to comparable" at Bellevue, Columbia Basin, Everett, Grays Harbor, Green River, Lower Columbia, Olympic, Shoreline, Wenatchee Valley, and Yakima Valley.
- The soccer field at Centralia was reported as "close to comparable."
- Locker rooms were rated as "close to comparable" at Grays Harbor, Olympic, Shoreline, Wenatchee Valley, and Yakima Valley.
- Locker rooms at Green River and Highline were reported "far from comparable" because the men's locker rooms at both institutions were larger than the women's.

With the exception of this list, all other facilities (baseball and softball fields, basketball courts, soccer fields, tennis courts, and locker rooms) were rated "comparable" by the two-year institutions offering athletics.

Intramural Athletics: Detailed information on four-year intramural athletic programs is attached as Appendix Seven. Estimates of intramural participation by women range from about 31 percent to 50 percent. Central Washington University reported that, although a number of sports leagues for women have been offered, many do not materialize due to a lack of interest. For the largest intramural program reported, at Western Washington University, females comprised 46.8 percent of the total intramural participants. Since the undergraduate population at Western aged 17 to 24 is composed of 56.7 percent females, intramural participation seems low.

Summary

Although the baccalaureate institutions have not all succeeded in achieving gender equity goals, all have improved dramatically over the years. The following chart provides a comparison of female participation to enrollment since 1988-89:

Institution	1988-89				2001-02			
	# Female athletes	% Female athletes	% Undergrad female	Gap: Female Athletes vs. Enrollment	# Female athletes	% Female athletes	% Undergrad female	Gap: Female Athletes vs. Enrollment
UW	231	32.8%	50.0%	17.2%	324	48.8%	51.6%	2.8%
WSU	127	30.5%	44.7%	14.2%	248	46.2%	50.7%	4.5%
TESC	43	49.0%	56.0%	7.0%	56	56.6%	57.7%	1.1%
WWU	99	32.0%	54.0%	22.0%	186	51.1%	56.7%	5.6%
CWU	120	29.0%	52.4%	23.4%	250	53.4%	52.5%	-0.9%
EWU	66	24.0%	54.7%	30.7%	190	44.9%	58.4%	13.5%

The gap between female athletic participation and female enrollment has decreased since 1988 as follows:

- UW: Decreased by 14.4 percent
- WSU: Decreased by 9.7 percent
- TESC: Decreased by 5.9 percent
- WWU: Decreased by 16.4 percent
- CWU: Decreased by 24.3 percent
- EWU: Decreased by 17.2 percent

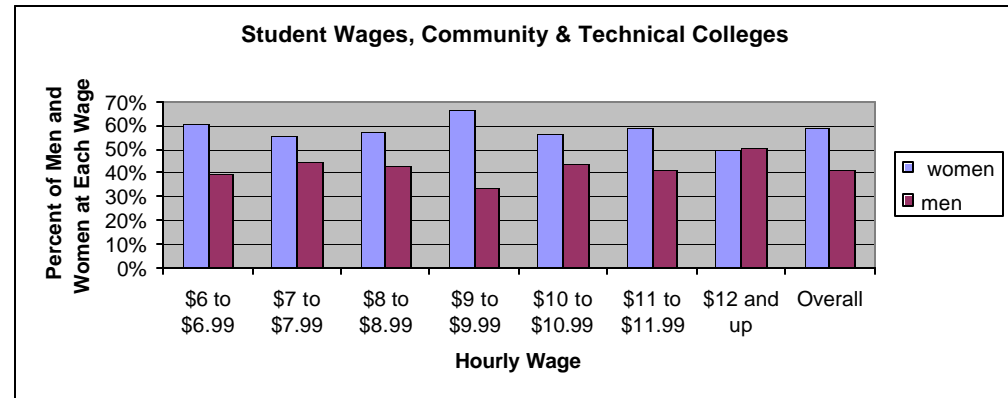
Therefore, even though gender equity results as of June 30, 2002 at two of the baccalaureate institutions were not within the five percent gap between participation and enrollment required by statute, it is clear that substantial improvement has occurred in the area of athletic participation during the last 13 years at all baccalaureate institutions. By 2003-04, with new gender equity plans in place, Eastern and Western Washington Universities plan to meet statutory goals, and their performance will continue to be monitored as part of regular gender equity reporting.

No one measure can indicate whether or not discrimination based on gender exists. For example, while the community colleges overall report a large proportion of aid and expenses for women athletes – several individual colleges report a lack of female coaches, and the need for more

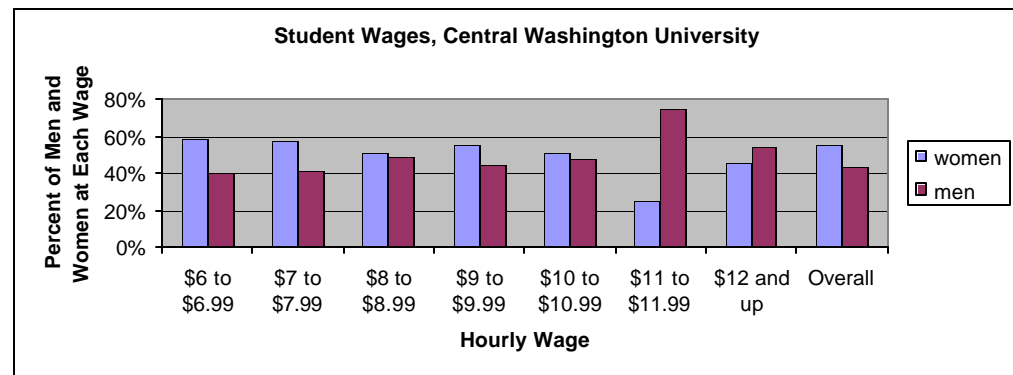
equitable facilities. The areas noted as disparate or inequitable in this report should continue to be monitored, and their progress reported in the next report due in December of 2006.

Appendix One, Student Employment, 2001-02 Academic Year

	total n	CTCs women	men
\$6 to \$6.99	2,440	60%	40%
\$7 to \$7.99	3,862	56%	44%
\$8 to \$8.99	1,048	57%	43%
\$9 to \$9.99	1,871	66%	34%
\$10 to \$10.99	653	56%	44%
\$11 to \$11.99	104	59%	41%
\$12 and up	137	50%	50%
Overall	10,115	59%	41%



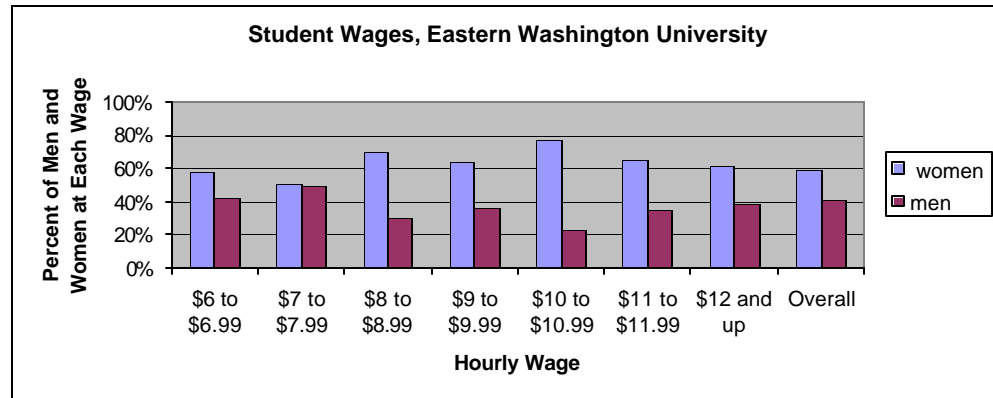
	total n	Central women	men
\$6 to \$6.99	1,243	59%	41%
\$7 to \$7.99	1,992	58%	42%
\$8 to \$8.99	1,028	51%	49%
\$9 to \$9.99	312	56%	44%
\$10 to \$10.99	210	51%	49%
\$11 to \$11.99	20	25%	75%
\$12 and up	132	45%	55%
Overall	4,937	56%	44%



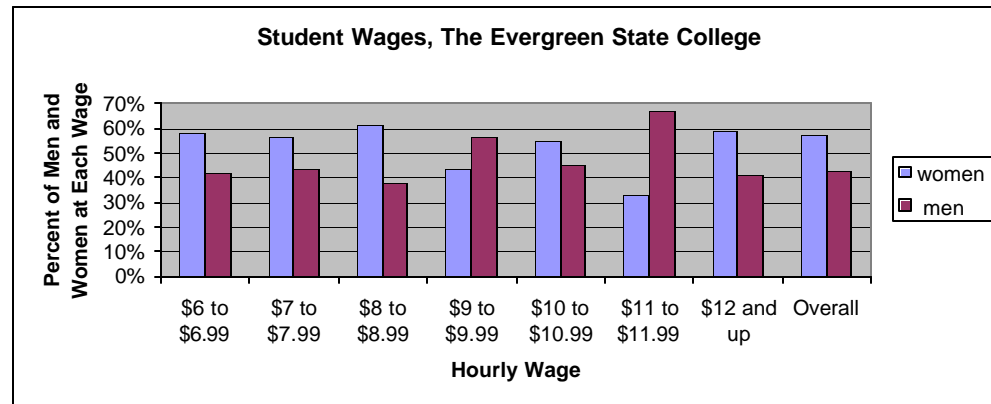
Data Source: Institutional Survey, October 2002.

Appendix One, Student Employment, 2001-02 Academic Year

	total n	Eastern women	men
\$6 to \$6.99	626	57%	43%
\$7 to \$7.99	292	51%	49%
\$8 to \$8.99	151	70%	30%
\$9 to \$9.99	74	64%	36%
\$10 to \$10.99	47	77%	23%
\$11 to \$11.99	17	65%	35%
\$12 and up	135	61%	39%
Overall	1,342	59%	41%



	total n	Evergreen women	men
\$6 to \$6.99	296	58%	42%
\$7 to \$7.99	446	57%	43%
\$8 to \$8.99	217	62%	38%
\$9 to \$9.99	55	44%	56%
\$10 to \$10.99	55	55%	45%
\$11 to \$11.99	9	33%	67%
\$12 and up	27	59%	41%
Overall	1,105	57%	43%

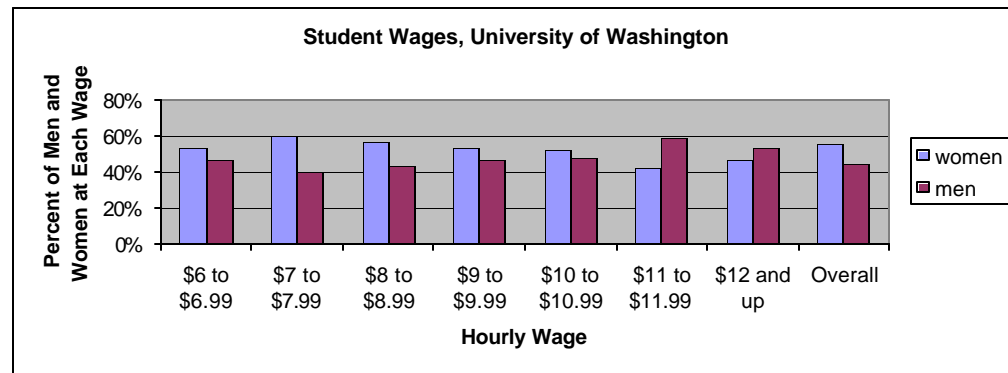


Data Source: Institutional Survey, October 2002.

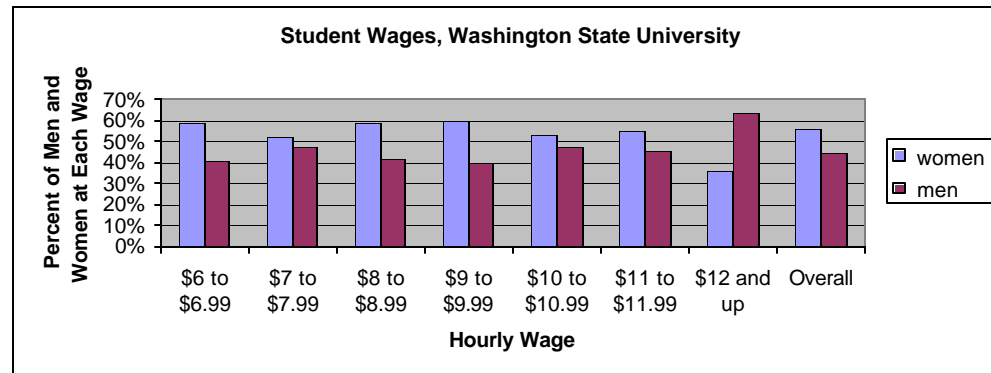
Appendix One, Student Employment, 2001-02 Academic Year

	total n	UW* women	men
\$6 to \$6.99	696	54%	46%
\$7 to \$7.99	1,616	60%	40%
\$8 to \$8.99	1,602	56%	44%
\$9 to \$9.99	713	54%	46%
\$10 to \$10.99	813	52%	48%
\$11 to \$11.99	120	42%	58%
\$12 and up	374	47%	53%
Overall	5,934	55%	45%

*UW reported by quarter rather than academic year.
The data above reflect Fall 2001 student employment.



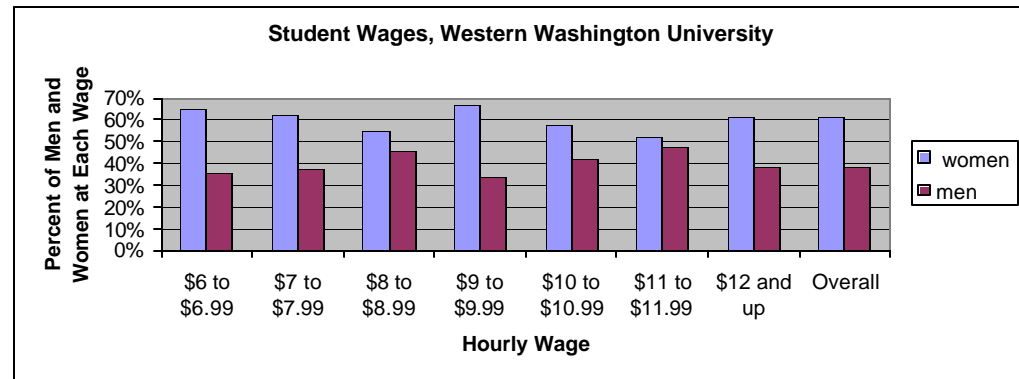
	total n	WSU women	men
\$6 to \$6.99	357	59%	41%
\$7 to \$7.99	291	52%	48%
\$8 to \$8.99	214	59%	41%
\$9 to \$9.99	327	60%	40%
\$10 to \$10.99	154	53%	47%
\$11 to \$11.99	44	55%	45%
\$12 and up	72	36%	64%
Overall	1,459	56%	44%



Data Source: Institutional Survey, October 2002.

Appendix One, Student Employment, 2001-02 Academic Year

	total n	Western women	men
\$6 to \$6.99	355	65%	35%
\$7 to \$7.99	944	63%	37%
\$8 to \$8.99	353	54%	46%
\$9 to \$9.99	164	66%	34%
\$10 to \$10.99	169	58%	42%
\$11 to \$11.99	48	52%	48%
\$12 and up	93	61%	39%
Overall	2,126	61%	39%



Data Source: Institutional Survey, October 2002.

Appendix Two, Top Four Program Areas, Graduation by Gender

	Total	Male	Female	% Female	+/- Target *
Community and Technical Colleges					
All Associate Degrees	18,183	7,716	10,467	57.6%	
Liberal Arts & Sciences (Transfer)	11,578	4,757	6,821	58.9%	-1.3%
Nursing	728	88	640	87.9%	-30.3%
Information Processing	263	135	128	48.7%	8.9%
Accounting Technician	255	37	218	85.5%	-27.9%
Central Washington University					
All Bachelor's Degrees	1,895	810	1,085	57.3%	
Education	464	127	337	72.6%	-15.4%
Business Management and Administration	451	219	232	51.4%	5.8%
Social Science and History	164	89	75	45.7%	11.5%
Protective Services	141	69	72	51.1%	6.2%
Eastern Washington University					
All Bachelor's Degrees	1,512	618	894	59.1%	
Education	311	107	204	65.6%	-6.5%
Business Management and Administration	305	157	148	48.5%	10.6%
Social Science and History	116	74	42	36.2%	22.9%
Health Professions & Related	109	9	100	91.7%	-32.6%
University of Washington (Seattle)					
All Bachelor's Degrees	6,328	2,774	3,554	56.2%	
Social Science & History	1,346	602	744	55.3%	0.9%
Business Management and Administration	745	376	369	49.5%	6.6%
Biological Sciences/Life Sciences	591	222	369	62.4%	-6.3%
Engineering	570	447	123	21.6%	34.6%
Washington State University					
All Bachelor's Degrees	3,719	1,707	2,012	54.1%	
Business Management and Administration	813	461	352	43.3%	10.8%
Social Science and History	500	208	292	58.4%	-4.3%
Communications	333	143	190	57.1%	-3.0%
Engineering	237	197	40	16.9%	37.2%
Western Washington University					
All Bachelor's Degrees	2,651	1,058	1,593	60.1%	
Business Management and Administration	403	220	183	45.4%	14.7%
Social Science and History	340	153	187	55.0%	5.1%
Education	198	44	154	77.8%	-17.7%
Visual and Performing Arts	183	76	107	58.5%	1.6%

* The "target" is defined for the purpose of this report as the total percentage of graduates who are female. These figures only include awards earned for students whose gender was reported.

Source: Community and technical colleges: SBCTC, 2000-01 data; four-year colleges: IPEDS, 2000-01 data.

Appendix Three, Athletic Participation at Community Colleges

Academic Year 2000-01 Institution Name	Enrollment, age 17-24			Athletic Participation			Female Enrollment Minus Participation
	M	F	% Female	M	F	% Female	+/-
BELLEVUE COMMUNITY COLLEGE	2,342	2,258	49.1%	55	54	49.5%	-0.5%
BIG BEND COMMUNITY COLLEGE	467	492	51.3%	46	34	42.5%	8.8%
CENTRALIA COLLEGE	444	558	55.7%	34	34	50.0%	5.7%
CLARK COLLEGE	1,447	1,857	56.2%	65	61	48.4%	7.8%
COLUMBIA BASIN COLLEGE	1,368	1,377	50.2%	75	58	43.6%	6.6%
EDMONDS COMMUNITY COLLEGE	1,230	1,166	48.7%	54	57	51.4%	-2.7%
EVERETT COMMUNITY COLLEGE	1,022	1,316	56.3%	31	50	61.7%	-5.4%
GRAYS HARBOR COLLEGE	351	455	56.5%	59	38	39.2%	17.3%
GREEN RIVER COMMUNITY COLLEGE	1,560	1,474	48.6%	68	51	42.9%	5.7%
LOWER COLUMBIA COLLEGE	641	723	53.0%	57	55	49.1%	3.9%
OLYMPIC COLLEGE	1,018	1,182	53.7%	38	32	45.7%	8.0%
PENINSULA COLLEGE	352	378	51.8%	26	24	48.0%	3.8%
PIERCE COLLEGE	1,272	1,825	58.9%	56	33	37.1%	21.8%
SEATTLE COMMUNITY COLLEGE-NORTH CAMPUS	799	769	49.0%	15	15	50.0%	-1.0%
SEATTLE COMMUNITY COLLEGE-SOUTH CAMPUS	804	624	43.7%	14	7	33.3%	10.4%
SHORELINE COMMUNITY COLLEGE	1,507	1,702	53.0%	76	59	43.7%	9.3%
SKAGIT VALLEY COLLEGE	749	866	53.6%	64	74	53.6%	0.0%
SOUTH PUGET SOUND COMMUNITY COLLEGE	817	1,025	55.6%	29	19	39.6%	16.1%
TACOMA COMMUNITY COLLEGE	993	1,327	57.2%	67	38	36.2%	21.0%
WALLA WALLA COMMUNITY COLLEGE	725	730	50.2%	94	80	46.0%	4.2%
WENATCHEE VALLEY COLLEGE	637	719	53.0%	39	45	53.6%	-0.5%
WHATCOM COMMUNITY COLLEGE	991	975	49.6%	11	19	63.3%	-13.7%
YAKIMA VALLEY COMMUNITY COLLEGE	873	1,343	60.6%	58	35	37.6%	23.0%
Total	22,409	25,141	52.9%	1,131	972	46.2%	6.7%

Sources: 2000-01 Enrollment Data: State Board for Community and Technical Colleges; Athletic Participation: 2000-01 EADA data.

Appendix Four, Athletically-Related Aid at Community Colleges

Institution Name	Total Athletes	% Female Athletes	Total Aid \$	Aid Awarded to Females	% Aid Awarded to Females	Percentage of Female Athletes Minus Percentage of Aid Awarded to Females
BIG BEND COMMUNITY COLLEGE	80	42.5%	\$44,854	\$24,427	54.0%	-11.5%
CENTRALIA COLLEGE	68	50.0%	\$16,139	\$8,266	51.0%	-1.0%
CLARK COLLEGE	126	48.4%	\$30,007	\$17,607	59.0%	-10.6%
COLUMBIA BASIN COLLEGE	133	43.6%	\$45,211	\$24,361	54.0%	-10.4%
EDMONDS COMMUNITY COLLEGE	111	51.4%	\$32,000	\$18,000	56.0%	-4.6%
EVERETT COMMUNITY COLLEGE	81	61.7%	\$19,600	\$13,800	70.0%	-8.3%
GRAYS HARBOR COLLEGE	97	39.2%	\$36,800	\$15,164	41.0%	-1.8%
GREEN RIVER COMMUNITY COLLEGE	119	42.9%	\$46,118	\$25,972	56.0%	-13.1%
LOWER COLUMBIA COLLEGE	112	49.1%	\$27,400	\$15,800	58.0%	-8.9%
OLYMPIC COLLEGE	70	45.7%	\$37,614	\$18,516	49.0%	-3.3%
PENINSULA COLLEGE	50	48.0%	\$14,200	\$8,000	56.0%	-8.0%
PIERCE COLLEGE	89	37.1%	\$22,800	\$11,000	48.0%	-10.9%
SEATTLE COMMUNITY COLLEGE-NORTH CAMPUS	30	50.0%	\$1,800	\$900	50.0%	0.0%
SEATTLE COMMUNITY COLLEGE-SOUTH CAMPUS	21	33.3%	\$8,600	\$4,300	50.0%	-16.7%
SHORELINE COMMUNITY COLLEGE	135	43.7%	\$27,950	\$16,550	59.0%	-15.3%
SKAGIT VALLEY COLLEGE	138	53.6%	\$20,692	\$9,000	43.0%	10.6%
SOUTH PUGET SOUND COMMUNITY COLLEGE	48	39.6%	\$24,235	\$11,982	49.0%	-9.4%
TACOMA COMMUNITY COLLEGE	105	36.2%	\$40,202	\$18,064	45.0%	-8.8%
WALLA WALLA COMMUNITY COLLEGE	174	46.0%	\$124,042	\$66,983	54.0%	-8.0%
WENATCHEE VALLEY COLLEGE	84	53.6%	\$36,070	\$21,774	60.0%	-6.4%
WHATCOM COMMUNITY COLLEGE	30	63.3%	\$20,400	\$13,600	67.0%	-3.7%
YAKIMA VALLEY COMMUNITY COLLEGE	93	37.6%	\$27,900	\$12,000	43.0%	-5.4%
Total	1,994	46.0%	\$704,634	\$376,066	53.4%	-7.3%

Source: 2000-01 EADA data.

Bellevue Community College figures were not available for this report.

Appendix Five, Coaching Staff at Community Colleges

2000-01 Institution	Head Coach, Men's Teams		Head Coach, Women's Teams		Asst. Coaches, Mens Teams		Asst. Coaches, Women's Teams		Total Female Coaches
	Male	Female	Male	Female	Male	Female	Male	Female	
BELLEVUE COMMUNITY COLLEGE	3	1	5	1	6	0	1	1	3
BIG BEND COMMUNITY COLLEGE	1	0	3	0	4	0	3	0	0
CENTRALIA COLLEGE	2	0	2	1	2	0	2	1	2
CLARK COLLEGE	4	0	4	1	10	2	4	1	4
COLUMBIA BASIN COLLEGE	4	0	1	0	5	0	5	0	0
EDMONDS COMMUNITY COLLEGE	3	0	2	2	3	0	2	2	4
EVERETT COMMUNITY COLLEGE	2	0	3	1	2	0	3	1	2
GRAYS HARBOR COLLEGE	4	0	3	1	8	0	3	1	2
GREEN RIVER COMMUNITY COLLEGE	5	0	5	1	4	0	5	1	2
LOWER COLUMBIA COLLEGE	5	0	3	1	7	0	3	1	2
OLYMPIC COLLEGE	1	0	2	0	2	0	2	0	0
PENINSULA COLLEGE					Data not available.				
PIERCE COLLEGE	3	0	2	1	2	0	2	1	2
SEATTLE COMMUNITY COLLEGE-NORTH CAMPUS	2	1	1	0	2	0	1	0	1
SEATTLE COMMUNITY COLLEGE-SOUTH CAMPUS	1	1	1	1	1	1	1	1	4
SHORELINE COMMUNITY COLLEGE	5	0	6	1	3	1	6	1	3
SKAGIT VALLEY COLLEGE	6	1	5	3	3	0	1	0	4
SOUTH PUGET SOUND COMMUNITY COLLEGE	2	0	2	0	2	0	2	0	0
TACOMA COMMUNITY COLLEGE	2	0	2	1	6	0	2	1	2
WALLA WALLA COMMUNITY COLLEGE	5	0	6	0	9	0	6	0	0
WENATCHEE VALLEY COLLEGE	2	0	3	2	2	0	1	1	3
WHATCOM COMMUNITY COLLEGE	1	0	0	2	2	0	0	2	4
YAKIMA VALLEY COMMUNITY COLLEGE	4	0	4	0	4	0	4	0	0
Total	67	4	65	20	89	4	59	16	44

Source: 2000-01 EADA data.

Appendix Six, Operating Expenses for Women's Teams at Community Colleges

Institution Name	Total Operating Expenses	Percentage of Total Expenses: Women's Teams	Percentage of Athletes Who Are Female
BELLEVUE COMMUNITY COLLEGE	\$136,621	55.2%	49.5%
BIG BEND COMMUNITY COLLEGE	\$95,924	54.0%	42.5%
CENTRALIA COLLEGE	\$49,662	57.6%	50.0%
CLARK COLLEGE	\$128,854	54.6%	48.4%
COLUMBIA BASIN COLLEGE	\$151,358	51.6%	43.6%
EDMONDS COMMUNITY COLLEGE	\$53,019	55.8%	51.4%
EVERETT COMMUNITY COLLEGE	\$63,847	68.1%	61.7%
GRAYS HARBOR COLLEGE	\$95,462	48.5%	39.2%
GREEN RIVER COMMUNITY COLLEGE	\$105,309	51.6%	42.9%
LOWER COLUMBIA COLLEGE	\$73,925	57.4%	49.1%
OLYMPIC COLLEGE	\$35,685	59.9%	45.7%
PENINSULA COLLEGE	\$46,390	47.3%	48.0%
PIERCE COLLEGE	\$71,910	39.6%	37.1%
SEATTLE COMMUNITY COLLEGE-NORTH CAMPUS	\$60,000	50.0%	50.0%
SEATTLE COMMUNITY COLLEGE-SOUTH CAMPUS	\$45,254	50.0%	33.3%
SHORELINE COMMUNITY COLLEGE	\$234,216	55.9%	43.7%
SKAGIT VALLEY COLLEGE	\$86,350	54.5%	53.6%
SOUTH PUGET SOUND COMMUNITY COLLEGE	\$56,379	55.9%	39.6%
TACOMA COMMUNITY COLLEGE	\$48,710	46.1%	36.2%
WALLA WALLA COMMUNITY COLLEGE	\$346,148	52.4%	46.0%
WENATCHEE VALLEY COLLEGE	\$141,400	60.3%	53.6%
WHATCOM COMMUNITY COLLEGE	\$2,619	67.7%	63.3%
YAKIMA VALLEY COMMUNITY COLLEGE	\$81,083	43.7%	37.6%
Total	\$2,210,125	53.4%	46.2%

Source: 2000-01 EADA data.

Appendix Seven, 2001-02 Intramural and Club Athletics at Four-Year Institutions

Number of Intramural Sports Available to Men and Women

Institution	Men	Women	Co-Ed
Central Washington University	8	6	10
Eastern Washington University	14	4	13
Evergreen State College	1	1	3
University of Washington	11	9	8
Washington State University	64	64	36
Western Washington University	1	1*	6

*Available winter quarter only.

Institution	# of Athletic Sports Clubs Open to Males Only	# of Participants	# of Athletic Sports Clubs Open to Females Only	# of Participants	# of Athletic Sports Clubs Co-Ed	# of Participants
Central Washington University	2	70	1	20	6	45
Eastern Washington University	3	60 to 70	1	20 to 25	8	50 to 75
Evergreen State College	1	15	2	24	6	51
University of Washington*	7	unknown	6	unknown	16	unknown
Washington State University	7	approx. 200	4	approx. 112	14	approx. 330
Western Washington University	7	122	5	107	7	137

*UW reports a total of 1,194 participants, but rosters are not computerized and so a breakdown by gender is not readily available.

Total Number of Individuals Participating in Intramural Sports

Institution	Men	Women	% Women
Central Washington University	2,299	1,010	30.5%
Eastern Washington University	1,997	884	30.7%
Evergreen State College	20	20	50.0%
University of Washington	unknown	unknown	unknown
Washington State University	approx. 5200	approx. 2220	approx. 42%
Western Washington University	4,392	3,860	46.8%

Data Source: Institutional Survey, October 2002.

RESOLUTION NO. 02-34

WHEREAS, RCW 28B.110.040 and RCW 28B 15.465 require the Higher Education Coordinating Board to report every four years to the Legislature and Governor on gender equity in higher education, and to develop rules and guidelines to eliminate gender discrimination; and

WHEREAS, The Higher Education Coordinating Board, with the assistance of the state's public higher education institutions, has completed its 2002 review of gender equity in public higher education; and

WHEREAS, The Board finds that public higher education institutions do not discriminate on the basis of gender in student support and services; and

WHEREAS, The Board finds that disparities in academic programs and athletics exist between men and women in certain areas which will continue to be monitored; and

WHEREAS, The Board finds that athletic participation rates for females have improved substantially since 1988 at the public four-year institutions, but have not met statutory goals at Eastern Washington University and Western Washington University; and

WHEREAS, Eastern Washington University submitted a gender equity plan approved by the Board in July 2002, and Western Washington University will submit a gender equity plan to the Board for approval no later than March 2003;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the 2002 Gender Equity in Higher Education report, and forwards this report to the Governor and Legislature for their review.

Adopted:

December 12, 2002

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

2002-03 Washington Tuition and Fee Report



December 12, 2002

WASHINGTON
**HIGHER
EDUCATION**
COORDINATING BOARD

How much are full-time resident undergraduates paying this year?

- UW -- Seattle \$4,566
- WSU -- All \$4,520
- CWU \$3,498
- EWU \$3,462
- TESC \$3,440
- WWU \$3,453
- Comm. & tech. colleges \$1,982

Note: Includes tuition (operating and building fee) and mandatory fees for 2002-03.
Community and technical college tuition is for a student taking 15 credit hours.

Who sets tuition rates?

- Legislature and Governor established maximum limits for tuition (operating and building fee) increases in 2002-03 operating budget
 - Research 16%
 - Comprehensives 14%
 - Community & technical colleges 12%

Who sets tuition rates?

- Regents, trustees and the SBCTC set specific dollar amounts within those limits.
- Regents, trustees and local two-year college trustees, with student input, set additional campus-specific fees, such as Services & Activities and technology fees.

Tuition policies over time

- From 1977 to 1995, the Legislature and Governor set tuition as a percentage of the cost of instruction.
 - Tuition at research universities ranged from 25% of the cost of instruction in 1977-78 to 41% in 1994-95.
 - Tuition at comprehensives and CTCs was about 30% of the cost of instruction in 1994-95.

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Tuition policies over time

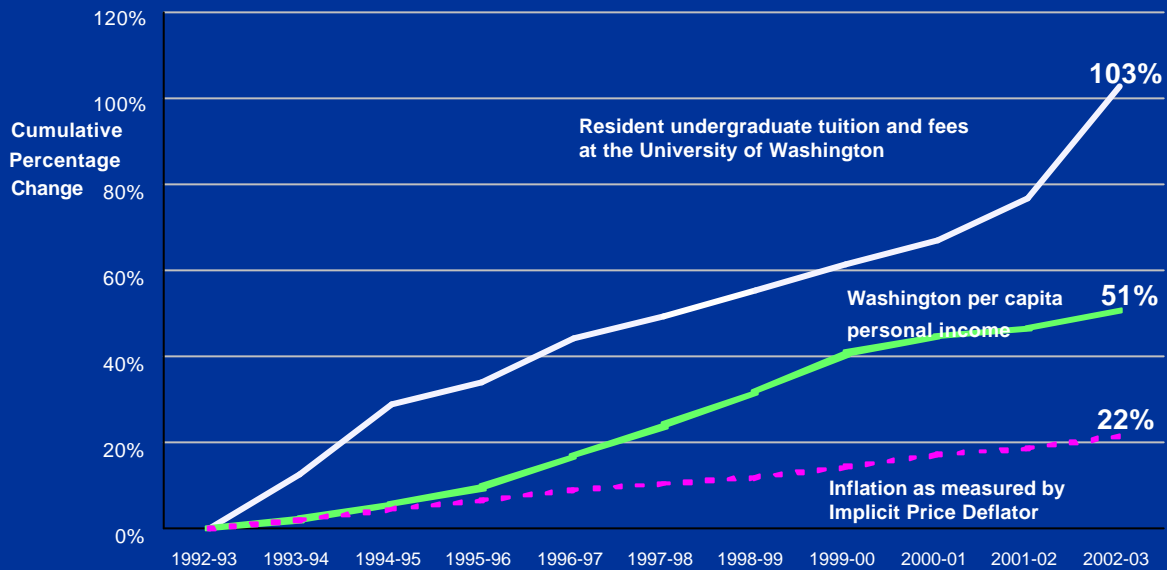
- From 1995 through 1999, the Legislature and Governor set specific limits on tuition increases (operating and building fees) of 4% per year.
- Since 1999, local four-year boards and the SBCTC have been allowed to set specific rates within the following **maximum** limits:
 - 1999-2000: 4.6%
 - 2000-01: 3.6%
 - 2001-02: 6.7%
 - 2002-03: 16%, 14% & 12%

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Resident undergraduate tuition has increased faster than per capita personal income and inflation.



Sources: HECB and Office of the Forecast Council (November 2002)

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The estimated share of total cost of instruction from tuition in 2002-03:

47% at research

35% at comprehensives

33% at community & technical colleges

Note: These numbers will be updated when the 2001-02 Education Cost Study is completed.

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National comparisons: Research (flagship) universities 2002-03

- On average, resident undergraduate tuition and fees increased 9.8% at the 50 state flagship universities.
- In 2002-03, 17 states increased tuition and fees 10% or more as compared to seven states in 2001-02.
- Four states increased tuition more than 20%, and four states increased tuition 3% or less.
- The University of Washington's tuition increase was the 8th highest percentage increase in the country.

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University of Washington

	Tuition 2002-03	UW Rank
UW	\$4,566	
National average	\$4,675	21 st
WICHE average	\$3,522	1 st of 15
Peer average	\$5,175	13 th of 25

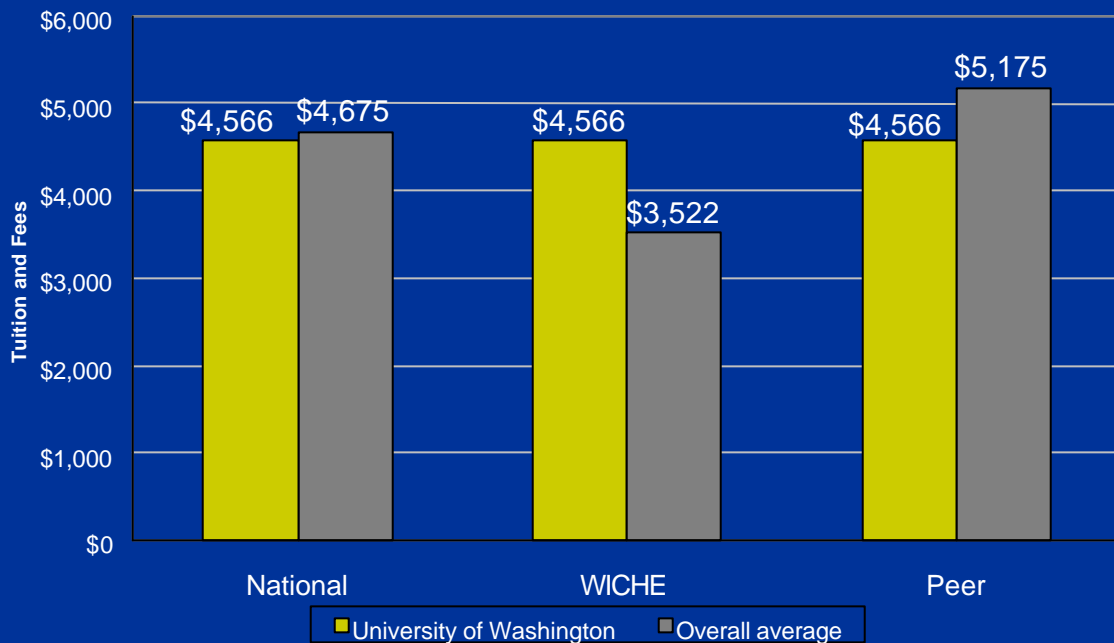
Note: Tuition includes operating and building fee plus mandatory fees.

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Tuition and Fees: University of Washington compared to national, WICHE and peer averages



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National comparisons: comprehensive universities 2002-03

- On average, resident undergraduate tuition and fees increased 10% nationally.
- In 2002-03, 18 states increased resident undergraduate tuition and fees 10% or more compared to nine states in 2001-02.
- Two states increased tuition and fees more than 20%, and one state increased tuition and fees 3% or less.
- Tuition increases at Washington comprehensive universities are the 12th highest increase in the country.

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Washington comprehensive universities

	Tuition 2002-03	Comprehensive rank
Washington comprehensives	\$3,471	
National average	\$3,718	28 th
WICHE average	\$2,967	4 th of 15
Peer average	*	*

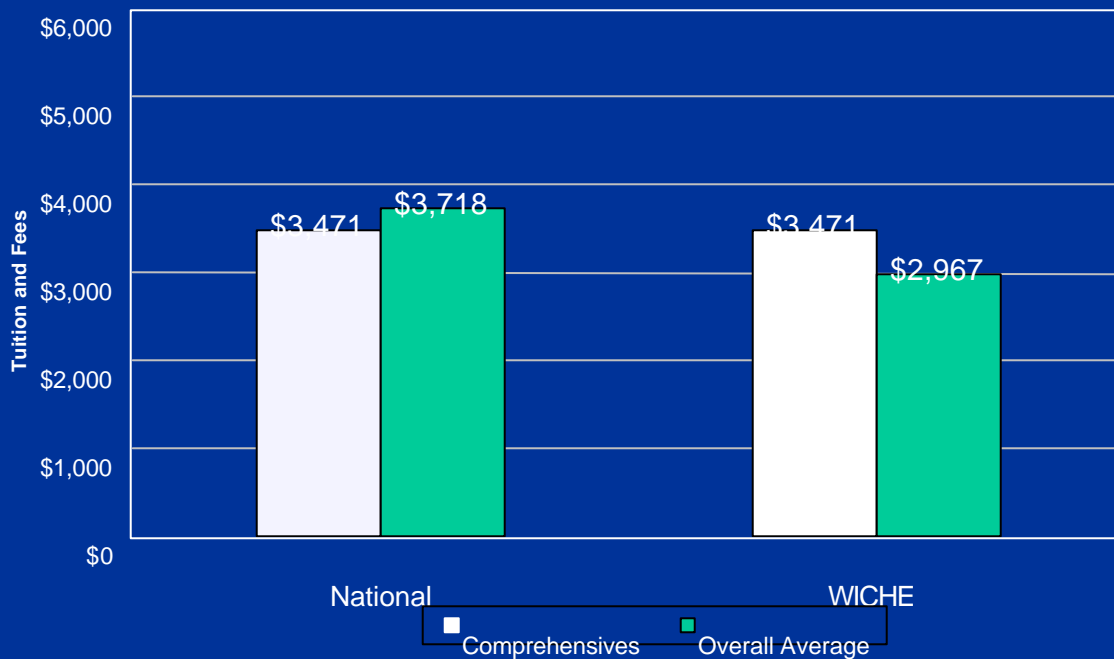
National average is based on 215 institutions that have been used for more than 30 years, and this average also serves as the comprehensive peer average.

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Tuition and fees: Comprehensive universities compared to national and WICHE averages



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National comparisons: Community and technical colleges 2002-03

- On average, resident undergraduate tuition and fees increased 8.3% nationally.
- In 2002-03, 14 states increased resident undergraduate tuition & fees 10% or more, compared to 10 states in 2001-02.
- Two states increased tuition and fees more than 20%, and six states increased tuition and fees 3% or less.
- Washington community and technical colleges' tuition increase was the 5th highest percentage increase in the country.

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Washington community and technical colleges

	Tuition 2002-03	Community and technical college rank
Wash comm. and tech. colleges	\$1,982	
National average	\$1,957	23 rd
WICHE average	\$1,584	5 th of 15
Peer average	*	*

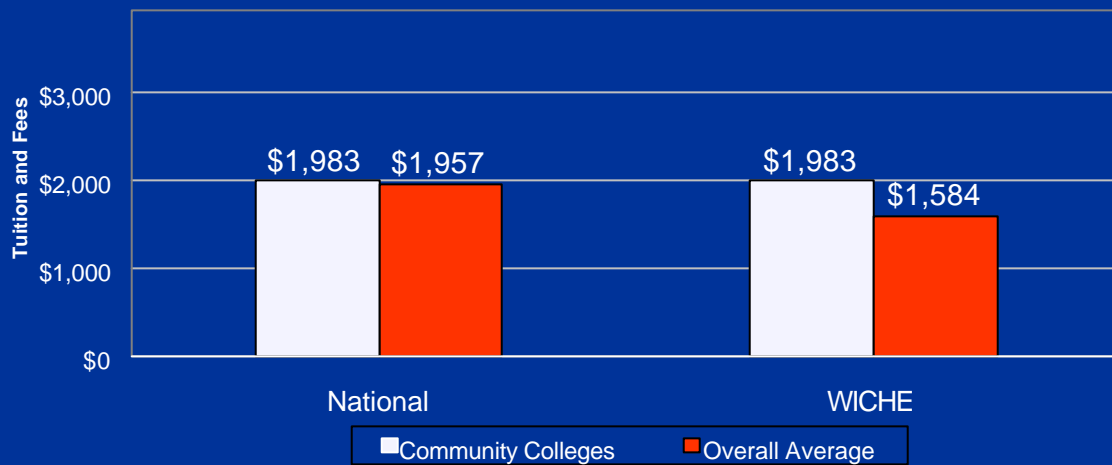
*50-state average serves as the peer group for the community and technical colleges.

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Tuition and fees: Community and technical colleges compared to national and WICHE averages



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Findings:

- Washington resident undergraduates pay somewhat less than the national average for tuition at the four-year institutions.
- At the community and technical colleges, Washington resident students pay a little more than the national average.

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Findings:

- Differences between Washington and “average” rates are more pronounced among comparable (peer) institutions.
- Tuition rates in Washington are higher than in most Western states.

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Findings:

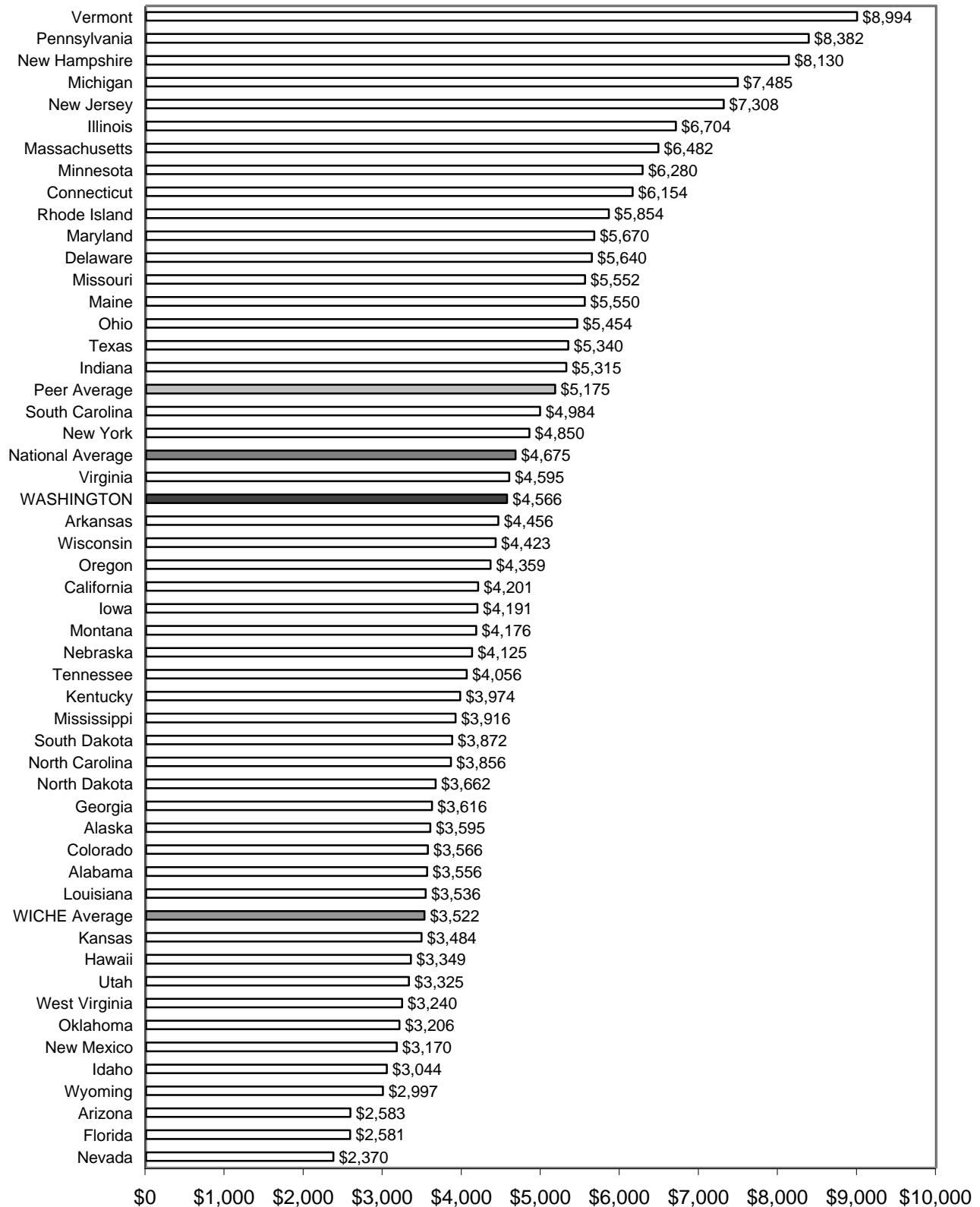
- Washington’s rank among states and peers has remained steady. For example: UW ranked nationally 23rd in 1999 and ranks 21st today.
- Significant spikes in tuition have occurred in every recession since the 1970s, and the cycle appears to be repeating.
- Over the last 10 years, tuition and fees have increased 103% at the University of Washington. The national average of tuition and fees has increased 78%.

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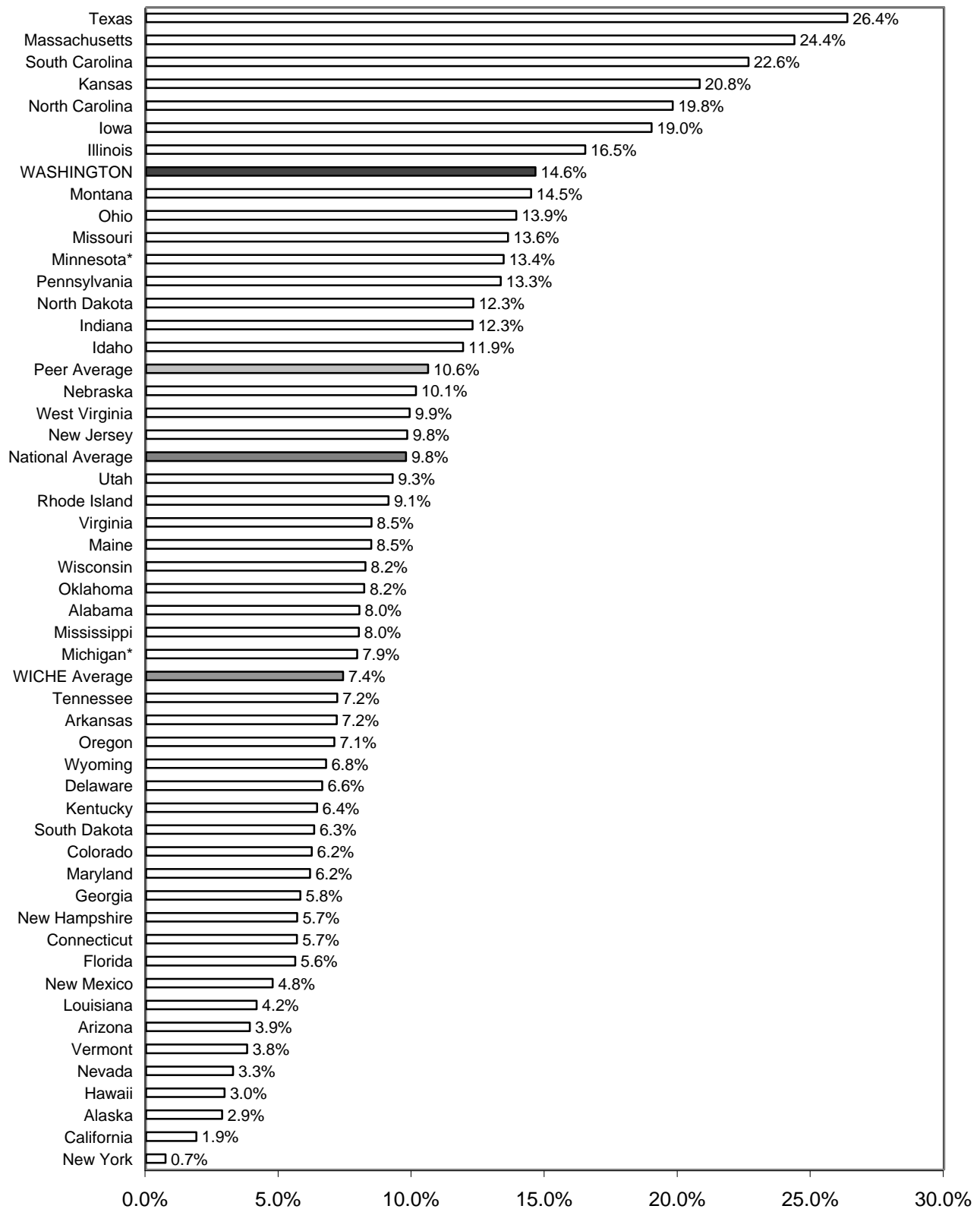
Higher Education Coordinating Board

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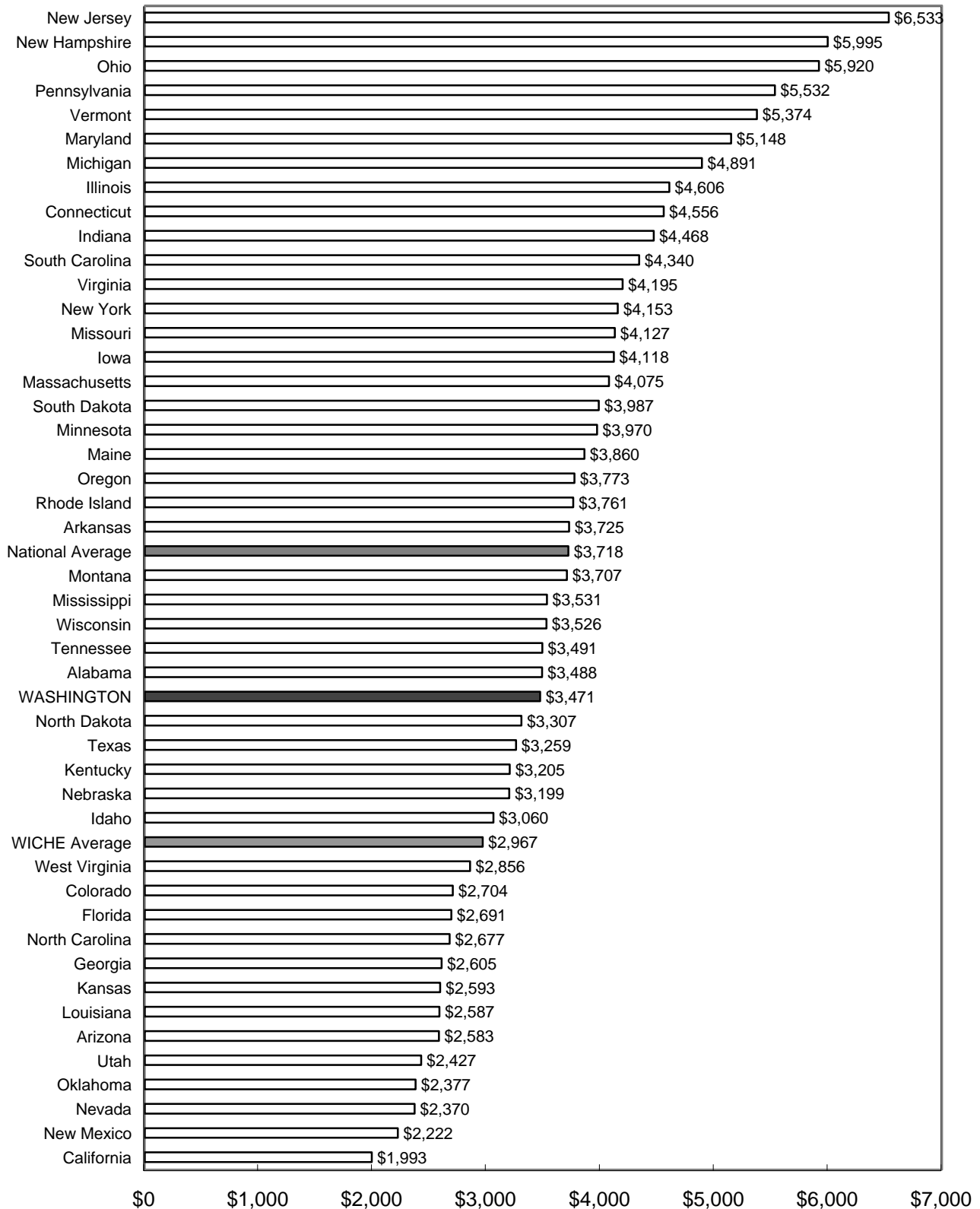
Tuition and Fees at Flagship Universities Resident Undergraduate, 2002-03



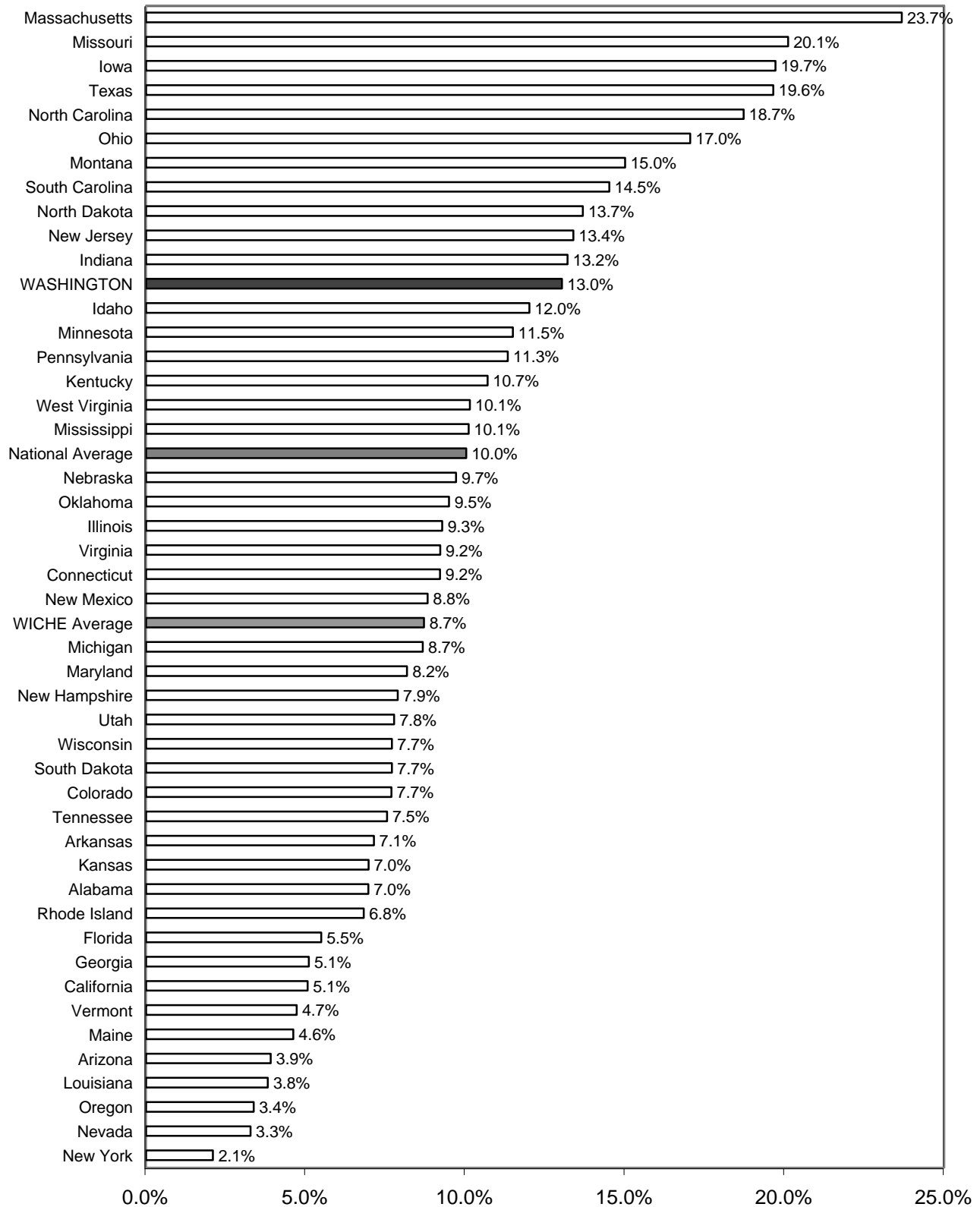
Percentage Increase from Prior Year: Resident Undergraduates at Flagship Universities



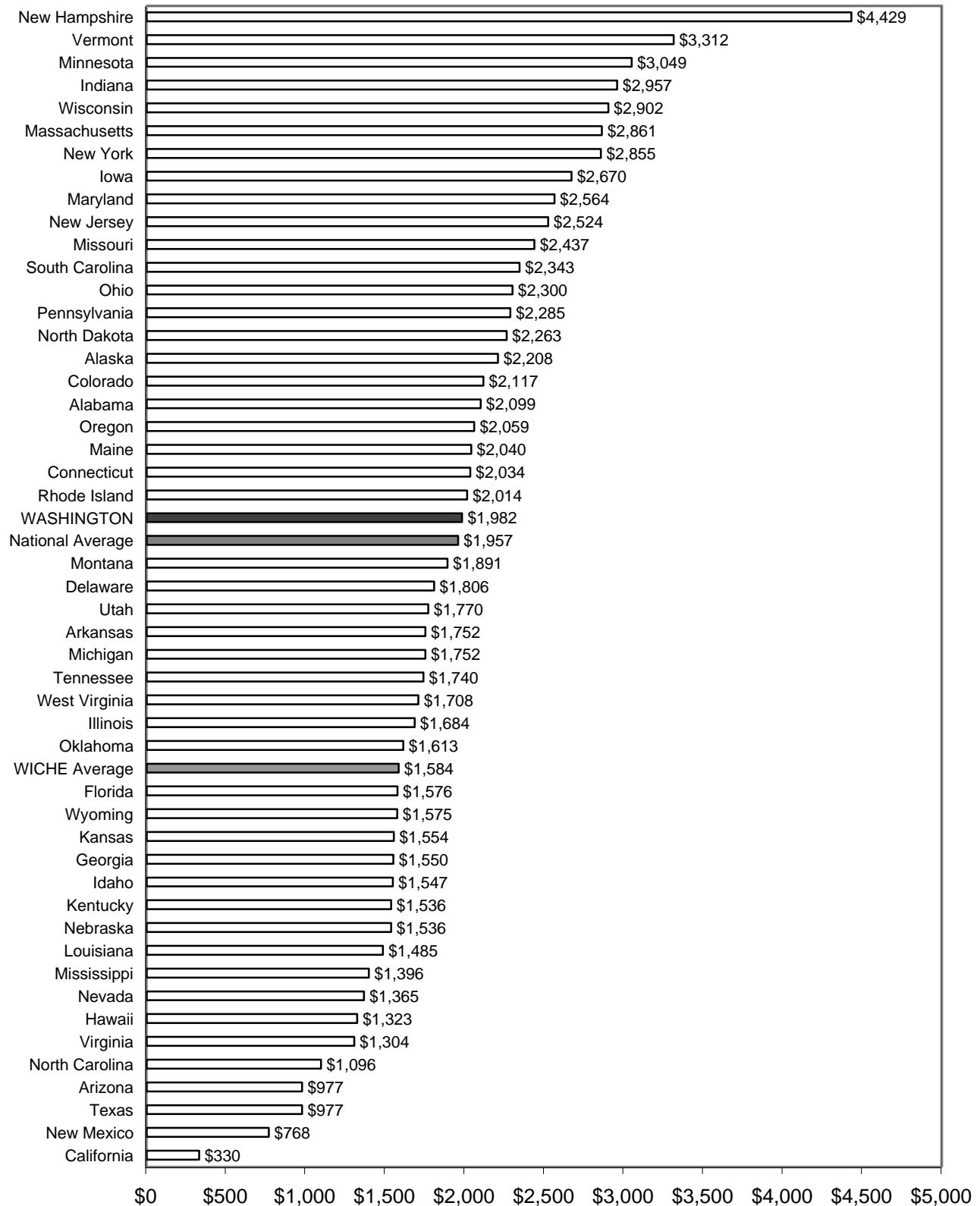
Tuition and Fees at Comprehensive Institutions Resident Undergraduate State Averages 2002-03



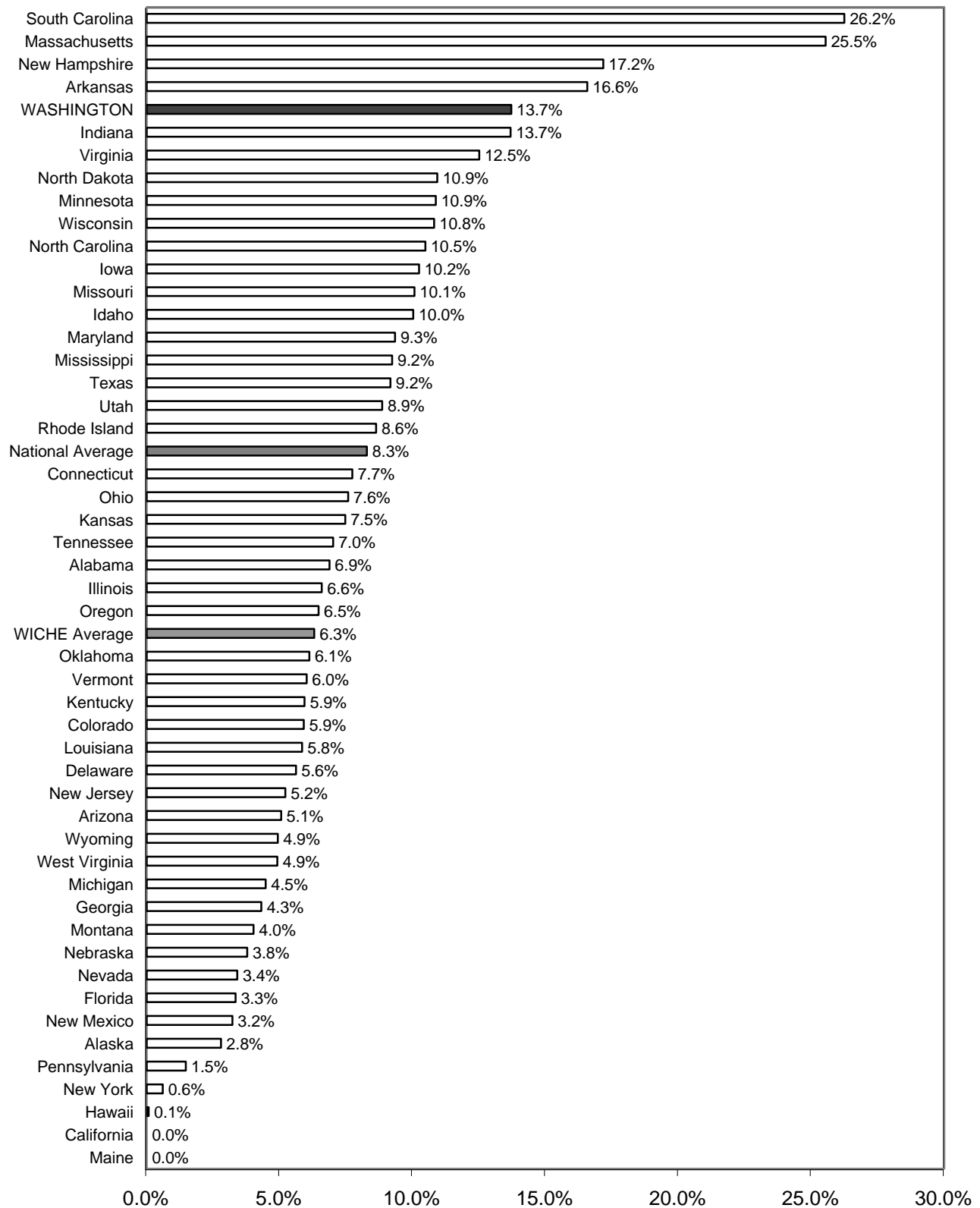
Percentage Increase from Prior Year Resident Undergraduates at Comprehensive Institutions



Tuition and Fees at Community Colleges Resident Undergraduate State Averages 2002-03



Percentage Increase from Prior Year Resident Undergraduates at Community Colleges



Minimum College Admission Standards: A Critical P-16 Link



December 12, 2002

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

Minimum College Admission Standards: A Critical P-16 Link

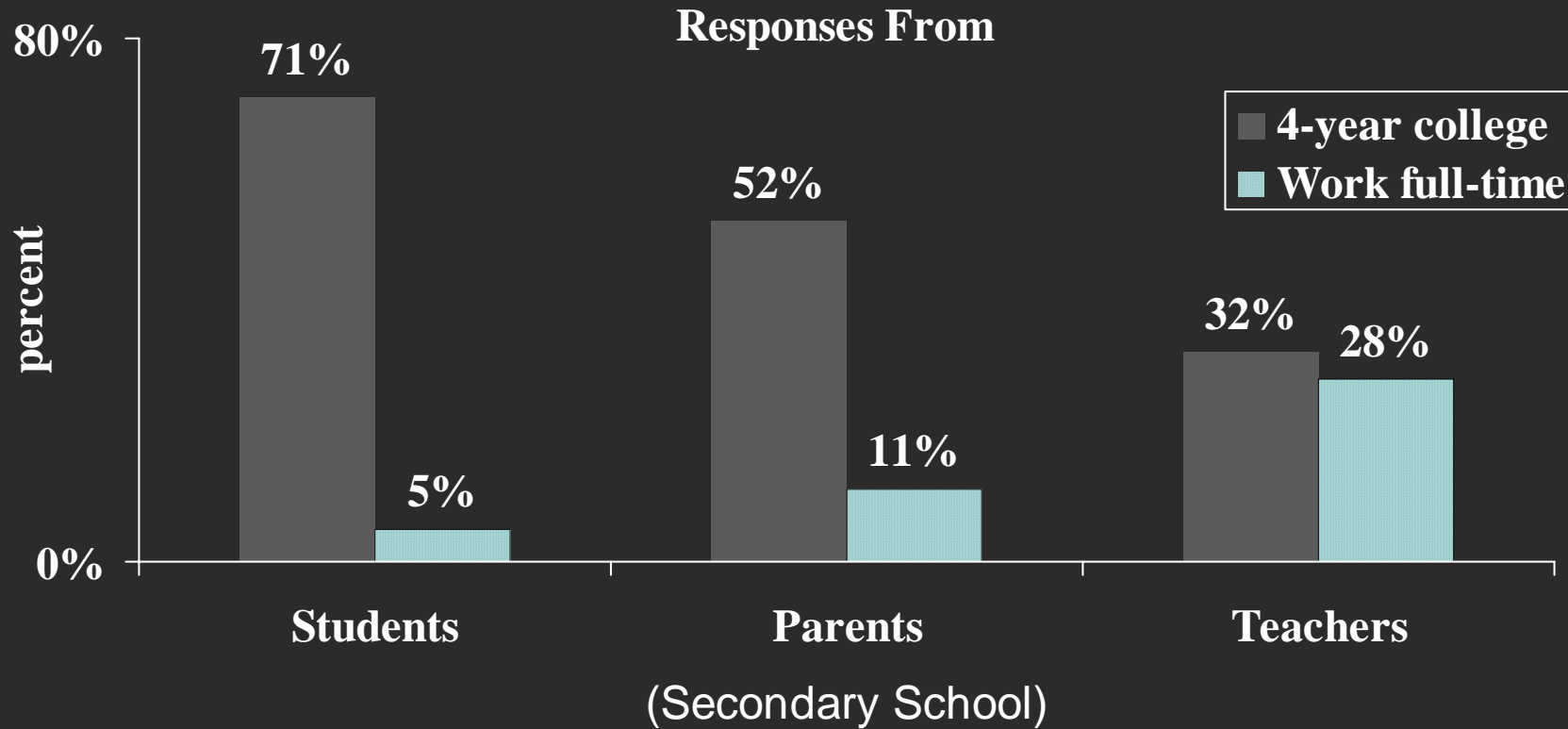
1. Most high school students go to college
2. High school courses and assessments are key issues
3. HECB plays a role:
 - K-12 and higher education linkage in 2000 and 2004 Master Plans
 - HECB sets minimum college admission standards

1. Most students go to college

90 percent of freshmen across the country think they will attend a four-year college, yet only 44 percent of them will take a college-prep curriculum to prepare them.

Source: “Raising Our Sights” by the National Commission on the High School Senior Year

When asked students' main plan after high school, expectations differed



Source: Metropolitan Life, Survey of the American Teacher 2000: Are We Preparing Students for the 21st Century?, September 2000, p. 80.

College-going expectations in Washington

- 9 in 10 respondents expected their children to continue education beyond high school
 - 63% expected children to attend college
 - 6% expected children to attend vocational/technical school
 - 22% expected children to attend both types

Source: Washington State Residents' Views of Higher Education, HECB, 1995

In Washington, 63% of all graduating seniors will go directly to college

- 19% will go to a public four-year college
- 32% will go to community or technical college
- 12% will go to an out-of-state or to an independent college

Source: HECB, Key Facts about Higher Education in Washington, 2002

Nationally most high school grads go on to postsecondary within 2 years

Entered 2-year colleges	26%
Entered 4-year colleges	45%
Other postsecondary	4%
Total	75%

Source: NELS: 88, Second (1992) and Third (1994) Follow up; in, USDOE, NCES, "Access to Postsecondary Education for the 1992 High School Graduates", 1998, Table 2.

High school course taking is a strong predictor of college success

- Achievement gaps among races, income groups, and level of parent education are profoundly diminished when students take comparable rigorous courses.

2. High school courses and assessments are key issues

- College prep curriculum refers to course work, Carnegie units, and seat time.
- Washington Assessment of Student Learning (WASL) is a measurement of student learning given to students in the 4th, 7th, and 10th grades.
- Assessments and curriculum should be aligned between K-12 and higher education systems.

Success on WASL important stepping stone to college

- WASL may be as strong a predictor of college success as ACT or SAT
- Relationship between WASL and placement tests at community and technical colleges under review

3. HECB Role

- 2000 Master Plan Goals
 - Link K-12 achievement with higher education opportunity
 - Focus on increasing retention, reducing drop-out rates, and encouraging students to go to college
 - Identify what students will need beyond the Certificate of Mastery for college-level work
- 2004 Master Plan
 - Primary intersection between K-12 and higher education system is college admissions
 - Ensure students are well prepared in high school

HECB Sets Minimum College Admission Standards

- **RCW28b.80.350 (2)**: HECB is given authority to establish minimum admissions standards for four-year institutions
- **RCW 28B.10.050**: Public baccalaureates are allowed to establish entrance requirements for their respective institutions that meet or exceed the minimum entrance requirements established under RCW 28B.80.350(2).
- **RCW28A.630.883**: HECB is directed to develop recommendations for adopting college entrance requirements that are consistent with the essential learning requirements and Certificate of Mastery.

High schools must provide students with opportunity to meet minimum college admission standards

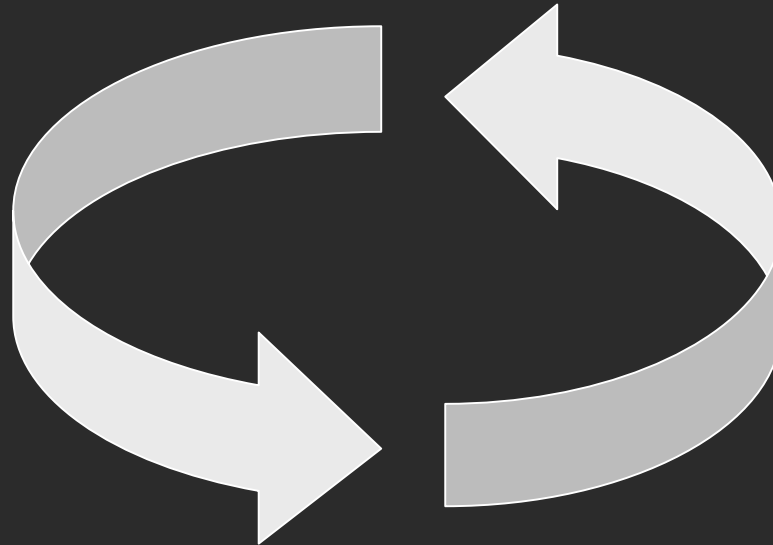
- RCW 28A.230.130—All public high schools , directly or in cooperation with a community college or another school district, must provide a program for students who plan to apply to a baccalaureate-granting institution. The program is to help students meet at least the minimum entrance requirements under RCW 28B.10.050.

Minimum college admission practices under review for 2004 Master Plan

- Four key questions
 - What purpose do public baccalaureate admission standards serve?
 - How do K-12 education reform efforts impact college admissions?
 - How can competencies and classroom-based assessments be connected between the K-12 and higher education systems?
 - How does accelerated college course work in high school affect the admissions process?

K-12 and higher education systems influence each other

College
Admission
Policies



K-12
Curriculum and
Assessment Policies