

## Business leaders, legislators, policy experts say postsecondary education is facing a 'wake-up call'

Business leaders, policy experts and legislators who met with the Higher Education Coordinating Board in March said the state is facing a 'wake-up call' in postsecondary education.

Inadequate numbers of students are being prepared to fill the state's critical workforce needs, especially students with bachelor's and advanced degrees in high-demand fields.

Far too few students from under-represented groups are participating and succeeding in postsecondary education even though they will make up more than a third of all public school students in just a few years.

A performance-based funding strategy is needed for higher education. Funding on the basis of FTEs does not provide the incentives needed to drive change and innovation or meet desired outcomes.

Over time, failure to address these and other issues may result in severe economic and societal consequences for the state, the board was told.

The board and the state's higher education institutions need to raise the discussion of these issues to the highest levels and put higher education back on the front burner of the education policy debate, participants agreed.

The board has been meeting with stakeholder panels to gain insight and

### Next Board Meeting

**9:00 am, April 26, 2007**

**Tacoma Community College**

- Regular board business
- Review of HECB Diversity Report

**12:30 pm**

**Meeting with Advisory Council**

- Panel discussions
- Strategic Planning: Vision, Mission, Values, Challenges

advice about how to define and address the major challenges facing higher education as it prepares its new 10-year strategic master plan.

The board must adopt the plan formally by December 15, 2007 after which it will be presented to the 2008 Legislature for review and approval.

Those making presentations at the March meeting:

#### **Panel 1 – Strategic Planning**

Representatives Skip Priest and Fred Jarrett, who have sponsored bills to change the way higher education is funded and held accountable, discussed the need for a strategic plan with much greater relevance and visibility.

#### **Panel 2 – Return on Education Investment**

Paul Sommers, founder of Seattle University's Center for Metropolitan Studies, and Bill Chance, executive

officer of the Northwest Education Research Center, emphasized that higher education needs to be viewed more from the perspective of the 'public good' it produces rather than the private gain it achieves.

### **Panel 3 – Economic Prosperity**

Marc Frazer, vice president, Washington Roundtable; Susannah Malarkey, executive director, Technology Alliance; and Bill McSherry of the Prosperity Partnership said the state is 'facing a serious confluence of challenges.'

The panelists urged the board and the state's postsecondary institutions to begin making a more concerted effort to communicate about the key issues facing the state as it continues a period of rapid economic and social change. Among these:

- Washington ranks 36<sup>th</sup> in the percentage of bachelor's degrees attained by its population of 18-to-24-year-olds.
- Washington ranks 47<sup>th</sup> out of 50 in terms of state support for graduate education programs.
- About 48 percent of the jobs in Washington's new economy are in high-demand fields, while only 14 percent of the degrees being attained are in these fields.
- Participation rates for students from under-represented groups are dropping at a time when these students represent the most rapidly growing segment of the population.
- Washington, a net importer of high-demand degrees, is being forced to compete even more aggressively with other 'competitor' states for workers, which raises costs and limits flexibility.

The consequences of not acting could be severe, panel members agreed.

- Declining economic competitiveness and loss of high-wage jobs.
- Increased health and social issues: crime, drug abuse, social instability.
- A growing and permanent underclass.
- A downward spiral of tax revenue.
- Significantly reduced overall quality of life.

### **Diversity report to frame discussion for next board meeting with advisory council**

At its next regular meeting April 26, the board will review the recommendations contained in its recently published report, [\*Diversity in Washington Higher Education\*](#).

After the regular meeting, the board will meet with its Advisory Council and participate in two panel discussions:

#### **Panel 1 Increasing Minority Postsecondary Education and Success**

Rosalund Jenkins, executive director, Commission on African American Affairs; Ellen Abellera, executive director, Commission on Asian Pacific American Affairs; Felix Negron of the Hispanic Affairs Commission; and Craig Bill, executive director, Indian Affairs, will present.

#### **Panel 2 Demographic Issues**

The state's rapidly changing population demographics will challenge the state's higher education system significantly in the coming decades. Irv Lefberg, assistant director, Forecasting, OFM and Carol Jenner, Education Demographics, OFM will present.

## Master plan dialogue focuses on important subject areas

Following its regular meeting on March 22, the board held a mini-retreat to discuss development of the 2008 Strategic Plan for Higher Education, which must be adopted by the board by December 15, 2007.

Three general subject areas have been scheduled for further discussion by the board. These challenges were identified during last two board meetings as well as in Washington learns, the Governor's 2007-09 budget proposal, and in the *Next Washington* economic plan.

*1. Increase substantially the percentage of Washington's population under 35 - especially those from under-represented groups - who participate successfully in postsecondary education by completing apprenticeship and technical degree programs, certificates, bachelor's, advanced and high demand degrees.*

*2. Meet regional, statewide and global economic challenges through better long-range forecasting, more strategic program and facility development, better use of existing facilities, alternative course delivery strategies, improved inter-institutional collaboration, basic and applied research, technology transfer, and increased focus on building a continuum of lifelong learning.*

*3. The state and its postsecondary institutions agree on new, performance-based funding models that achieve long-range funding stability, produce desired outcomes, foster research and innovation, ensure accountability, encourage collaboration and keep college affordable, especially for students from under-represented groups.*

## Senate tuition bill

Second Substitute Senate Bill 5806 passed the House Appropriations Committee on Monday, April 2. The bill:

- Imposes an annual tuition increase limit of seven percent for all higher education institutions.
- Requires the state set a total per-student funding goal of at least the 60<sup>th</sup> percentile of total per-student funding at similar institutions of higher education in the global challenge states.
- Requires student billing statements to disclose the cost of instruction, the amount collected from student tuition and fees, and the difference between the two while noting that the difference was paid for by state tax funds and other moneys.

## Revisions to master plan statute advanced by House

A bill (ESHB 1883) extending the master planning horizon to 10 years and requiring the plan to address access, educational delivery and the use of performance measures has been approved in the House and advanced to the Senate Rules Committee.

The master planning statute requires the board to consider demographic, social, economic and technological trends; the changing ethnic composition of the population; business and industrial needs for a skilled work force; college attendance, retention, transfer and dropout rates; needs and demands for basic and continuing education; and the needs of place-bound students.

## Board reviews proposal to strengthen for-profit career school rules

During its March 22 meeting in Olympia, the Higher Education Coordinating Board reviewed a proposal strengthening the rules governing the participation of for-profit career schools in the State Need Grant (SNG) program.

Public and stakeholder input on the proposed rule changes is being taken between now the end of May, when a public hearing will be held. If you would like to comment, you may do so by contacting Julie Japhet at [juliej@hecb.wa.gov](mailto:juliej@hecb.wa.gov) or 360.753.7840.

Most of the private career schools have been operated responsibly and offer a high-quality education. However, in the last five years some schools have been troubled by student complaints and even have gone out of business abruptly.

The proposed new rules are designed to ensure increased financial stability and place additional emphasis on student success. The new rules were drafted by a work group composed of HECB staff, representatives from individual schools and the leadership of the Washington Federation of Private Career Schools and Colleges.

A new element in the rules is the requirement that student completion and placement information be made available.

More than 55,000 students received the State Need Grant in 2004-05 – including about 2,700 at the private vocational schools. SNG payments to students at the career schools total about \$4 million annually.

### The Proposed Rules

The new rules cover four basic areas:

1. Federal certification
2. Administrative capability
3. Financial stability
4. Performance levels

#### 1. Federal student aid programs

A school may not participate in the SNG program if the U.S. Department of Education “provisionally” certifies it. Provisional certification results when schools fail to meet federal administrative or financial standards.

#### 2. Administrative capability

Administrative evaluation criteria include a) adequacy of staffing levels; b) staff training and experience in administering student financial aid programs and turnover in key personnel; c) compliance with the standards of administrative capability specified for purposes of federal Title IV program eligibility; d) pending legal regulatory issues; e) written student complaints; f) compliance with state aid program regulations and guidelines; and g) ability to maintain electronic systems to support state aid program tracking, payment requests and reporting obligations.

#### 3. Financial and resource stability

A participating school's financial stability will be evaluated using a) the school's annual financial statements; b) the Department of Education's composite financial score; c) federal program review findings; d) state reauthorization or relicensing reports; e) “show cause” or other findings by accrediting agencies f) enrollments by program and intent to terminate an existing program; and g) enrollment trends.

#### 4. Performance levels

A school must maintain an acceptable rate of student completion as well as job placement as defined by the standards of the school's accrediting agency (when available). When accrediting agency standards are not available, the board will establish performance levels with the school. When evaluating the performance levels, the board will consider multiple year averages.

## Board approves UWT Master of Teacher Education



TACOMA

The board approved a new Master of Education with Teacher Certification program for the University of Washington Tacoma at its March meeting.

The new degree changes the current five-year post-baccalaureate K-8 teacher education program to a master's level program with the opportunity to earn a K-8 teacher certificate or a K-12 special education certificate.

About 42 students are enrolled in the current academic year. In subsequent years, the department expects to enroll 60 students per year.

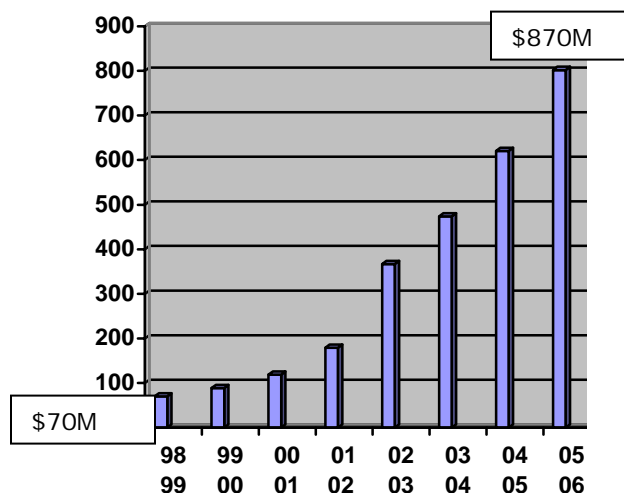
UWT currently offers a Master's of Education designed to meet the professional development needs of certified teachers. The new program will share coursework with the existing program.

UWT will allow currently enrolled certification students and students who completed the post baccalaureate certificate program in 2005-06 to complete the master's degree requirement.

## GET program exceeds \$870 million in assets

A record number of families were expected to enroll in the state's pre-paid tuition program this year bringing the total number of participants to more than 78,000.

As of April 3, the Guaranteed Education Tuition (GET) program had assets totaling \$870 million. This year more than 12,400 new accounts were created. GET allows families to lock in future tuition credits at today's rates, providing a hedge against tuition inflation.



GET is the nation's fastest-growing prepaid tuition plan. Program accounts grow tax-free, and the State of Washington guarantees that if families buy one year of tuition in GET units, they'll have one year of college tuition when their children are ready for college, regardless of how much tuition has increased over time.

Program Director Betty Everitt Lochner believes that interest in GET will continue to grow as more people learn about the recent federal law making permanent the federal tax-free treatment of money withdrawn from GET for qualified college expenses. The favorable tax treatment was scheduled to expire after 2010.

## BOARD AND COMMITTEE SCHEDULE - 2007

	Full Board	Executive Committee	Education Committee	Fiscal Committee	Financial Aid Committee
MARCH	March 22 SIB*		March 5 1:30 – 3:30 p.m. HECB		March 6 2 - 4 p.m. Teleconference HECB
APRIL	April 26 Tacoma CC		April 3 1 – 3 p.m. HECB	April 24 TBD	April 11 2 - 4 p.m. Teleconference HECB
MAY	May 24 TBD		May 7 1 – 3 p.m. Seattle		May 10 2 - 4 p.m. Teleconference HECB
JUNE	June 28 TBD		June 4 2 – 4 p.m. Seattle		June 14 2 - 4 p.m. Teleconference HECB
JULY	July 26 TBD		July 9 1 – 3 p.m. Seattle		July 12 2 - 4 p.m. Teleconference HECB
AUGUST	TBD				
SEPTEMBER	Sept 27 TBD		Sept 10 1 – 3 p.m. Seattle		Sept 13 2 - 4 p.m. Teleconference HECB
OCTOBER	Oct 25 TBD		Oct 8 1 – 3 p.m. Seattle		Oct 11 2 - 4 p.m. Teleconference HECB
NOVEMBER	Nov 15 TBD		Nov 7 1 – 3 p.m. Seattle		Nov 1 2 - 4 p.m. Teleconference HECB
DECEMBER	Dec 13 TBD		Nov 26 1 – 3 p.m. Seattle		Nov 29 2 - 4 p.m. Teleconference HECB

\*State Investment Board, Olympia

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