

**BOARD MINI-RETREAT****March 22, 2007**

HECB Board Chair Bill Grinstein stressed the need for transparency, participation, and engagement to open the session. The discussion was facilitated by Bob Burdick, director of public relations for the HECB and Randy Spaulding, HECB director of academic affairs.

**Presentation: Strategic Master Plan Development by Statute**

The Board reviewed the key points of the master planning statute. An updated statute is attached. The language of the statute was changed by the 2007 Legislature to extend the plan's parameter to 10 years and to make more specific recommendations about what the plan should cover. This discussion was held prior to those changes.

Board member Gene Colin expressed concern that the HECB wasn't providing adequate leadership, and that worked at the behest of the institutions instead of the other way around. The last paragraph of the statute implies that the agency must set guidelines.

Bob Burdick replied that the agency sets a framework, and the institutions work within that framework. Spaulding added the HECB's role is to review the institutions' plans to make sure they aligned themselves with the SMP, and to write the SMP in such a way that institutions can work within it. The working relationship is circular.

Smith added that he interpreted the final paragraph as saying the HECB must be aware of what institutions are doing; Spaulding stressed that the

relationship is meant to be mutually beneficial.

Grinstein said in the last budget process the HECB asked institutions to submit their budget requests in the context of the SMP. In other words, any institutional budget request that didn't clearly further the goals as stated in the SMP were turned down. This illustrates the fact that the SMP has become a foundation; it's the baseline for higher education. The framework is there.

Smith said universities' mission statements are usually fairly broad, and take the SMP into account since it's an indication of where the state is going. If a university hopes to get an increase in funding, the best chance of doing so is by aligning its mission with the SMP.

Daley said this particular point is always contentious. She stressed that the process is iterative rather than linear: the HECB's job is to provide a statewide picture and vision for the long term. Institutions must fit within that, but they are at the implementation end of the process, while the agency is at the policy end.

The statute tries to outline the circular nature of the process. It's very much like a business plan: the business plan gets written and goals are established, and the plan is updated and amended as circumstances dictate.

Sheldon expressed concern at the fact that the SMP has historically been rather hazy, which makes it difficult to determine if there's any progress being made. Smith added that the more

specific the plan can be, the easier it is to address it.

Grinstein said the Board didn't engage in regional discussions, as required by statute, until the regional needs assessment was made in 2004. Part of the difficulty was defining a region: WTECB and SBCTC both have their own definitions of a region; furthermore there state his going in the direction of looking at economic needs of the state by region. The foundation for this type of analysis is just now being laid.

Colin said institutions aren't looking forward just four years: their plans are for the next eight to 10 years. The HECB can't provide leadership if its range of vision doesn't extend as far as the institutions it purportedly guides. Daley replied that the suggested framework will be for 10 years, with updates every four years.

Sheldon expressed concern at that, saying that it's hard to be focused – to have specifics – when the outlook is that wide. While it may be best for some of the goals to be long term and look at the big picture, it's hard to determine success in reaching these goals when they're more nebulous. Colin said business plans are living documents that get amended once a year. Updating the SMP once every year would keep it relevant.

Hale said there's a false dichotomy. If the planning process is collaborative, institutions and stakeholders have a sense of ownership in the SMP. It's up to the HECB to determine whether the plan is for higher education or for the higher education coordinating board, and that determination could radically change the way the SMP is used –

whether it's a tool and resource or a bureaucratic requirement. The HECB needs to listen and dialogue with stakeholders, and carefully select key strategic issues that could affect higher education in Washington, not just one institution.

Smith said assigning tasks – rather than simply expressing the need for change – is the most effective way of ensuring change. Colin added that there's nothing wrong with having a global vision, as long as it's broken down into working points and issues.

Greene said the board did just that in the last incarnation of the SMP. There was a lack of collaboration with stakeholders, but the goals of increasing opportunities and responding to the state's economic goals were there, and are being achieved. An SMP will never be sexy – it will be a dry document. What matters is how it's implemented.

Sheldon said while it's true that the SMP can be somewhat vague, some degree of specificity is needed to measure how well the state is doing at accomplishing the goals it has set for itself.

Grinstein stressed the need to have a good sense of the framework. People won't be willing to implement a plan if they haven't been included in the process of determining what the plan should be.

Hale said that the board must decide who its constituents are, whether it's the higher education community, the legislature, or another group of stakeholders. Once that step has been taken, the SMP can be tailored to meet the needs of the HECB's constituency.

Colin replied that the constituent is the student; Daley said the constituent is the public interest.

Grinstein added that it's important to differentiate between the public, the constituent, and the customer, but added that the primary focus must be the students. Colin said that knowing that will frame the document that will be presented to the Legislature.

Smith added that the constituent should be whoever it is that pays the bills: the student, families, regional districts, or the state. These are the entities to whom the HECB needs to sell this plan.

Greene expressed concern at the workload the SMP update entails for HECB staff, and asked if any of the work was ever contracted out. Daley replied that this type of work is why the staff is there, and while the agency is not necessarily adequately staffed, there's no budget to contract out for this work. Talent from business, institutions, and other stakeholders will volunteer some of their staff to assist in this project, but they won't be receiving payment.

Grinstein added that this venture is a partnership. Collaboration with other agencies must be enhanced, and the agency could benefit from other agencies' expertise in certain fields. Hale added that this would generate some of the ownership previously mentioned.

Smith said that he felt the HECB is limiting itself by not seeking grants from the private sector to get input to ensure the document is relevant.

Greene asked what the role of Washington Learns is in drafting the SMP, given the political nature of this

endeavor. Daley said the Governor sees Washington Learns as an assessment of what the entire educational system needs. The HECB's role is to translate that assessment into more specifics for the higher education sector in Washington – it's a starting point.

Regarding the HECB's responsibilities in the workforce field, Grinstein said the statute clearly directs the board to address workforce training in its SMP; however, historically has only addressed postsecondary education. Colin added that this is the right time to talk about the possibility of public-private partnerships for higher education, and that community and technical colleges already have the expertise and experience with them.

Smith agreed, saying that the Department of Early Learning is currently engaged in a highly successful public-private partnership. Sprouffske replied that perhaps the board is selling itself short by thinking of higher education in terms of business. Higher education provides a service, not a product: this view includes workforce training where looking at "degree production" falls short of that vision.

Grinstein said the key is meeting the economic needs of the state. "We're still short of reaching that goal. If the agency can show the private sector what it has to gain by participating in the endeavor, they will gladly participate."

Greene said that at every board meeting there's a discussion about whether the transitions are smooth for students. The HECB must collaborate with OSPI, and figure what it can do to help get

students engaged and to make them want to participate in higher education.

Colin replied that the major hurdle to a smooth transition is the disconnect between graduation requirements and college entrance requirements. For instance, there is no foreign language requirement to graduate from high school, but colleges require at least two years of a foreign language.

Daley said the State Board of Education (SBE) is becoming more of a policy-setting entity. It has been asked to look at these issues, and the HECB will work with them to connect and to improve the level of conversation. Representatives from SBE have been invited to talk about what they're doing to the board.

In response to Colin's comment, Smith said that universities import better-qualified students from other states and have them pay higher tuition rates. Colin said that all school districts want to excel, but there's a disconnect between the desire to excel and the ability to do so.

Burke said that not only do school districts want to excel, but most school districts in the state have exceeded requirements for conferring a diploma. School districts regularly require more work than the state requires for a high school diploma. State standards are so minimal that the SBE has a lot of work to do to be relevant.

Hale said the HECB should focus more on the areas where issues come together, and convene various elements of education together and spotlight issues that need resolving rather than trying to resolve them itself.

The statute requires the Board to "identify measurable performance indicators and benchmarks for gauging progress toward achieving the goals and priorities," Burdick said. The document is meant to help the Legislature do its work.

Grinstein noted that the statute requires the Legislature to pass a concurrent resolution, but that it has never done so.

Burdick said that the HECB must report annually to the Governor and the Legislature on the progress being made in the SMP's implementation. Furthermore, the state's priorities as outlined in the SMP become the guiding framework for the institutions' strategic plans.

Greene noted that four-year institutions were required to develop their own plans to implement the SMP, but that workforce training is not addressed in this section of the statute.

Burdick added that community colleges' plans are left to the purview of the SBCTC, but that the HECB is not required to review the WTECB plans.

Colin asked whether it is wise not to include workforce training in the review even though it's not required by statute.

Spaulding said that collaboration occurs in each agency's planning, but that the relationship is not formal.

Don Bennett, HECB deputy director, replied that oversight is indirectly provided because the executive director of the SBCTC sits on the workforce board.

Greene said that there's a gap in the HECB's role. It doesn't feel right to

exclude a group in this way. We set visions, goals and priorities for higher education in the state. There is no evidence that the WTECB's visions and goals are taken into account in the SMP.

Grinstein replied that one can look at it as a joint effort recognizing capabilities throughout the state, expressed as working relationships, as the Next Washington does.

Spaulding added that WTECB staff has been invaluable in providing help with assessments.

### **Presentation: Review of 2004 Strategic Master Plan**

Spaulding said that the 2004 SMP was formed based on a set of core values that informed the policy work and analysis that came out of the SMP. The values are:

1. All students deserve to enroll and succeed in college;
2. Our society benefits from a strong higher education system;
3. Students' needs and interests should be at the center of higher education decision-making;
4. The state's commitment to higher education must be broad enough to provide vision and focused enough to provide solutions.

The two broad goals outlined in the 2004 SMP were 1) to increase opportunities for students to earn degrees and 2) to respond to the state's economic needs.

Grinstein asked why 2010 was used for a four-year plan written in 2004; Spaulding said that 2010 was used because it would be a demographic peak for college attendance.

Regarding the core values, Greene asked why they didn't address workforce training as required by statute. By stating that all students deserve to succeed in *college* as one of its core values, the 2004 SMP excluded many of the students it was meant to serve. This new SMP must change that and ensure that no one is excluded in its core values.

Grinstein said discussions about outcomes typically pivot around baccalaureate degree production. There's no discussion of certificates, or other types of education. How the board frames the discussion is vital in determining what strategies will be used to support its goals and vision.

Spaulding agreed that the HECB has historically focused on degree production. The 2004 SMP addressed the state's economic needs by focusing on high-demand degree production, but didn't address how the universities would go about responding to the economic needs of the state. Of the eleven strategies put in place to address the state's needs, the HECB has made great progress in several of them.

### **Presentation: Strategic Master Plan Development**

Burdick said three major challenges have been identified to start the discussion. The idea is to form workgroups around these discussions. The upcoming Advisory Council meeting will include presentations on changing demographics and how to improve participation rates of under-served populations.

Strategies that will eventually be outlined in the SMP will be paired with accountability measures.

Colin asked if a board member would chair every workgroup so as to ensure a seamless process; Grinstein modified the request to chair or liaison, in light of the fact that there might be too many workgroups for the board members to chair.

>The three challenges identified were:

1. Educate more people to higher levels;
2. Predicable funding linked to performance
3. Meeting state/global economic challenges.

Each challenge is derived from priorities outlined in Washington Learns. Each challenge aligns with the core values of the 2004 SMP.

Greene asked if there is time to ask constituents what they think the challenges should be; Colin asked where the challenges had come from.

Burdick replied that the challenges had been put together by looking at previous incarnations of the SMP, the Washington Learns, the Governor's budget proposals, and the HECB's internal structure. Representatives from the higher education community were also consulted.

Colin stressed the need for identifying the customer base and having a transparent process. Anything the HECB comes up with that didn't have outside input is going against the earlier decision to bring in various constituencies.

Smith replied that the challenges aren't cast in stone – it's just a vehicle to start the discussion.

Greene said that the last SMP was strongly criticized because it didn't have enough input from constituents. She asked if the perspective had been broadened to include that of representatives from other groups.

Daley replied that outside parties had not yet been consulted because the staff didn't feel comfortable doing that without consulting the board first. There are ongoing discussions – the process won't be insular.

Hale added that as a former constituent of the board, who has in the past felt the board to be too insular, he feels that this particular process is valid and it's appropriate to have this initial conversation before bringing in outside parties.

Grinstein agreed, and stressed the importance of collaboration.

Regarding collaboration, Hale suggested that the board not rely on the upcoming conversation with the Advisory Council as enough of a dialogue with various constituencies.

>Each challenge comprises a set of issues; once these have been determined, strategies need to be designed to produce desired outcomes. To create these outcomes, four questions need to be asked:

1. What are the state's needs and desired outcomes?
2. What are the consequences of not acting?
3. How do we create incentives for performance?
4. How do we encourage collaboration?

Smith said that the model presented looks a lot like the old way. Some experimentation and a new way of doing business are needed so as to encourage innovation.

Spaulding replied that some thought had been given to that issue, but not in such a way as to be overarching.

Grinstein added he would like the issue to be addressed explicitly, to give it its own question: what role can innovation play in meeting the state's needs?

Burdick said that staff decided against mentioning innovation because they thought it's being adequately addressed at the institutional level. However setting it out as a major goal makes good sense.

Hale said that the HECB shouldn't be at the epicenter of the discussion and that more input from institutions is needed. Asking such a question triggers the need for incentive; the HECB should be asking institutions what incentives they'd like to see to resolve issues.

>The first challenge, to educate more people to higher levels, includes two sub-challenges: increasing student participation and achieving full accountability for student success.

Greene objected to the term "higher levels."

Smith asked about the phrase, "achieving full accountability for student success."

Burdick explained that the phrase means that accountability is broader, stretches from K-12 to higher education, and places a new emphasis on student success and motivation throughout the entire system.

Grinstein said that he didn't want the agency to be blamed for under-prepared students; at the same time, he wanted to ensure their success.

Burdick asked what the HECB could do to get institutions more engaged with K-12 to help resolve the pipeline issue. This challenge can be divided into key issues, including growing and changing demographics and participation rates.

Smith said the term "people of color" was too narrow, and excluded many other under-represented groups, including the economically disadvantaged.

>Transition across educational sectors can be addressed by expanding college readiness, improving transfer rates, and supporting student success.

In response to Colin's question on how to address these issues, Burdick said that the goal was to put together a workgroup that would look at the issues and make recommendations on how to improve the system within a 10-year window. Then in four years the SMP would be looked at again to measure success based on the guidelines.

Colin said that if issues are to be outlined, and that each issue has its own issues, the agency might be spreading itself too thin and rendering the SMP irrelevant.

> Having specific issues that need to be addressed allows workgroups to be concrete in their search for solutions.

Colin said that if the board's job is to set policy within the state, it shouldn't get into prescriptive means to shape policy.

Figuring out needs at the regional and the district levels allows us to figure out what is needed at the state level.

Grinstein noted that expanding the online student advising system is not an issue, but a tool; the issue is the need to motivate, counsel, and advise students. Furthermore, in reference to Gene's questions, it's vital for the institutions to see elements as having value to them. The HECB is always starting new initiatives and new demonstration projects, but until the need for them is articulated, the only purpose they serve is the agency's.

Smith stressed the fact that the HECB is a *coordinating* board rather than a policy board, and he saw its role as helping institutions move forward to find solutions. It's important to talk about policy, but we need to be doing something as well.

Grinstein said that if the SMP describes the need and the strategy to meet the need, and if it assigns responsibility and sets a time frame, then it is complete. The entire board has to agree on this. The process must invite the possibility of going that far.

Thinking in concrete terms, Smith asked what the HECB does that is helpful to each institution.

Colin replied that it's dangerous to adopt a one-size-fits-all approach to the issue. If the HECB can identify a policy, it's up to each institution to decide how it is to be implemented. The 2004 SMP identified policies and instructed institutions on their implementation, which led to criticism on the part of the institutions regarding the lack of collaboration in the process.

>It's generally accepted that there are not enough degrees – in the broadest sense of the term – being conferred in Washington. The more students participate in secondary education, the more degrees will be conferred. The first challenge is an attempt to identify key links – such as the one identified above – in improving degree production. It was developed to have an impact. There are demographic issues that have to be met, or serious consequences to be suffered.

In response to Greene's question regarding the definition of "more degrees," Grinstein noted that participation rates in the community and technical colleges are some of the highest in the country; conversely, participation rates in the four-year institutions are some of the lowest in the country. So the challenge is defining participation: if it's tied to results, then it falls under "more degrees." However, there's been no talk of framing the discussion in terms of outcomes.

Spaulding noted that the questions that board members have asked regarding whether the SMP should just set policy or establish guidelines on its implementations are key. The agency can identify a need for more degrees in certain areas, but it cannot tell institutions how to design specific programs. The needs assessment outlines a very broad set of needs; it's up to others to work to address the needs within their region and within the state.

Grinstein said that a problem statement needs to be translated into a call for

action, but it's not up to the board to describe the action.

Burdick agreed, and said that needs must be tied to outcomes.

Grinstein said if the goals are to increase degree production, efficiency, and productivity, and if the productivity increases at a greater rate than the degree production, enrollment and access decrease. As the board frames its goals, it must think about internal coefficients to get to an outcome.

Spaulding noted that this type of analysis had been used on the needs assessment, since increased efficiency could hurt access.

Burdick said that the SMP is meant to provide a context for that, as well as levels of support. He said Washington Learns concluded that while our existing workforce is well educated, if current trends continue our future workforce will not be educated enough to compete in the global economy.

Some key areas in measuring performance are degree attainment, degree efficiency, high demand, transfer success, and freshman retention.

Increased participation by under-represented population is essential as the state's population demographics change. Collaboration across educational sectors is important.

Postsecondary institutions can no longer see themselves as the end of the pipeline simply waiting for things to improve.

Smith stressed the importance of not just addressing the institutions, but the broader community as well.

> The SMP must provide a structure to help build a more focused, coordinated, and proactive approach to student success from Kindergarten to postsecondary education.

Grinstein noted that the board had a discussion about higher education as a system, and what that system needed.

Burdick replied that the discussion should be considered in drafting the SMP. A useful tool is to think of it as postsecondary education, which helps give a more holistic view.

Smith asked what outcomes were expected out of the goals outlined in the presentation – it seems that there is no product outcome, just a fine-tuning of the system. Legislators need measurable outcomes to get behind a plan.

Burdick replied that the first part of the SMP, which would have concrete demographic information about the state's needs, is not being addressed in this conversation. Furthermore, each challenge area would contain a preface that would lay out outcomes that are more specific.

Spaulding added that before the challenges are outlined, the SMP would include key information, such as the number of degrees needed, etc.

Grinstein said that the solution to Smith's question is to, for instance, meet a job demand that requires x amount of workers by producing y number of degrees in that field.

It's important to ask ourselves what we mean by "meeting the economic needs of the state."

If we don't define and quantify our terms, how can we meet our goals?

Burdick agreed, and said that ultimately there is no way of knowing what the state's needs will be in 2018. However the board still has to project outcomes so as to assess progress.

Smith added that while the means are well outlined in the presentation, the ends are not being addressed, and need to be. If the board wants to produce something valuable, this is the means of doing it.

Hale suggested that higher education planning be connected with the societal, economic, and cultural needs and goals of the state.

Burdick replied that the SMP provides an opportunity to address all the issues stated above. The specific data work hasn't been done yet; the ongoing discussion is meant to frame the strategies that would accomplish the desired outcomes.

Smith said that unless there are clear outcomes, there is no way of determining what the strategies are to achieve the outcomes.

Grinstein said that as long as the SMP sets outcomes, quantifies them, and outlines strategies to reach them, it's doing the right thing.

Hale noted that if the SMP engenders requests for additional FTE on the part of the institutions, it has to be tied to external need in order to have credence at the legislative level.

Colin asked what the five big ideas that Washington Learns had come up with.

Burdick replied that Washington Learns had introduced the concept of funding tied to performance, i.e. outcome-driven approaches, increased collaboration with the community and technical colleges, K-12 and early learning. The needs were quantified in the NORED report, however Grinstein added that the data were descriptive rather than deterministic.

Smith added that the presentation doesn't outline the challenges, but rather the possible solutions. The challenges are a mechanism, but don't address what the HECB would like to accomplish. The end product is not apparent in this discussion.

Hale replied that the key role for the board is to connect higher education with statewide needs and goals.

Grinstein noted that a long time ago, when the software association produced an analysis of unmet need, the appropriation to meet that need was practically instantaneous. Employers had a specific unmet need, and asked for that gap to be bridged. Specificity gets results. Comparing ourselves against challenge states helps frame the discussion, but we need to focus on what we need. We must understand why we're doing this, and what the return on investment is.

Burdick replied that the presentation was an attempt at identifying what areas need work. From this point, the work can begin in the form of workgroups and clearly defining outcomes. One of the best ways to encourage accountability is to provide funding incentives.

Grinstein said that from a systems perspective, the board's job is to coordinate. If one institution fails, its resources can be shifted to contribute elsewhere. Systemic objectives don't mean that people have confidence in you.

Daley said that this discussion has helped inform staff regarding board members' expectations. Staff will come back with a more detailed plan and a timeline.

Grinstein added that this was a great opportunity to discuss these issues, to provoke the board and help board members think about these issues, and see how strongly board members feel about outcomes. He said he hoped that the guidance provided was useful.