

SUMMARY OF BOARD PANEL DISCUSSIONS

March 22, 2007

Panel 1: Higher Education Strategic Planning

Rep. Fred Jarrett, ranking member, Transportation Committee and member, Higher Education Committee and Appropriation Subcommittee on Education.

Representative Skip Priest, ranking minority member, Education and Appropriations committees and member, Appropriations Subcommittee on Education.

Funding inconsistency

- FTE funding – an ‘input-based’ funding model rather than one based on ‘outcomes’ (degrees earned, for example) leads to funding inconsistency.
- The state should return to the practice of performance funding, which can be used as a vehicle to help ensure stable funding (funding not falling below maintenance levels) during times of economic downturn.
- Higher education has become a de facto rainy-day fund for the state, because legislators don’t know what they’re funding. There’s no relationship between the higher education community and the Legislature.
- Legislators don’t look at the economic benefits of the education programs they’re funding. The consequences of not funding higher education are not well understood.

- The Strategic Master Plan should help legislators make decisions by making it clear exactly what they are funding.

Alternative funding models

- Degrees, certifications, and research are considered the product of higher education.
- Legislators have looked at different funding models. One would be to fund degrees based on how much it costs the institution to produce them.
- This would provide incentive for institutions to maximize the value of each degree.

Private businesses look at value first and cost second; the state must do the same.

Research funding

- There is no state policy regarding research funding, and that puts Washington at a disadvantage when it tries to attract research programs and faculty.

How SMP can make the case

- The first step is to help legislators understand the importance of such a plan as well as understand changing circumstances. The HECB leadership will have to be more aggressive to get what it wants.
- Higher education is not very high on the list of constituents’ priorities. When an issue is not on people’s minds, it’s not on legislators’ minds. A plan is a great way to have that conversation with constituents, but it has to be measurable to be meaningful.

- The HECB has to be specific in its choices, because if it doesn't, someone else will make those decisions for the agency. So specificity is key, if the board doesn't want to abrogate its decision-making authority.
- Finally, the HECB needs to lead a more sophisticated discussion: quality, timeliness, and cost are, in that order, the three most important factors.
- Quality isn't just a measure of how well students do; it's also a measure of how well the institution does at recruiting and graduating students from under-served groups. Quality can be defined as a product with low variability in its attributes.
- If an issue has no visibility, it gets no attention; the higher education community needs to intensify its lobbying efforts with legislators and to explain the issues.
- Community colleges are a tremendous vehicle, and various community college presidents need to be engaged in the conversation between the higher education community and legislators, especially in districts where there is no four-year institution.

Discussion

Board member Gene Colin asked what would happen if the HECB did nothing; he expressed doubt that anyone ever reads the SMP and that institutions use it as a planning guide. The HECB is not achieving anything in terms of what it does and why it does it. He expressed concern at producing another staff-driven, staff-written plan that would ultimately have no relevance.

Jarrett replied that if the HECB succeeds in engaging stakeholders and legislators in drafting the SMP, as well as producing a detailed, concrete document, it will become relevant.

Board member, Roberta Greene said the community needs to decide whether higher education is a private good or a public benefit. Jarrett noted when he was in college, he paid 12 percent of the cost of instruction; today a student is responsible for about 50 percent.

Effectively, there is a difference between the value that the state placed on students then compared with the value the state places on students today.

The Legislature looks at tuition-setting policy and higher education subsidy as two different entities. The result is the worst of all possible worlds: the cost is controlled and the quality is variable. Again, quality needs to be the most important measure; it's that against which the state needs to hold itself accountable.

HECB Executive Director, Ann Daley added that thinking in broader terms, the state's K-12 numbers are dismal. She asked what the Representatives thought about the role of the HECB and institutions in leading or participating in improving graduation rates in the K-12 system.

Priest replied that there are initiatives headed in the right direction, but the higher education community needs to clearly state what it needs from the K-12 system. The system is highly inefficient, even though lots of time has been spent on articulation. The system must become more efficient.

Board Chair, Bill Grinstein said the proposed budget includes a student advising system which, if funded, would do a great deal to help make the system more efficient; he added that the board is committed to the process of engagement and outcomes.

Board member Sam Smith asked if the Legislature would consider organizational changes, for instance in the funding models or the makeup of four-year institutions. Priest replied that if there is to be change, it must come from high up: currently institutions are elated at the funding levels they've received, and have no incentive to change.

Panel 2: The Return on Education Investments.

Paul Sommers, Ph.D., founder of the Center for Metropolitan Studies at Seattle University. **Bill Chance**, Ph.D., executive officer of the Northwest Education Research Center (NORED).

- Washington Learns asked NORED to look at the returns on higher education investments. Results show there are both public and private returns on education investments.
- The recent attention to individual returns has made the state lose sight of the societal returns: as people think of the benefits of education in terms of individual salaries and life improvements, the argument shifts to looking at tuition as an individual investment rather than an investment into the future of the state.
- Using national averages and applying them to Washington's sales tax system, the return to the state's investment is apparent: people with college degrees pay about 50 percent more sales tax than those with a high school diploma.
- In terms of social returns, people with college degrees experience lower infant mortality rates in the community, are more likely to vote, are more likely to volunteer, and are less likely to be incarcerated.
- Finally, educational attainment is self-perpetuating: children whose parents have a college degree are more likely to go to college themselves.
- Many national studies have been conducted on the relationship between educational attainment and earnings; all show there is a significant rate of return to getting a degree, and that the more advanced the degree, the higher the return rate is.
- In the 1970s, some economists prognosticated that if the current trends continued, there would be an oversupply of Bachelor's degrees. Those economists could not have been more wrong.
- Since the 1970s, the rate of return for degree attainment has gone up. The economy is rewarding education, and this is true all over the world.
- The social returns are great. A greater number of degreed individuals in a community results in higher wages for everyone in that community.
- As education levels go up, crime rates go down. Early childhood education also has a significant positive impact in the long term.
- A country's education attainment affects its economic standing in the world and its ability to compete.

Discussion

Board member Charley Bingham noted the importance of communicating throughout the state about the importance of higher education. Right now the higher education community is in a defensive stance; not even leadership has internalized the economic impact of education.

He suggested passing on this information to institutions, the governor, and other stakeholders, noting that local communities will be more successful at lobbying the Legislature if they have data to back up their demands.

Grinstein said Washington has one of the lowest levels of degree production per 1,000 residents in the country. Even so, the proportion of residents with college degrees is quite high. In effect, Washington is not making a strong enough effort to educate its own students to higher levels, relying instead on degree importation.

Chance said that because Washington is beautiful, it is a magnet for many college graduates; however, that won't last because the state is competing with other states and countries for educated people.

Sommers said people who earn bachelor's degrees are highly likely to stay in the state they graduated from. Those who earn master's or doctoral degrees are more likely to leave their state of origin for other areas.

Smith asked how the Board might help increase participation and success among people from under-represented groups. Sommers said the issue is not simply a financial one. How students from under-represented groups are treated on campus has a huge impact on their decision to continue their studies.

It's the state's responsibility to ensure that campus culture is welcoming to under-represented people, he said. Ensuring that financial aid programs are user-friendly for everyone is also of great importance.

Panel 3: Higher Education and Economic Prosperity.

Marc Frazer, vice president, Washington Roundtable; Susannah Malarkey, executive director, Technology Alliance; Bill McSherry, Prosperity Partnership.

- College & Work ready is a coalition of business, labor, research universities, the Prosperity Partnership, and many others engaged in creating a world-class education system for Washington.
- College & Work Ready's intent is to select top-priority issues out of Washington Learns' 40 or so recommendations, and to address those first. Key issues address early learning, K-12, higher education, and research capacity. The coalition's priorities:

1. **Strengthen the quality of early learning:** while the need for educated people is the highest it's ever been, the population currently growing up is the least educated ever. What happens in the early years makes a difference, and children are currently underserved: only six percent of childcare providers have a national certification, and there are no state standards. Furthermore, teachers report that more than half the children who begin kindergarten are unprepared. Concrete steps include:
 - a. Defining readiness for kindergarten;
 - b. Adopting state standards for childcare providers;
 - c. Providing training to early learning providers.

2. Improve K-12 education, particularly math and science: currently, less than half the math teachers majored or minored in math. Washington students are not proficient in math.

Improvements can be made by:

- a. Increasing graduation requirements;
- b. Instituting the Washington math placement test for 11th graders.
- c. Instituting systemic science reform and improving teacher credentialing mechanisms.

3. Increase bachelor's degree capacity in high-demand fields: currently in Washington, we consume more Bachelor's degrees than we produce. Furthermore, there's a mismatch between job openings and the types of degrees conferred. Washington needs to increase its capacity to produce high-demand Bachelor's degree programs.

This can be achieved by:

- a. Increasing capacity in the high-demand fields in the current legislative session;
- b. Conferring 8,000 more degrees annually by 2010 and 10,000 more degrees annually by 2020;
- c. Studying capital needs beyond current capacity to accommodate the increased participation rates and population growth;
- d. Implementing a public-awareness campaign.

4. Enhance state support for research and graduate studies: Because the University of Washington is ranked second nationally in the amount of public research funds it receives, the assumption is that academic research in Washington is strong. However there is no prominent private research institution in Washington, meaning that all the research done in the state is done publicly. As a result, Washington ranks 21st in the amount of public research funds. Thanks to the presence of Microsoft and Boeing, the state is very strong in research and development, but it's weak in the field of academics. It is also weak in terms of graduate education and the number of degrees conferred. Potential – and relatively inexpensive – ways of strengthening the state in research include:

- a. Preserve commitment to life sciences;
- b. Increase commercialization of academic research;
- c. Strengthen graduate education.

Discussion

Grinstein said to improve math and science education, the state needs to train more teachers and more faculty are needed to prepare those teachers.

Malarkey said colleges of education need to be shown how to step up and attract students to the math and science fields. Model programs, such as Western Washington University's, can be a valuable resource in designing science education preparation programs.

- More FTEs are needed at community and technical colleges to prepare students to transfer to math and science fields.
- Independent colleges have up to 1,500 spots available to prepare students to enter graduate programs in the sciences.
- A particular challenge is generating enough enrollments in the field of engineering.

Smith said grant funding should be sought to develop mentoring programs that help high school students to attain a much higher level of preparation for high-demand degree fields.

Grinstein said there needs to be a link between demonstrating the need and providing funding to sustain the need. The board must look at the granting process to support some of its planning in the SMP process. This is an opportunity to work together as a formal part of the planning process.