

# FINAL BILL REPORT

## ESHCR 4408

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### As Passed Legislature

**Brief Description:** Requesting approval of the statewide strategic master plan for higher education.

**Sponsors:** By House Committee on Higher Education (originally sponsored by Representatives Wallace, Haigh and Sells).

**House Committee on Higher Education**

**House Committee on Appropriations Subcommittee on Education**

**Senate Committee on Higher Education**

**Senate Committee on Ways & Means**

#### **Background:**

The Higher Education Coordinating Board (HECB) is charged with developing a statewide strategic master plan for higher education, encompassing all sectors including workforce training, the two-year system, the four-year system, and financial aid. In 2007 the Legislature mandated that the plan span a 10-year planning horizon and include a vision and measurable goals to expand access, affordability, quality, efficiency, and accountability.

The Legislature must approve or recommend changes to the plan by concurrent resolution, after which the HECB will incorporate legislative changes and adopt a final plan by June 2008.

The plan points out several challenges to ensuring that the state maintains high levels of educational attainment.

- Baby boomers, the most educated generation in American history, are beginning to retire and will continue to do so in record numbers. Over the next 10 years, the baby boomers will be replaced by a generation of workers with lower average levels of education and skill.
- By 2013, 47 percent of high school graduates will come from families with incomes of \$50,000 or less. These students have not fared well in the education system and are at greater risk for not participating and succeeding in postsecondary education.
- Other industrialized nations have made significant investments and have realized gains in raising educational attainment for younger adults. In the United States, educational attainment for younger adults has remained flat.
- Washington relies heavily on importing people with advanced degrees and specialized skills to meet workforce demand, especially in science, technology, engineering, and mathematics fields (STEM).

The master plan has two primary goals:

- Create a high-quality, higher education system that provides expanded opportunity for more Washingtonians to complete postsecondary degrees, certificates, and apprenticeships.
- Create a higher education system that drives greater economic prosperity, innovation, and opportunity.

The master plan sets degree and certificate goals to increase to Global Challenge State (GCS) benchmarks:

- mid-level degrees to 36,200 (+35 percent);
- bachelor's degrees to 42,400 (+37.5 percent - 75th percentile of GCS);
- advanced degrees to 19,800 (+77 percent - 50th percentile of GCS); and
- 297,000 FTE will be needed to accomplish these degree goals.

The master plan then sets out several strategies and policy objectives to expand opportunity and promote economic prosperity. The HECB will engage in an intensive study and planning process with stakeholders to develop specific recommendations for the Legislature to consider in its planning efforts during the 2009-2011 biennium. Work will be conducted to inform three overarching strategies:

(1) Build enrollment and support student success.

- *Focus on diversity.* The HECB will work with stakeholders to develop a systematic framework for increasing the number and percent of students, staff, and faculty of color in postsecondary education.
- *Create higher exceptions for K-12 students.* The HECB will convene a statewide taskforce and submit findings and actions to the Governor and Legislature that examines projected teacher shortages by field, strengthens math and science teaching skills, and improves academic advising and counseling skills.
- *Keep college affordable and accessible.* The HECB will evaluate all state financial aid programs for accessibility, outcomes, coordination, and efficiency; advocate to increase the State Need Grant eligibility threshold from 70 percent of median family income to 85 percent and complete a study of the structure of higher education funding describing the funding trajectory needed to advance per-student funding levels to reach the 60th percentile of peer institutions by 2017.

The proposed master plan also recommends the HECB engage stakeholders to develop a detailed enrollment plan to achieve the master plan's goals. The HECB will also work with stakeholders, during the same time frame, to complete a study of the physical, technological, and programmatic capacity needs, and the resources needed to meet the degree and enrollment goals.

(2) Promote growth and innovation.

The HECB recognizes that in a knowledge-driven economy, higher education plays a vital role in promoting economic growth. However, getting the full potential economic gain from higher education requires careful planning to respond to specific economic opportunities.

Policy goals are listed below:

- fill high-demand needs in mid-level, baccalaureate, and advanced degrees;

- increase STEM enrollments;
- invest in university and college-based research to expand capacity;
- support expanded technology transfer; and
- seek new funding and focus collaboratively to meet workforce development needs.

(3) Monitor and fund higher education for results.

The HECB advocates for a dramatic increase in the number of degrees and certificates over the next 10 years. However, in order to achieve the magnitude of system-wide growth, the HECB advocates for changes in the way that higher education is monitored and funded. Policy goals include:

- improve per-student funding levels consistent with GCS benchmarks established by law in 2007;
- explore new financial incentives such as performance contracts to produce specific educational outcomes; and
- coordinate and modify Washington's various postsecondary accountability systems to focus on monitoring progress toward goals outlined in the master plan.

**Summary:**

The Legislature outlines its larger vision for development of higher education. The Higher Education Coordinating Board is directed to consider several policies when refining the final version of the master plan. In general, the policy statements outline goals for increasing access, affordability, and accountability. For instance, statements are included regarding: refining the proposed bachelor's and graduate degree production targets based on the needs of Washington's economy; maximizing the use of state funding and reviewing the cost of service delivery; and maximizing the use of full-time faculty.

Summary information regarding the research, policy strategies, and collaborative development processes that were part of the strategic mater planning process are outlined.

The House of Representatives and the Senate approve the statewide strategic master plan. The HECB must work with relevant stakeholders to collaboratively refine the strategies and next steps required for implementation of the plan. The HECB must submit a report to the higher education committees of the Legislature on progress in implementing the master plan by February 1, 2009.

**Votes on Final Passage:**

House	97	0	
Senate	49	0	(Senate amended)
House	97	0	(House concurred)