

# HOUSE BILL REPORT

## ESHCR 4408

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### As Amended by the Senate

**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).

**Brief History:**

**Committee Activity:**

Higher Education: 1/14/08, 1/30/08 [DPS];

Appropriations Subcommittee on Education: 2/7/08 [DPS(HE)].

**Floor Activity:**

Passed House: 2/13/08, 97-0.

Senate Amended.

Passed Senate: 3/11/08, 49-0.

### Brief Summary of Engrossed Substitute Bill

- Outlines the Legislature's vision statement regarding the importance and contributions of expanding access to higher education.
- Outlines several specific statements of legislative policy intent to expand access, affordability, and accountability for the higher education system.
- Provides a general overview of the research, collaborative development efforts, and policy recommendations included in the strategic master plan.
- Approves the statewide strategic master plan for higher education.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Hankins, Hasegawa, Jarrett, McIntire, Roberts, Schmick and Sommers.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Andi Smith (786-7304).

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## HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

**Majority Report:** The substitute bill by Committee on Higher Education be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Barlow, Crouse, Fromhold, Haler, Herrera, Jarrett, Kagi, Kenney, Ormsby, Quall, Seaquist, Springer and Wallace.

**Staff:** Debbie Driver (786-7143).

### **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)
- 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:

### **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 (1) examines projected teacher shortages by field, (2) strengthens math and science teaching skills, and (3) 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.

### **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.

### **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 in Senate Bill 5806.
- Explore new financial incentives such as performance contracts to produce specific educational outcomes.
- Coordinate and modify Washington's various postsecondary accountability systems to focus on monitoring progress toward goals outlined in the master plan.

### **Summary of Engrossed Substitute Bill:**

The Legislature outlines its larger vision for development of higher education. In addition, several statements of legislative policy intent are included that reiterate major policy themes in the plan. In general, the policy statements outline goals for increasing access, affordability, and accountability. For instance, the concurrent resolution includes statements regarding the Legislature's intent to expand bachelor's and advanced degree programs in science, technology, engineering, mathematics, and health sciences; maintain the state's leadership role in providing need-based financial aid by expanding; develop capacity to serve nontraditional students; and coordinate Washington's various postsecondary accountability systems to focus on achieving goals as outlined in the strategic master plan.

Summary information regarding the research, policy strategies, and collaborative development processes that were part of the strategic master 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 submits a report to the higher education committees on progress implementing the master plan by February 1, 2009.

### **EFFECT OF SENATE AMENDMENT(S):**

- Narrows the list of specific policy statements from fourteen to five, retaining the policy statements that were not specifically outlined in the Strategic Master Plan
- Removes language that states that the list of policy goals was an indication of legislative policy intent and directs the Higher Education Coordinating Board to consider those items in refining the Strategic Master Plan
- Directs the Higher Education Coordinating Board to refine the proposed bachelor's and graduate degree production targets based on the Washington economy rather than on the Global Challenge States.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:**

**Staff Summary of Public Testimony:** (Higher Education)

(In support) Stakeholders spoke extensively about the HECBs process in developing the plan. They appreciated the level of inclusiveness and responsiveness to different constituent groups. They stated that they are also committed to working together on implementation because there is alignment and agreement on a strategic direction. Stakeholders also felt that each sector within higher education, be it public Baccalaureates and community colleges, private Baccalaureates, workforce development programs, private career colleges, or student groups were well represented. Each of the groups also indicated that they wanted to be included in workgroups that are formed to implement the plan.

**Staff Summary of Public Testimony:** (Appropriations Subcommittee on Education)

(In support) The master plan reflects work done by the Higher Education Coordinating Board (HECB) and the entire higher education community as well as K-12 and other partners. The HECB master plan is a reflection of hard work and the substitute resolution includes a vision statement and a few policy statements the higher education committee feel are important to include. The plan is the result of collaborative work done by the HECB as evidenced by endorsements of all the stakeholders in higher education. Recognizing there is hard work yet to be done, the plan provides framework for work that needs to be accomplished. The Legislature's role is to enact a concurrent resolution which endorses the plan and to provide guidance back to the HECB as they move forward implementing the plan. The HECB will work closely with the Legislature over the coming years to move forward on the many action steps outlined in the plan. Continuing to include career colleges and student groups in future planning groups will provide an opportunity to better serve students and meet the goal of the higher education master plan and resolution.

(Opposed) None.

**Persons Testifying:** (Higher Education) Bill Grinstein and Ann Daley, Higher Education Coordinating Board; John Purdy, Western Washington University Council of Faculty Representatives; Ed Yakimchick - Everest College and Reed Hackett - Devry University, Northwest Career Colleges; Sandi Swarthout, Washington Health Foundation; Terry Teale, Council of Presidents; Jan Yoshiwara, State Board for Community and Technical Colleges; Eleni Papadakis, Workforce Board; Matthew Kreiling and Jake Stillwell, Washington Student Lobby; Wendy Rader-Konafalski, Washington Education Association; and Greg Sheiderer, Independent Colleges of Washington.

(Opposed) None.

**Persons Testifying:** (Appropriations Subcommittee on Education) Ann Daley, Higher Education Coordinating Board; and Steve Lindstrom, Northwest Career Colleges Federation.

**Persons Signed In To Testify But Not Testifying:** (Higher Education) None.

**Persons Signed In To Testify But Not Testifying:** (Appropriations Subcommittee on Education) None.