

STUDENT SUCCESS

Proposed Investments - \$84.9 million

Individual lives are improved by education. People with a high school credential experience half the unemployment rate of those without. Additional education results in increased lifetime earnings and more secure employment. A recent study by the State Board for Community and Technical Colleges shows the “tipping point” for a student to obtain a livable wage job and a reliable career is one year of college-level courses plus a credential. For example, English as a Second Language (ESL) students who reached this point or beyond earned \$7,000 more per year than ESL students who were unable to reach the one-year tipping point. Individual economic success contributes to the economic success of the state and nation.

Education in the two-year college system works for people when they can get in, and stay in until they complete their educational goals. Getting in requires colleges to reach out to students who don’t see themselves going to college, and requires college to be affordable by keeping tuition low and providing financial aid. Staying in requires academic supports, such as access to high quality advising.

This decision package represents the funding needed to help students succeed by addressing college affordability and student achievement. If funded, this investment will result in:

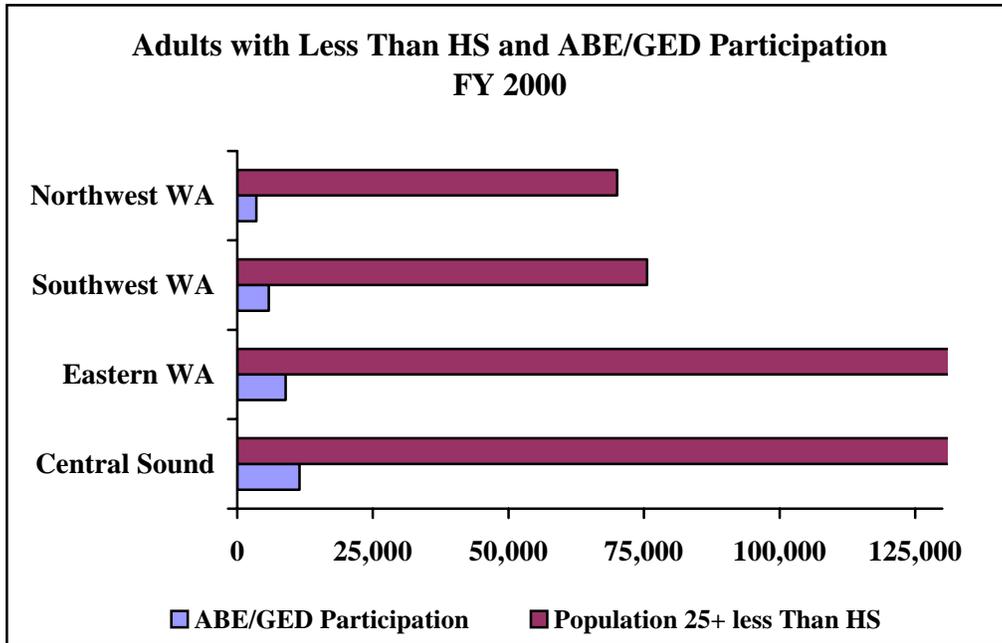
- increased levels of literacy and expanded access to adult basic education through tuition replacement;
- stable tuition for the biennium through a tuition freeze and replacement of foregone revenues;
- increased college participation by underserved groups through expanded Opportunity Grants; and
- improved student persistence and achievement through increased funding for academic support services such as advising.

EXPANDED ADULT BASIC EDUCATION - \$14.1 MILLION

Background

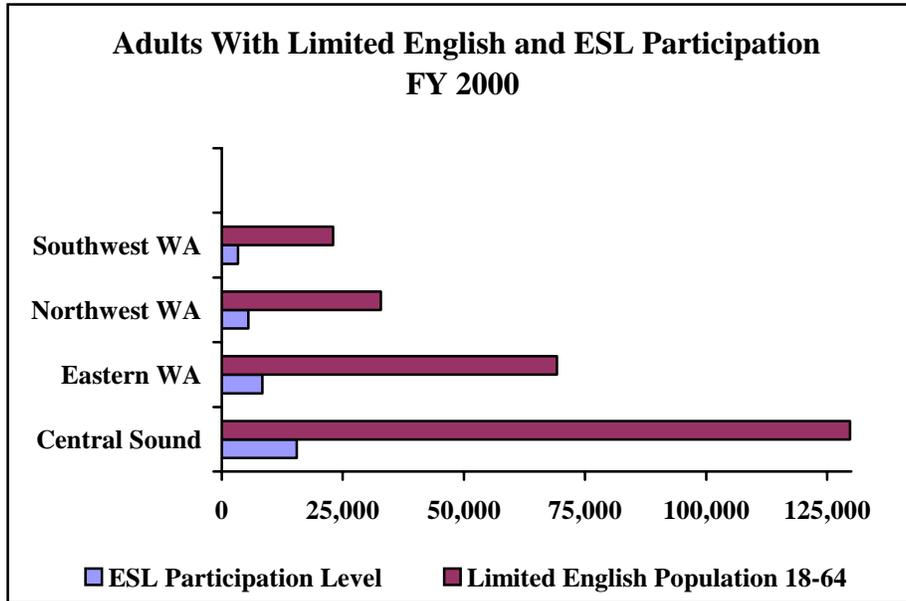
Adult basic education includes three major instructional areas: basic skills for English speaking adults, English as a Second Language (ESL), and preparation to pass the GED (General Educational Development) test. Students not only improve their skills and knowledge in reading, math, speaking and listening and writing, but also develop and improve the problem-solving and team work skills that employers demand, according to a recent survey by the national chamber of commerce. Students engaged in basic skills or ESL may also be completing their GED at the same time, or planning to do so in the future.

Nearly one million Washington adults (one in six residents) lack basic literacy skills. Adult basic education is either the first step, or a second chance, at the education that can provide the tools to contribute to a strong workforce and vital economy, healthy families, and a democratic society. Yet, Washington Learns estimates that only five percent of the adults who need adult basic education services were able to enroll in a program last year. As the chart below indicates, the number of Washington citizens 25 years and older without a high school diploma far exceeds the number being served in adult basic education programs in every region of the state.



Source: U.S. Census Bureau 2000 and SBCTC Education Services Division, 2003

The net growth in Washington's workforce will come primarily from non-English speaking populations. This group is identified by businesses as a critical source of labor in almost every region and every business sector across the state. They are especially important in filling the gaps experienced by the growing health care industry. The Latino-Hispanic population alone will comprise 15 percent of the civilian workforce by 2010; yet the two-year college system is able to serve less than 10 percent of the total non-English speaking population with current resources.



Source: U.S. Census Bureau 2000 and SBCTC Education Services Division, 2003

Investment

Adult basic education students are primarily low-income workers. Fewer than five percent of all adult basic education students earn a living wage (\$2,400 per month for a family of three). These working adults do not qualify for financial aid and often are unable to pay even reduced tuition charges. The two-year colleges, which waive all but \$25 of quarterly tuition for these courses, are the only place where low-skilled adults can turn to gain the additional skills and knowledge they need.

Over \$60 million in budget cuts during fiscal years 2000 – 2006 and increased reliance on tuition funds paid by other students have made it less financially feasible to serve adult basic education students. In 2005-07, the legislature awarded the two-year college system four million dollars to begin to address the mismatch of need and services. In response, colleges served 12 percent more adult basic education students in 2006 than 2005.

If this request is funded, colleges will have the equivalent of 20 percent of foregone annual tuition for over 18,000 basic skills FTE. This funding would enable the colleges to expand their adult basic skills programs.

Outcome

Colleges have consistently met performance targets for expanding the number of adults who gain ABE skills. The ABE target for the current year is 21,800. The target for 2011 is 23,600. With increased funding, colleges could reach the 2011 target in the 2008-09 school year. The 2011 target could then be increased to 27,000.

Meeting the adult basic education needs of Washingtonians without basic literacy skills today addresses the long term economic interests of the state:

- The education level of mothers is the strongest predictor of children’s success in school and beyond;
- Children of parents who are unemployed and have not completed high school are five times more likely to drop out of school than children of employed parents (National Institute for Literacy);
- Those who obtain a high school diploma or GED experience half the unemployment rate of those without this important credential; and
- Literate adults are twice as likely to be active citizens of their community, participating in community organizations and voting

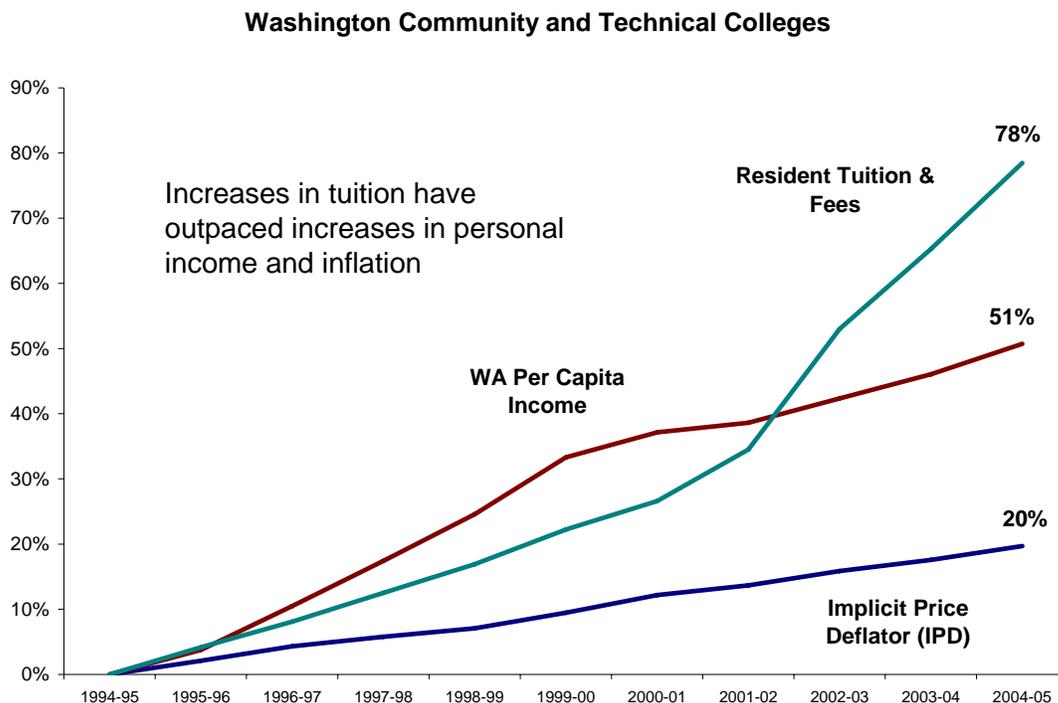
Funding basic skills services through tuition replacement is a cost-effective way to reduce the cycles of low literacy and poverty faced by many Washington families.

HOLDING THE LINE ON CTC TUITION IN 2007-09 - \$30.0 MILLION

Background

Rapidly rising tuition contradicts the basic premise of the Community and Technical College Act – that education should be available to every Washington resident “at a cost normally within his or her economic means.”

Community and technical college students’ resident tuition rates have nearly doubled over the past ten years. CTC system students are paying 41 percent of their instructional costs today, vs. 29 percent a decade ago. Increases in tuition have outpaced increases in personal income and inflation.



Shifting costs to students may make sense if there is adequate financial aid to keep the statutory “open door” open to all. Today’s financial aid system was designed for “traditional” students; that is, recent high school graduates who enroll full-time with the intention of earning a degree or skill certificate. Adult low-wage, working students often don’t qualify for financial aid because they take less than six credit hours per quarter, or because they are enrolled in short-term training programs that make them ineligible, or because they are taking literacy or pre-college courses that are not eligible for traditional forms of financial aid.

The 2005-07 operating budget granted authority to the State Board for Community and Technical Colleges to increase resident student tuition by up to five percent for 2006 and 2007. The State Board also has statutory authority to set nonresident student tuition and fees through the 2009 academic year.

The Board, in 2005-07, increased tuition by five percent in each year. However, this action was taken reluctantly, in response to the cumulative effect of over \$60 million in budget reductions for community and technical colleges.

Tuition increases have been essential to college operations by funding:

- Inflationary increases in energy and other goods & services;
- Local match for part-time salary increases;
- Technology upgrades for business and instructional purposes;
- Employee training and development; and
- Unfunded facilities maintenance and operations.

For 2007, the Board adopted a resolution encouraging college districts to set aside up to 40 percent of new revenues from the tuition increase to provide tuition waivers to needy students. Eleven districts adopted some form of set aside, and provided an estimated additional \$1.2 million as new aid to needy students. The financial pressures on students were recognized in the draft of “Making the Grade”, a report delivered to Washington Learns by the higher education consultant. Among the report’s findings:

- When Washington community and technical college tuition is compared to the Global Challenge States (used by the consultants for a variety of comparisons) “Washington community college tuition is relatively higher in the comparison group setting than is the case with two university sectors. **We do not recommend an increase [in tuition] for this sector at this time**” (page 18).
- Citing a national study about the effect of tuition on student participation, with caveats about the complexity of the analysis, the report states “. . . [a] \$184 increase would result in [an enrollment] decrease of 2.3 percent in community colleges.” (page 128)
- The report discusses state actions related to financial aid availability: “As tuition costs have risen over the last two decades, need-based grants – from either the federal government or states – have not kept pace.” (page 135). This point speaks to “traditional” students – full time, 18-24 year olds seeking a college degree. As noted above, community and technical college students are not “traditional” – in

2005, only 49 percent of students were enrolled in programs eligible for financial aid. Of those enrolled in eligible programs, less than 36 percent received aid.

Investment

Holding the line on tuition will result in foregone revenues of \$30 million for the two-year college system, assuming another biennium of legislatively authorized 5 percent increases. The system budget request seeks state funding to take the place of tuition revenues in recognition of the impact of tuition increases on community and technical college students over the past decade, and the need for these revenues to fund essential college applications.

The SBCTC is deeply concerned about college affordability. The State Board intends to hold tuition at the 2007 rate throughout 2007-09 if this request is fully funded. The SBCTC will complete an ongoing socio-economic study, which will tell us about the financial capacity of our students, and will initiate a tuition study to improve understanding about affordability. The results of these two studies will help the Board achieve a deeper level of knowledge about the effects of tuition increases on two-year college students, and the effect of tuition levels generally on college participation. Based on the research, the State Board can create a tuition policy that addresses the needs of all community and technical college students.

Outcome

Two-year college students will experience stable tuition in the 2007-09 biennium and colleges will have the resources for operations that a tuition increase would supply.

INCREASED PARTICIPATION – OPPORTUNITY GRANTS - \$16.0 MILLION

Background

During the 2006 session the Legislature appropriated \$4 million to the SBCTC to create the Opportunity Grant program. Two-year colleges are implementing pilot programs designed to get low-income adults to the educational “tipping point” and beyond. A recent study by the SBCTC shows the “tipping point” for a student to obtain a livable wage job and a reliable career is one year of college-level courses plus a credential. For example, ESL students who reached this point or beyond earned \$7,000 more per year than ESL students who were unable to reach the one-year tipping point.

The Opportunity Grant programs are intended to create the conditions necessary for students to attend and remain in college until they have completed the education to fill businesses’ identified needs for skilled workers in the regional economy. The appropriation primarily is intended to fund student grants, which may be used for tuition, books, fees, and other expenses associated with attending a workforce education program. Individual student aid awards will vary depending on the types of students receiving awards (e.g., some students will be parents needing aid for childcare costs, while others may not), their enrollment status (e.g., full-time, half-time, less-than-half-time, etc.), and costs related to the educational programs in which they are engaged (e.g.,

lab fees, materials costs). An average per student award amount is expected to be about \$9,300. Some students will receive a significantly smaller award, while others will receive a larger award.

Investment

The current level of funding will support ten pilot programs, averaging \$400,000 annually. College demand to offer the Opportunity Grants program far exceeds the current appropriation of \$4 million. 24 proposals, representing 27 colleges, were submitted with funding requests totaling over \$13 million. The two-year college system's goal, represented by this budget request, is for each college to offer this program. The Washington Learns higher education consultant report, "Making the Grade" observes on page 19: "Although we look forward to the results of the pilot test, we also believe the effort is much too modest and possibly in some danger of dilution. We recommend that sufficient funding be provided to at least double the size of the pilot effort."

Outcome

We anticipate success in producing skilled workers to address industry needs, and in improving the lives of individual low-income students. Both achievements serve the short and long term economic health of Washington.

The pilots will test the effectiveness of various strategies to help students achieve. Continued funding will be based on program performance, available funding, and the status of the industry skills gaps initially targeted. The SBCTC and the Higher Education Coordinating Board will jointly conduct an evaluation and submit a report to the Legislature and the Governor no later than November 15, 2008. Interim reports will be submitted as well.

IMPROVED STUDENT PERSISTENCE AND ACHIEVEMENT - \$24.8 MILLION

Background

The community and technical college system is the primary entry point to postsecondary education for many people. While many begin studies at a two-year college, a 2005 study found that not enough succeed in significantly increasing their educational attainment.

Too many leave CTCs with fewer than 15 college level credits (less than one quarter). The baseline data show that even for students starting with some college experience, fewer than half (46 percent) go beyond 15 college-level credits. The situation is far more severe for those starting with less than a high school education. Nine in ten (94 percent) never go beyond 15 college-level credits.

Keeping students in college until they achieve 45 college-level credits is the key to individual educational success, as a recent SBCTC study shows. Individual success fuels Washington's Economic Competitiveness, as people are equipped to meet business

demand for trained workers. The CTC system is committed to effective strategies to help students persist in college and achieve their goals.

Investment

Two critical strategies are proven to make students successful through remaining in college. The 2004 Community College Survey of Student Engagement (CCSSE 2004) found that **advising and educational planning assistance**, so that students have “a clear goal and step-by-step strategy for attaining it” improve student retention and persistence. Advising practices that stress both the quality of information that is available to students to support decision-making, and the interpersonal connections that are developed with the adviser, help build students’ sense of connection to their colleges.

Students often have limited understanding of the array of career and educational pathways that are available. Targeted investment in effective advising and career planning services helps students to make the most of their education participation and leads to significantly increased degree and certificate completion, as well as transfer to baccalaureate institutions.

Similarly, the CCSSE 2004 and various local and national studies found that the importance of **engagement** - students’ ability to establish a sense of belonging and a belief in their ability to succeed in a campus environment - is one of the most significant and immediate influences on retention and educational attainment.

An example of a successful engagement or “wraparound” strategy being used by several colleges is a campaign to call each new student between the first and second quarters of enrollment, which research has shown to be a high attrition period for students. For example, one college achieved an increase in student retention from fall to winter quarter from 73 percent to 81 percent. Personal contacts like these communicate the importance of each student’s membership in the campus community, and they provide students with an important opportunity to ask questions about resources and support services. These points of engagement connect students to the campus community and broaden their understanding of college systems, making them more efficient and productive in achieving their educational goals.

Another method to support student success is to provide the disability accommodations required by law. College expenditures for these goods and services have more than doubled in the past five years, increasing at a much faster rate than the growth in state and tuition funding. Now totaling over \$5 million annually, the area of most significant growth is interpreters for hearing impaired students.

A specific population that could benefit from intensive outreach, academic support services and financial aid is youth leaving foster care. Only 34 percent of foster youth graduate from high school, compared to 70 percent of the general population. Less than two percent (1.8 percent) of former foster youth hold bachelor’s degrees compared to Washington’s average of nearly 28 percent. Given the demonstrated connection between educational attainment and income levels, it is not surprising that one-third of former

foster youth live at or below the poverty level. The community and technical college system proposes to implement a special initiative to address the higher education needs of foster youth leaving state care each year.

This request represents funding needed at each of the 34 community and technical colleges to devise local solutions to reach more students with effective advising, planning and engagement services, to provide funding to colleges to serve students needing disability accommodations, and to improve educational outcomes specifically for youth leaving foster care.

Outcome

Investing in proven strategies that keep students in college until they reach the critical “tipping point” - one year of college-level courses plus a credential - that leads to obtaining a livable wage job and a reliable career will improve the lives of students and Washington’s economic competitiveness. The current mismatch between employer demand for workers who attain this level of knowledge and skill and the availability of such workers will begin to be addressed.

General Fund State (GFS)	
(001-1)	
FY2007-08	\$ 36,600,000
FY2008-09	<u>\$ 48,300,000</u>
Total Request	\$ 84,900,000

