

Committee of the Whole – Business Session

Tuesday, May 22, 2007 – 9.45 - 11.45 am
Continental Divide



Photo courtesy of Montana Tourist Board

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Continental Divide

Committee of the Whole - Business Session

Agenda

Reconvene Committee of the Whole: Cam Preus-Braly, WICHE chair

Report and recommended action of the Audit Committee,
David Nething, committee chair

Information Item: Audit Committee calendar

Report and recommended action of the Executive Committee,
Roy T. Ogawa, WICHE vice chair (tab 1)

Report and recommended action of the Disaster Recovery Committee,
Diane Barrans, committee chair

Report and recommended action of the Programs and Services
Committee, Carl Shaff, committee chair (tab 8)



Approval of FY 2008 workplan sections pertaining to
the Programs and Services unit's activities (tab 8)



Approval of PSEP restructuring (tab 8, p. 10)

Report and recommended action of the Issue Analysis and Research
Committee, Jane Nichols, committee chair (tab 9)



Approval of FY 2008 workplan sections pertaining to
the Policy Analysis and Research unit's activities (tab 9)

Committee of the Whole action items



Approval of changes in reserve policy and
requirements 12-3



Approval of salary and benefit recommendations
for FY 2008 12-5



Approval of annual operating budget – general
fund and self-funded activities – for FY 2008 12-6



Approval of the workplan for FY 2008 12-14

Meeting evaluation (paper or electronic) 12-25

Other business

Adjournment

Box lunches available

ACTION ITEM

Proposed Changes to WICHE's Reserve Policy

At the November 13-14, 2006, commission meeting in Colorado Springs, the commission discussed possible changes to WICHE's reserve policy. Based on the material provided for that discussion (much of which is included below) and on the general support for changing this policy during that discussion, staff proposes the changes in reserve policy reflected below.

Background

The commission, at its May 2000 meeting, revised its policy regarding minimum reserve requirements, as follows:

1. WICHE will maintain a reserve of at least 12 percent of the approved general fund expenditures budget.

Prior to establishing this policy, WICHE's mandated minimum reserve was fixed at \$200,000. As WICHE's budget increased, however, WICHE's fixed costs and potential liabilities also increased, so having a fixed minimum reserve created a problem. When the \$200,000 minimum reserve was originally established, it represented about 20 percent of WICHE's general fund budget. Over time, however, the percentage of the general fund budget that this \$200,000 minimum requirement represented has eroded to only about 10 percent. Adopting a minimum reserve requirement tied to a percent of the general fund budget provides a means for keeping the minimum reserve proportionate to the size of the budget. The 12 percent figure was adopted because it represented the likely level of liabilities that the organization would face, beyond available resources, should it be necessary or desirable to disband the organization.

2. Reserves below the 12 percent minimum threshold can be expended only for exceptional unanticipated losses, as was designated by the commission.

While there had been a minimum threshold before the 12 percent figure, there had been no policy with regard to what conditions would allow this figure to be breached. Stating explicitly that those reserves below the 12 percent minimum could be expended only for "exceptional" and "unanticipated" losses, and that such expenditures would require direct designation by the commission, made it clear that this designation was much more than a casual threshold. It would take a catastrophic circumstance to spend reserves down below this minimum, and staff could not do so without the full understanding and approval of the commission.

3. Reserves in excess of the 12 percent minimum threshold can be expended only for one-time, commission-approved expenditures that will substantially enhance the organization.

This provision makes it clear that reserves aren't intended to be a convenient balancing wheel for operating fund deficits. For three years, WICHE had operated on planned deficit budgets, and this provision established that anticipated deficit budgeting was a thing of the past.

For a number of reasons it is important for the WICHE Commission to revisit these policies and consider changes. First, after six years of experience, it is appropriate to consider whether the policies have worked to protect the financial integrity of the organization. Second, the purchase of WICHE's share in the new State Higher Education Policy Center (SHEPC) building in Boulder adds a new financial responsibility, both to WICHE and to our partnership with the State Higher Education Executive Officers (SHEEO) and the National Center for Higher Education Management Systems (NCHEMS), who also own shares of the facility. Third, the reserve policies adopted in 2000, though a great improvement over prior policies, overlooked one important purpose of reserves, which is to fund modest, unanticipated perturbations in the general fund budget, ones that might legitimately be funded out of reserves.

Action Requested

Approval of the following:

- WICHE will maintain the previously established minimum reserve threshold of at least 12 percent, to be available only for exceptional unanticipated losses, as designated by the commission (essentially retaining parts one and two of the previous policy).

- In addition, WICHE will maintain a reserve to protect the agency's capacity to meet WICHE's building payment requirements equal to half the annual facilities costs. (Our current facilities costs are slightly below \$500,000 per year, so this would require dedicating approximately \$250,000 from reserves for this purpose.)
- In addition, WICHE will allow reserves of up to 10 percent of budgeted general fund expenditures to be dedicated for possible unanticipated operating-fund shortfalls; this amount will be reduced to 5 percent when all self-funded units have been able to accumulate reserves equal to 25 percent of their annual operating budget.
- All self-funded units should strive to establish reserves equal to at least 25 percent of their annual operating budget.
- With reserves in excess of those required to meet the conditions of the first two bullets above, the commission may dedicate reserves to cover unique, one-time expenditures that will substantially enhance the operation and efficacy of the organization.

ACTION ITEM

Salary/Benefit Recommendations for FY 2008

Background

As reflected in the proposed budget agenda item, Executive Director Longanecker recommends an overall increase in salaries for staff of 4.0 percent, 3.5 percent for performance-based increases and 0.5 percent for one-time bonuses to staff who have performed at exceptionally high levels over the past year. This request is identical to the percentage increases requested and granted for the past two years. WICHE does not give staff across-the-board or cost-of-living adjustments in salary; all increases are related to performance. The proposed budget also includes a 3.5 percent increase in benefits for staff, all of which are related either to benefits directly associated with salary (i.e., agency contributions to the retirement plan, life insurance, workers' compensation, unemployment compensation, and Social Security) or to projected changes in the costs of general benefits (i.e., health/dental insurance premiums, Social Security, and workers' compensation). Staff members continue to pay for a portion of their benefits, including a share of health insurance premiums for dependent coverage and their share of Social Security and retirement contributions.

Longanecker also recommends that salary ranges for positions within WICHE be increased by 5 percent to remain consistent with the proposed increases in salary.

In addition to these fairly routine changes in staff compensation, Longanecker also proposes that a new supplemental performance-based bonus program be adopted by the commission. At its November 12, 2001, meeting the commission, at the request of the WCET Steering Committee, approved a policy allowing the two WICHE self-funded units – Mental Health and WCET – “to use a portion of the indirect cost recovery funds from non-grant funded projects and activities to provide **performance-based bonuses**. The bonuses would be up to 20 percent of the annual base salary for key staff. The unit director or executive director would approve these bonuses based on annually-established performance objectives and results.” Because these funds come from entirely self-funded units, this policy obviously has had no impact on WICHE's general fund account. Though this policy has been used only sparsely since its adoption, it has proven useful, both to reward exceptional performance when resources were available and to keep compensation levels competitive for key staff in these two units.

However, it became evident over the past year, as we sought to recruit replacement individuals for senior staff who had left WICHE, that the rationale for providing the capacity to give bonuses to key staff in Mental Health and WCET applies to other units, as well. The challenge, however, is how to provide such a benefit without having it erode WICHE's general fund.

The proposed solution is to extend the performance-based bonus opportunity to all key staff within the organization, at levels consistent with the existing policy and contingent upon resources from indirect cost recovery in excess of those reflected in the annual budget approved by the commission. As with existing policy, all such awards would have to be approved by both the head of the unit and the executive director.

Action Requested

- Approval of an overall increase in the performance-based salary pool of 3.5 percent, including 0.5 percent for one-time bonuses for exceptional performance.
- Approval of an increase of 5 percent in each salary grade within the organization.
- Approval to extend to all key staff the non-general fund, performance-based bonus program previously extended only to Mental Health and WCET, contingent upon and associated with the availability of such funding to provide these bonuses.

ACTION ITEM
FY 2008 Annual Operating Budget
(Including General Fund Budget and Self-funded Activities)

The general fund budget proposed for FY 2007 (see Table 1) is the staff recommendation for a WICHE program that provides service to member states, as well as a wide range of highly significant projects. General fund income not only provides the funds for basic WICHE program activities, such as the Student Exchange Program and the Policy Analysis and Research unit, it also provides an organizational structure that allows WICHE to become involved in other regional resource-sharing activities in higher education, many of which are supported by non-state dollars. The proposed general fund budget will support overall net operating expenses of approximately \$7.5 million in FY 2008.

Action Requested

Approval of the FY 2008 general fund budget and overall operating budget, as detailed in Table 1 and Tables 2a-e.

Table 1. FY 2008 WICHE GENERAL FUND BUDGET

March 2007

Comparing FY 2007 with FY 2008 Revenue and Expenditures

	FY 2007				FY 2008					
	FY 2007 Budget	FY 2007 Projection	Projection Better or (Worse) than Budget		FY 2008 Budget	FY 2008 Budget Better or (Worse) than FY 2007 Budget		FY 2008 Budget Better or (Worse) than FY 2007 Projection		
Revenue										
4102 Indirect Cost Reimbursements	\$271,000	\$250,727	(\$20,273)	-7.5%	\$280,485	\$9,485	3.5%	\$29,758	11.9%	
4110 Grants&Contracts Revenue - Carryover	\$0	\$4,170	\$4,170							
4201 Members/Fees States/Institutions a	\$1,680,000	\$1,680,000	\$0	0.0%	\$1,740,000	\$60,000	3.6%	\$60,000	3.6%	
4300 Interest	\$265,000	\$334,006	\$69,006	26.0%	\$290,000	\$25,000	9.4%	(\$44,006)	-13.2%	
4400 Publication Sales & Refunds	\$100	\$88	(\$12)	-12.0%	\$103	\$3	3.0%	\$15	17.0%	
4600 Other Income	\$12,900	\$12,874	(\$26)	-0.2%	\$13,352	\$452	3.5%	\$478	3.7%	
4850 Credit Card Transaction Rev. / Units	\$8,000	\$7,667	(\$333)	-4.2%	\$8,250	\$250	3.1%	\$583	7.6%	
4900 Interfund Transfers	\$4,000	\$9,124	\$5,124	128.1%						
Total Revenue	\$2,241,000	\$2,298,655	\$57,655	2.6%	\$2,332,190	\$95,190	4.2%	\$46,828	2.0%	
Expenditures										
0102 Student Exchange Program	\$268,908	\$289,085	(\$20,177)	-7.5%	\$287,751	(\$18,843)	-7.0%	\$1,334	0.5%	
0104 Policy Analysis & Research	\$336,649	\$304,575	\$32,073	9.5%	\$371,991	(\$35,343)	-10.5%	(\$67,416)	-22.1%	
0105 Communications & Public Affairs	\$314,845	\$306,427	\$8,418	2.7%	\$361,626	(\$46,781)	-14.9%	(\$55,200)	-18.0%	
0107 Science, Technology & Innovation	\$28,047	\$24,613	\$3,433	12.2%	\$99,761	(\$71,714)	-255.7%	(\$75,147)	-305.3%	
0110 Executive Director's Office	\$404,998	\$404,560	\$438	0.1%	\$422,762	(\$17,764)	-4.4%	(\$18,202)	-4.5%	
0111 Commission Meeting Expense	\$122,922	\$102,330	\$20,592	16.8%	\$130,387	(\$7,465)	-6.1%	(\$28,058)	-27.4%	
0112 Administrative Services	\$457,336	\$382,422	\$74,914	16.4%	\$412,730	\$44,606	9.8%	(\$30,308)	-7.9%	
0114 Indirect Cost Sharing Expense	\$74,526	\$67,317	\$7,209	9.7%	\$75,000	(\$474)	-0.6%	(\$7,683)	-11.4%	
0115 Miscellaneous Gen. Fund	\$202,884	\$151,003	\$51,882	25.6%	\$142,205	\$60,679	29.9%	\$8,798	5.8%	
0116 Program Development	\$25,000	\$14,431	\$10,569	42.3%	\$25,000	\$0	0.0%	(\$10,569)	-73.2%	
Total Expenditures	\$2,236,114	\$2,046,761	\$189,354	8.5%	\$2,329,213	(\$93,099)	-4.2%	(\$282,452)	-13.8%	
Surplus (Deficit) for the Fiscal Year	\$4,886	\$251,894	\$247,009		\$2,977	\$2,091		(\$235,624)		
Reserves at Beginning of Year										
1 Minimum Reserve b	\$268,334	\$268,334	\$0	0.0%	\$279,506	\$11,172	4.2%	\$11,172	4.2%	
2 * Reserve for Facility Payments c					\$206,000					
3 * Reserve for Unexpected Shortfall d					\$232,921					
4 Reserve Available for Dedication	\$775,893	\$775,893	\$0	0.0%	\$519,461	(\$256,432)	-33.0%	(\$256,432)	-33.0%	
Reserves at Beginning of Year	\$1,044,227	\$1,044,227	\$0	0.0%	\$1,237,888	(\$245,260)	-28.9%	(\$245,260)	-28.9%	
Reserves Dedicated during Year										
5 Exec Dir Office Temp Staffing	\$25,000	\$20,941	\$4,059	16.2%						
6 WICHE Senior Officer's Search	\$50,000	\$37,292	\$12,708	25.4%						
7 Deficit (Surplus) for the Fiscal Year above	(\$4,886)	(\$251,894)	\$247,009	5055.9%	(\$2,977)	(\$1,909)	39.1%	(\$248,917)	98.8%	
Reserves Dedicated during the Fiscal Year	\$70,114	(\$193,661)	\$263,775	5014.2%	(\$2,977)	(\$1,909)	39.1%	(\$248,917)	98.8%	
Reserves at End of Year	\$974,113	\$1,237,888	\$263,775		\$1,240,865	(\$247,169)		(\$494,177)		

(a) Dues for FY 2007 are \$112,000 and for FY 2008 are \$116,000.

(b) Minimum reserve set by the commission is 12% of Budgeted Expenses.

(c) * PROPOSED ONLY: Equal to 6 months of Facility Cost.

(d) * PROPOSED ONLY: Equal to 10% of Budgeted Expenses. To be used only if anticipated funding does not materialize.

WICHE DEPARTMENTAL BUDGETS
Table 2a. Communications and Public Affairs
Two-Year Forecast for FY 2007 and FY 2008

March 2007

<i>9 months elapsed/3 months remaining</i> Object/Description	FY 2007	FY 2007	FY 2008	Variance FY 2008 budget higher or lower than FY 07	%
	Total	Budget	Budget		
	<i>Actual > 01-Jul-06 – 31-Mar-07</i> <i>Forecast > 01-Apr-07 – 30-Jun-07</i>	<i>01-Jul-06</i> <i>30-Jun-07</i>	<i>01-Jul-07</i> <i>30-Jun-08</i>		
11-20 MHEC Master Property Program	\$1,161	\$9,500	\$14,250	\$4,750	50.0%
12-30 ATAlliance	\$35,478	\$36,000	\$1,350	(\$34,650)	-96.3%
12-40 USC Equity Scorecard Project	\$21,130	\$22,000	\$12,600	(\$9,400)	-42.7%
14-57 Bridges to Professoriate	\$140,970	\$145,000	\$150,000	\$5,000	3.4%
15-01 NorthWest Academic Forum	\$44,548	\$36,915	\$37,685	\$770	2.1%
15-15 Internet Course Exchange	\$29,000	\$26,280	\$44,600	\$18,320	69.7%
16-61 OHSU NEXus Project	\$26,231	\$26,231	\$996	(\$25,235)	-96.2%
19-50 Prior State Scholars	\$291,695	\$234,189	\$188,252	(\$45,937)	-19.6%
19-51 SSI - Program Administration	\$530,147	\$695,188	\$963,305	\$268,117	38.6%
19-52 SSI - State Reimbursements	\$965,870	\$1,617,392	\$926,087	(\$691,305)	-42.7%
Revenue	\$2,086,229	\$2,848,695	\$2,339,125	(\$509,570)	-17.9%
Total Revenue	\$2,086,229	\$2,848,695	\$2,339,125	(\$509,570)	-17.9%
11-20 MHEC Master Property Program	\$4,512	\$9,500	\$14,250	\$4,750	50.0%
12-30 ATAlliance	\$1,554	\$1,970	\$1,350	(\$620)	-31.5%
12-40 USC Equity Scorecard Project	\$0	\$0	\$12,600	\$12,600	99900.0%
14-57 Bridges to Professoriate	\$140,970	\$145,000	\$150,000	\$5,000	3.4%
15-01 NorthWest Academic Forum	\$14,378	\$36,915	\$37,685	\$770	2.1%
15-15 Internet Course Exchange	\$14,276	\$26,280	\$44,600	\$18,320	69.7%
16-61 OHSU NEXus Project	\$10,055	\$26,231	\$996	(\$25,235)	-96.2%
19-50 Prior State Scholars	\$291,695	\$234,189	\$188,253	(\$45,936)	-19.6%
19-51 SSI - Program Administration	\$530,147	\$695,188	\$963,305	\$268,117	38.6%
19-52 SSI - State Reimbursements	\$965,870	\$1,617,392	\$926,087	(\$691,305)	-42.7%
Expense	\$1,973,457	\$2,792,664	\$2,339,126	(\$453,539)	-16.2%
Total Expense	\$1,973,457	\$2,792,664	\$2,339,126	(\$453,539)	-16.2%
Revenue over (under) Expense	\$112,772	\$56,031	\$0	(\$963,108)	-17.1%

WICHE DEPARTMENTAL BUDGETS

Table 2b. Mental Health Two-Year Forecast for FY 2007 and FY 2008

March 2007

Object/Description	FY 2007		FY 2008		Variance	%
	Total	Budget	Budget	Budget		
	Actual > 01-Jul-06 – 31-Mar-07 Forecast > 01-Apr-07 – 30-Jun-07	01-Jul-06 30-Jun-07	01-Jul-07 30-Jun-08	01-Jul-07 30-Jun-08		
9 months elapsed/3 months remaining						
40-01 MH - State Affiliation Fees	\$470,604	\$453,727	\$522,000	\$68,273	15.0%	
40-10 MH - Decision Support Group	\$66,000	\$72,000	\$78,000	\$6,000	8.3%	
41-12 MH - HSRI Roundtable Evaluation	\$13,975	\$14,000		(\$14,000)	-100.0%	
41-13 MH - ValueOptions Consultation	\$104,500	\$104,500		(\$104,500)	-100.0%	
41-14 MH - CA Inst. MH Workplan	\$15,000	\$15,000		(\$15,000)	-100.0%	
41-58 MH - SD Technical Assistance	\$14,638	\$39,036	\$14,638	(\$24,397)	-62.5%	
42-58 MH - WY Survey 06-07	\$62,000	\$62,000		(\$62,000)	-100.0%	
43-71 MH - HRSA Rural Issues	\$68,000	\$68,000		(\$68,000)	-100.0%	
43-92 MH - Rural Grand Rounds Y2	\$13,332	\$14,000		(\$14,000)	-100.0%	
43-93 MH - Rural Grand Rounds Y3	\$10,319	\$33,971	\$10,191	(\$23,779)	-70.0%	
44-22 MH - AK OISPP Facilitator	\$176,053	\$71,539	\$21,462	(\$50,077)	-70.0%	
44-23 MH - AK Workforce Development	\$43,805			\$0		
44-62 MH - Rural Health Research Y2	\$258,826	\$260,000		(\$260,000)	-100.0%	
44-63 MH - Rural Health Research Y3	\$499,706	\$500,000		(\$500,000)	-100.0%	
44-64 MH - Rural Health Research Y4	\$0		\$500,000	\$500,000		
45-01 MH - Anticipated New Funding	\$0		\$450,000	\$450,000		
45-02 MH - Anticipated SD Surveys	\$0		\$30,000	\$30,000		
45-03 MH - Anticipated WY Surveys	\$0		\$75,000	\$75,000		
Revenue	\$1,816,759	\$1,707,772	\$1,701,291	(\$6,480)	-0.4%	
Total Revenue	\$1,816,759	\$1,707,772	\$1,701,291	(\$6,480)	-0.4%	
40-01 MH - State Affiliation Fees	\$432,436	\$340,259	\$347,559	\$7,300	2.1%	
40-10 MH - Decision Support Group	\$58,933	\$67,280	\$53,456	(\$13,824)	-20.5%	
41-01 MH - Consulting Main Account	\$8			\$0		
41-12 MH - HSRI Roundtable Evaluation	\$2,248			\$0		
41-13 MH - ValueOptions Consultation	\$9,647	\$9,647		(\$9,647)	-100.0%	
41-14 MH - CA Inst. MH Workplan	\$12,025	\$12,024	\$5,648	(\$6,377)	-53.0%	
41-58 MH - SD Technical Assistance	\$12,959	\$21,050	\$9,548	(\$11,502)	-54.6%	
41-59 MH - WY Technical Assistance	\$0		\$26,675	\$26,675		
42-58 MH - WY Survey 06-07	\$15,414	\$9,345		(\$9,345)	-100.0%	
43-92 MH - Rural Grand Rounds Y2	\$13,332			\$0		
43-93 MH - Rural Grand Rounds Y3	\$37,674	\$30,040	\$10,567	(\$19,473)	-64.8%	
44-22 MH - AK OISPP Facilitator	\$150,156	\$117,454	\$74,673	(\$42,781)	-36.4%	
44-23 MH - AK Workforce Development	\$11,412	\$8,397		(\$8,397)	-100.0%	
44-62 MH - Rural Health Research Y2	\$174,468			\$0		
44-63 MH - Rural Health Research Y3	\$255,261	\$242,712	\$58,989	(\$183,722)	-75.7%	
44-64 MH - Rural Health Research Y4	\$0		\$417,580	\$417,580		
45-01 MH - Anticipated New Funding	\$21,284	\$21,284	\$95,558	\$74,274	349.0%	
45-02 MH - Anticipated SD Surveys	\$6,126	\$12,253	\$24,561	\$12,308	100.5%	
45-03 MH - Anticipated WY Surveys	\$6,126	\$12,253	\$41,689	\$29,436	240.2%	
Expense	\$1,219,510	\$903,997	\$1,166,503	\$262,505	29.0%	
Total Expense	\$1,219,510	\$903,997	\$1,166,503	\$262,505	29.0%	
Revenue over (under) Expense	\$597,249	\$803,774	\$534,788	\$256,025	9.8%	

WICHE DEPARTMENTAL BUDGETS
Table 2c. Policy Analysis and Research
Two-Year Forecast for FY 2007 and FY 2008

March 2007

<i>9 months elapsed/3 months remaining</i>	FY 2007 Total	FY 2007 Budget	FY 2008 Budget	Variance	%
Object/Description	<i>Actual > 01-Jul-06 – 31-Mar-07</i> <i>Forecast > 01-Apr-07 – 30-Jun-07</i>	01-Jul-06 30-Jun-07	01-Jul-07 30-Jun-08	FY 2008 budget higher or lower than FY 07	
08-12 Oregon Shared Responsibility	\$7,150	\$20,000		(\$20,000)	-100.0%
18-61 Idaho Advanced Placement	\$53,144	\$54,000		(\$54,000)	-100.0%
50-15 High School Grads: Core Account	\$13,596	\$1,000		(\$1,000)	-100.0%
50-42 Pathways to College Network (TERI)	\$771	\$1,000		(\$1,000)	-100.0%
50-43 Pathways to College Network (TERI)	\$18,270	\$19,000		(\$19,000)	-100.0%
50-44 Pathways to College Network (TERI)	\$28,500	\$140	\$15,360	\$15,220	10871.4%
51-01 KnowledgeWorks	\$15,000	\$15,000		(\$15,000)	-100.0%
52-12 Lumina - Phase 2 Changing Direction	\$325,262	\$253,706		(\$253,706)	-100.0%
53-12 Escalating Engagement	\$249,950	\$140,195	\$162,035	\$21,840	15.6%
54-11 Accelerated Learning Options	(\$6,497)			\$0	
54-12 Lumina National Policy Forum	\$4,511			\$0	
55-01 Anticipated New Funding	\$0		\$100,000	\$100,000	
Revenue	\$709,658	\$504,041	\$277,395	(\$226,646)	-45.0%
Total Revenue	\$709,658	\$504,041	\$277,395	(\$226,646)	-45.0%
08-12 Oregon Shared Responsibility	\$9,004	\$20,000		(\$20,000)	-100.0%
18-61 Idaho Advanced Placement	\$53,144	\$54,000		(\$54,000)	-100.0%
50-15 High School Grads: Core Account	\$762	\$1,000		(\$1,000)	-100.0%
50-42 Pathways to College Network (TERI)	\$771	\$1,000		(\$1,000)	-100.0%
50-43 Pathways to College Network (TERI)	\$18,068	\$19,000		(\$19,000)	-100.0%
50-44 Pathways to College Network (TERI)	\$2,412	\$140	\$15,360	\$15,220	10871.4%
51-01 KnowledgeWorks	\$4,690	\$15,000		(\$15,000)	-100.0%
52-12 Lumina - Phase 2 Changing Direction	\$336,321	\$253,706		(\$253,706)	-100.0%
53-12 Escalating Engagement	\$128,005	\$140,195	\$162,035	\$21,840	15.6%
54-11 Accelerated Learning Options	(\$6,497)			\$0	
54-12 Lumina National Policy Forum	\$4,511			\$0	
55-01 Anticipated New Funding	\$0		\$98,761	\$98,761	
Expense	\$551,190	\$504,041	\$276,156	(\$227,885)	-45.2%
Total Expense	\$551,190	\$504,041	\$276,156	(\$227,885)	-45.2%
Revenue over (under) Expense	\$158,467	\$0	\$1,239	(\$454,531)	-45.1%

WICHE DEPARTMENTAL BUDGETS

Table 2d. WCET

Two-Year Forecast for FY 2007 and FY 2008

March 2007

Object/Description	FY 2007		FY 2008		Variance	%
	Total	Budget	Budget	Budget		
	Actual > 01-Jul-06 – 31-Mar-07 Forecast > 01-Apr-07 – 30-Jun-07	01-Jul-06 30-Jun-07	01-Jul-07 30-Jun-08	01-Jul-07 30-Jun-08		
9 months elapsed/3 months remaining						
20-01 Western Coop for Ed'l Telecomm.	\$570,158	\$458,866	\$373,000		(\$85,866)	-18.7%
20-16 WCET - Annual Mtg. Fall 2006	\$95,801	\$123,432			(\$123,432)	-100.0%
20-17 WCET - Annual Mtg. Fall 2007	\$56,776	\$58,000	\$245,475		\$187,475	323.2%
21-10 WCET - Annual Mtg. Fall 2008	\$0		\$48,000		\$48,000	
21-20 Misc. Contracts & Stipends	\$0		\$2,500		\$2,500	
22-33 WCC - AdjunctMatch Pilot	\$0	(\$678)			\$678	-100.0%
22-36 WCC - eCampusAlberta Strategic	\$14,120	\$14,120			(\$14,120)	-100.0%
22-37 WCC-Montana State BATE 4	\$10,636	\$10,560			(\$10,560)	-100.0%
22-38 WCC-Fall 2006 Webcast Series	\$26,960	\$14,700			(\$14,700)	-100.0%
22-39 WCC - OBHE Benchmarking 2007	\$0		\$6,000		\$6,000	
23-40 WCET - Hewlett EduTools Planning	\$88,261	\$139,689	\$37,811		(\$101,878)	-72.9%
23-41 WCET - Hewlett Travels	\$24,801	\$22,250	\$9,980		(\$12,270)	-55.1%
28-01 WET - Core Account	\$48,818	\$57,891	\$1,200		(\$56,691)	-97.9%
28-04 WET - ePortfolios	\$4	\$4			(\$4)	-100.0%
28-05 WET - AK Gap Analysis Project	\$1,466	\$1,466			(\$1,466)	-100.0%
28-06 WET - MIT Peer Comparison	\$639	\$639			(\$639)	-100.0%
28-07 WET - IAA Policy Review	\$0		\$6,000		\$6,000	
29-01 WSS - Core Account	\$46,554	\$38,500			(\$38,500)	-100.0%
29-06 WSS - HLC Meeting	\$11,509	\$10,000	\$27,267		\$17,267	172.7%
29-08 WSS - CENTSS	\$11,076	\$7,182			(\$7,182)	-100.0%
Revenue	\$1,007,579	\$956,621	\$757,233		(\$199,388)	-20.8%
Total Revenue	\$1,007,579	\$956,621	\$757,233		(\$199,388)	-20.8%
20-01 Western Coop for Ed'l Telecomm.	\$485,117	\$482,902			(\$482,902)	-100.0%
20-10 Administration & Governance	\$4,193	\$4,193	\$265,158		\$260,965	6224.0%
20-16 WCET - Annual Mtg. Fall 2006	\$95,801	\$102,413			(\$102,413)	-100.0%
20-17 WCET - Annual Mtg. Fall 2007	\$45,762	\$19,251	\$219,106		\$199,855	1038.1%
20-30 Communication & Research	\$0		\$124,062		\$124,062	
21-01 Membership/Dues Administration	\$0		\$51,071		\$51,071	
21-10 WCET - Annual Mtg. Fall 2008	\$0		\$47,778		\$47,778	
21-20 Misc. Contracts & Stipends	\$0		\$33,779		\$33,779	
22-01 WCC-Consulting Main Account	\$151	\$165	\$79		(\$86)	-52.0%
22-36 WCC - eCampusAlberta Strategic	\$14,120	\$14,100			(\$14,100)	-100.0%
22-37 WCC-Montana State BATE 4	\$10,636	\$10,560			(\$10,560)	-100.0%
22-38 WCC-Fall 2006 Webcast Series	\$16,107	\$16,116			(\$16,116)	-100.0%
22-39 WCC - OBHE Benchmarking 2007	\$1,123		\$3,264		\$3,264	
23-40 WCET - Hewlett EduTools Planning	\$88,260	\$102,812	\$21,283		(\$81,529)	-79.3%
23-41 WCET - Hewlett Travels	\$24,801	\$15,652	\$9,900		(\$5,752)	-36.8%
28-01 WET - Core Account	\$40,534	\$49,957	\$24,455		(\$25,502)	-51.0%
28-04 WET - ePortfolios	\$4	\$4			(\$4)	-100.0%
28-05 WET - AK Gap Analysis Project	\$1,466	\$1,466			(\$1,466)	-100.0%
28-06 WET - MIT Peer Comparison	\$639	\$639			(\$639)	-100.0%
28-07 WET - IAA Policy Review	\$1,348		\$2,702		\$2,702	
29-01 WSS - Core Account	\$46,554	\$46,733	\$11,188		(\$35,545)	-76.1%
29-06 WSS - HLC Meeting	\$10,777	\$8,285	\$90		(\$8,195)	-98.9%
29-08 WSS - CENTSS	\$9,545	\$12,733	\$1,530		(\$11,203)	-88.0%
Expense	\$896,937	\$887,980	\$815,444		(\$72,537)	-8.2%
Total Expense	\$896,937	\$887,980	\$815,444		(\$72,537)	-8.2%
Revenue over (under) Expense	\$110,642	\$68,640	(\$58,211)		(\$271,925)	-14.7%

WICHE DEPARTMENTAL BUDGETS
Table 2e. Self-Supporting Funds
Two-Year Forecast for FY 2007 and FY 2008

March 2007

<i>9 months elapsed/3 months remaining</i>	FY 2007 Total	FY 2007 Budget	FY 2008 Budget	Variance	%
Object/Description	<i>Actual > 01-Jul-06 – 31-Mar-07</i> <i>Forecast > 01-Apr-07 – 30-Jun-07</i>	01-Jul-06 30-Jun-07	01-Jul-07 30-Jun-08	FY 2008 budget higher or lower than FY 07	
03-10 Printing Services	\$10,433	\$14,340	\$8,370	(\$5,970)	-41.6%
03-20 Information Technology Services	\$189,449	\$196,068	\$198,427	\$2,359	1.2%
03-30 Telephone Services	\$27,942	\$28,032	\$28,873	\$841	3.0%
05-02 3035 Center Green	\$414,613	\$415,428	\$425,813	\$10,386	2.5%
Revenue	\$642,437	\$653,868	\$661,483	\$7,616	1.2%
Total Revenue	\$642,437	\$653,868	\$661,483	\$7,616	1.2%
03-10 Printing Services	\$8,756	\$9,744	\$14,927	\$5,183	53.2%
03-20 Information Technology Services	\$172,482	\$200,432	\$201,189	\$757	0.4%
03-30 Telephone Services	\$19,158	\$23,963	\$24,682	\$719	3.0%
05-02 3035 Center Green	\$412,828	\$401,797	\$411,842	\$10,045	2.5%
Expense	\$613,223	\$635,936	\$652,640	\$16,704	2.6%
Total Expense	\$613,223	\$635,936	\$652,640	\$16,704	2.6%
Revenue over (under) Expense	\$29,214	\$17,932	\$8,843	\$24,319	1.9%

Table 3. WICHE PROPOSED GRADE INCREASE

March 2007

<i>Effective Date</i>	<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
<i>July 01, 2006</i>				
	1	\$22,810	\$27,942	\$33,075
	2	\$25,540	\$31,287	\$37,033
	3	\$28,190	\$34,533	\$40,876
	4	\$31,500	\$38,588	\$45,676
	5	\$35,430	\$44,288	\$53,145
	6	\$38,830	\$48,538	\$58,245
	7	\$42,740	\$53,425	\$64,110
	8	\$46,890	\$58,613	\$70,335
	9	\$53,290	\$66,613	\$79,935
	10	\$60,030	\$75,038	\$90,045
	11	\$69,480	\$86,850	\$104,220
	12	\$78,870	\$98,588	\$118,305
<i>July 01, 2007</i>				
	1	\$23,951	\$29,340	\$34,729
	2	\$26,817	\$32,851	\$38,885
	3	\$29,600	\$36,260	\$42,920
	4	\$33,075	\$40,517	\$47,960
	5	\$37,202	\$46,502	\$55,802
	6	\$40,772	\$50,964	\$61,157
	7	\$44,877	\$56,096	\$67,316
	8	\$49,235	\$61,543	\$73,852
	9	\$55,955	\$69,943	\$83,932
	10	\$63,032	\$78,789	\$94,547
	11	\$72,954	\$91,193	\$109,431
	12	\$82,814	\$103,517	\$124,220

HIGHER EDUCATION:

A

POWERFUL

TRUST

WICHE



WORKPLAN 2008

Those of us who work in the higher education community have been given a powerful trust: we've been charged with ensuring that our students are well-prepared to contribute to the communities in which they live – intellectually, socially, civically and economically. Today, the economic imperative looms, perhaps, largest of all. Business is demanding that we educate large numbers of students to be both specifically skilled and flexibly intelligent – so that they can hit the ground running once they graduate and also be prepared to adapt to a marketplace that is bound to change. Our states are requiring us to educate those students – whose numbers are greater than at any time in history – on a tight budget. And our students and their families are asking us to provide more services than ever – everything from remedial services to the highest of high tech tools – for as low a price as possible.

Not only has higher education been given a powerful trust – it is a powerful trust. Few institutions have more clout in state political processes and in influencing the affairs of state (be those intellectual, social, civic, or economic) than does higher education. Higher education can use this power to embrace or thwart the changes that will be necessary to respond to the unique challenges of the years ahead. As a proud public good, higher education has often been reluctant to lead the charge for change. When you are the best in the world, as American higher education has been, it

is hard to see the imperative for change. But the world, it is a-changin' – and higher education must change as well if it is to remain the powerful trust it has been historically.

In fiscal 2008 WICHE will help empower the higher education community to fulfill that powerful – and complex – trust via our work in our five areas of interest: finance, access and success, workforce issues, innovation and information technology, and accountability. WICHE's four units – Policy Analysis and Research, Programs and Services, WCET, and Mental Health – are working on a variety of projects in these areas.

Finance

College-bound students in the West, as well as graduate students, will have access to a wide array of postsecondary offerings at significant tuition savings, thanks to WICHE's three **Student Exchange Programs** (SEP). Each of the programs allows students to enroll in institutions in the region at reduced costs. The programs also assist the West's colleges and universities in filling enrollment gaps and in managing their resources. In 2006-07 over 21,500 students and their families saved more than \$131 million in reduced tuition by participating in just one of our programs, the Western Undergraduate Exchange (WUE).

More students saved via our two postgraduate programs, the Professional Student Exchange Program (PSEP) and the Western Regional Graduate Program (WRGP). Working with our member states, WICHE's Programs and Services unit, which oversees SEP, will seek to broaden student participation in each program in fiscal 2008 (for more on SEP, see the access section).

The **Master Property Program** (MPP) is another cost-saving initiative offered by WICHE to Western institutions (in collaboration with the Midwestern Higher Education Compact). MPP provides comprehensive property coverage related to higher education needs and enhances institutions' risk management and asset protection strategies. Tailoring its engineering and loss control services to member institutions' requirements, as well as to the group as a whole, MPP has generated more than \$30.5 million in savings for participating institutions. It also affords its members the opportunity to earn dividends based on annual loss ratios.

MPP members currently include 76 campuses (38 primary policies) with total insured values of nearly \$52 billion. The Nevada System of Higher Education was the first system in the WICHE region to participate in the Master Property Program and saved \$1.3 million a year in its first two years in the MPP on its \$2.8 billion in insured assets. For smaller institutions (those with enrollments averaging around 7,500 students), the **Property and Casualty Program** (P&CP), introduced in 2004, offers a package program and lower deductibles. During 2008 WICHE will work to inform more institutions in our region about both MPP and P&CP. We are currently working with institutions in Arizona, Colorado, Oregon, and Wyoming to determine if participation in either of these programs can help them to reduce their insurance costs and improve their assess protection strategies.

Two other WICHE programs – WCET and the Mental Health Program – also work on projects that touch on higher education finance issues (for more information, see boxes on pp. 12-18, 12-19, and 12-21).

Access & Success

Since it was founded in the 1950s, WICHE has striven to expand access to higher education. Our three Student Exchange Programs, administered by the Programs and Services unit, support this mission by helping students reduce their tuition costs and enabling institutions to attract students from throughout the West.

- ◆ More than 21,500 students are enrolled in public two- and four-year institutions in the West this year through WICHE's **Western Undergraduate Exchange**. WUE allows out-of-state students to pay 150 percent of the resident tuition rate, enabling

Programs and Services

WICHE's three Student Exchange Programs – the Professional Student Exchange Program, Western Regional Graduate Program, and Western Undergraduate Exchange – currently enroll some 21,500 students in WUE alone and saved students and their families \$131.4 million last year. Other Programs and Services initiatives include:

- ◆ State Scholars Initiative (programs in 22 states)
- ◆ Northwest Academic Forum
- ◆ WICHE ICE (Internet Course Exchange) and NEON
- ◆ Western Rural Health Care Advisory Council
- ◆ Western Consortium for Rural Social Work
- ◆ Master Property Program (insurance and risk management consortium)
- ◆ Communications activities: NewsCap, factsheets, website, annual reports, state briefings, commission agenda books, WICHE Annual Workplan
- ◆ Workforce Briefs (by state and profession)
- ◆ Bridges to the Professoriate
- ◆ ATAlliance

them to save over \$131 million in tuition costs in 2006-07. In all, 134 campuses have opened their doors to WUE students; colleges and universities can tailor the program (including admission requirements and available programs of study) to their individual campus needs. Last year, WUE welcomed two additional California State University institutions to the exchange – CSU Dominguez-Hills and CSU Bakersfield. In addition, two Colorado institutions have returned to the WUE network: University of Northern Colorado and Colorado State University, Fort Collins. Students from all 15 WICHE states are now eligible to participate in the WUE program. WICHE will continue to encourage more institutions to join WUE, and we will expand our marketing efforts so that more students and their families are aware of this valuable program.

- ◆ The **Professional Student Exchange Program** (PSEP) helps students in 12 WICHE states to participate in 14 professional education programs in other Western states. In 2006-07, 744 students took advantage of this program. Programs are available in medicine, dentistry, veterinary medicine, physical therapy, occupational therapy, optometry, podiatry, osteopathic medicine, physician assistant, graduate nursing, graduate library studies, pharmacy, public health, and architecture. Each state determines the fields and the number of students it will support. Currently, we are working with each of our member states to determine if other fields with significant workforce shortages should be added to our regional exchange, work that will extend into fiscal 2008.

- ◆ The **Western Regional Graduate Program** (WRGP) enables students to enroll in more than 175 distinctive graduate programs and pay resident tuition. Over three dozen institutions in 14 WICHE states (all but California) participate. In fall 2007 WICHE will issue a call for nominations for additional programs to be admitted to the network in 2008 and 2009.

The **State Scholars Initiative** (SSI), a program that utilizes business leaders to motivate students to complete a rigorous course of study in high school, is an additional tool for increasing access. In October 2005 WICHE was selected through a national competition to direct SSI, which is funded by the Office of Vocational and Adult Education of the U.S. Department of Education. In fiscal 2008 WICHE will work with up to 22 state-level business/education partnerships to support the next generation of student Scholars.

WICHE's SSI grant was originally funded at \$5.5 million; we have successfully completed year one and have received a continuation award of \$600,000 for year two. In addition, WICHE has been notified that an additional \$600,000 of these funds may be used for a third year of program administration, extending WICHE's administration of SSI through September 20, 2008. Finally, WICHE, in competition with another federally funded program, was selected by the assistant secretary of the Office of Vocational and Adult Education, Troy Justesen, to receive an additional \$517,000 for program administration, technical assistance, and evaluation. The total amount of funding for State Scholars is now \$6.6 million: \$2.1 million will fund WICHE's administrative costs, and \$4.5 million will support the 22 ongoing state efforts.

The 22 states that are currently participating in SSI (either receiving funds and operating SSI projects or having completed their projects but remaining in the network) are: Arizona, Arkansas, Connecticut, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, New Jersey, New Hampshire, Oklahoma, Rhode Island, South Dakota, Tennessee, Utah, Virginia, West Virginia, and Wyoming. Two additional states were previously funded and created and completed SSI projects: New Mexico and Washington.

In fiscal 2008 WICHE will produce a short DVD featuring a diverse group of professionals who will speak to the importance of taking rigorous courses to successfully prepare for college and work. The DVD is targeted to middle and high school students. WICHE will also host a national webcast featuring SSI state successes and challenges. Participants will include policymakers and educators. Finally, WICHE will host a national SSI

policy summit, where participants will explore issues related to pairing a rigorous high school curriculum with demonstrated competency; determining effective course alignment and assessment; and identifying whether policy options, such as statewide default curricula, support student access and success.

Another way Programs and Services is working to increase access to higher education is through the **WICHE Internet Course Exchange** (ICE), which fosters partnerships among institutions to expand the availability of certain online courses, graduate certificates, and degree programs (for more information, see the section on innovation and information technology).

WICHE's Policy Analysis and Research unit oversees several projects related to access. One major endeavor is its work with the **Pathways to College Network**, an alliance of private and corporate foundations, nonprofits, educational institutions, and the U.S. Department of Education. The Pathways Network – including researchers, policy analysts, educators, K-12 administrators, government, business, foundations, and community organizations – works to identify the best ways of putting disadvantaged students on the path to college. In 2008 WICHE will do its annual update of its online searchable policy inventory, SPIDO (State Policy Inventory Database Online) in support of this effort and assist with the network's national report, *A Shared Agenda*. We'll also help oversee the project and direct its policy component through representation on the Pathways to College Policy Committee.

Another project that supports our work on access is **Escalating Engagement: State Policy to Protect Access to Higher Education**, funded by the Ford Foundation. Policymakers face tough decisions as they begin to see revenues returning. Higher education not only competes for these limited dollars with other state agencies and federal commitments, but individual systems, sectors, and institutions within states will vie for dollars to replace those lost in the early years of the decade. If current practices persist, few states will make the case that new funds should be channeled toward access for *underrepresented students*. Escalating Engagement works to raise the visibility of "first dollar for access" with policymakers and policy shapers, as well as examining the "new traditional student."

Projections of High School Graduates, in its 6th edition, includes projections by family income level, in addition to race and ethnicity. Efforts are underway to update these projections for the 7th edition and to expand analyses to include disaggregation by gender within race/ethnicity, as well as projections for select major metropolitan statistical areas nationwide. This publication is used widely throughout the nation by researchers,

analysts, institutions, businesses, libraries, policymakers and the media. It is a vital resource in helping states plan effectively for meeting higher education needs in the future.

Back in the Fold, a project that will be proposed to Lumina Foundation this year, would provide funding for states to identify students who were close to obtaining a college degree but who never finished their college education. States would use college access marketing practices to help bring those students “back in the fold” of higher education so they can complete their degrees. The project would also help states decide on degree-completion policies (including fast-track, unique curricula, and the delivery of courses or traditional college-level work via whole- or mixed-media technology).

For another project, the Policy unit will conduct an environmental scan of the WICHE states to assess the degree to which **college access marketing** can improve college going-rates, especially for low-income students who have perceived college as too expensive. These special marketing techniques, which have garnered great success in Southern states, as well as in those with generous state and federal funding sources, have been particularly effective in improving student readiness for college and access to financial aid sources. The initial scan will be used for the purpose of seeking funding to give states that wish to utilize these techniques the opportunity and the expertise to do so.

Lastly, improving access to behavioral health training – and improving service in rural and frontier communities – is central to the philosophy of the Mental Health Program (for more on this, see the section on workforce and society and the box on pp. 12-21).

Innovation & Information Technology

WCET explores and advances innovative and effective uses of technology in higher education, focusing on educational quality, including accountability, best practices, and professional development; increased access to higher education opportunities for underserved populations; academic services and administrative processes that support student success; financial models for technology-delivered or supported education; rapid student- and faculty-driven adoption of emerging and innovative technology services and tools; practical applications of technology to teaching and learning; and other areas. (For more information on WCET, see the box on pp. 12-19 and 12-20.)

In fiscal year 2008, work will continue on several education-technology initiatives created by WICHE and the 10-state **Northwest Academic Forum** (NWAF).

NWAF is a regional consortium that fosters interstate and interinstitutional cooperation and advocates technology-based solutions to higher education access issues (WICHE provides staff support to NWAF). Thirty-one master’s and doctoral-level institutions and 10 states participate in the forum, represented by their provosts, vice presidents of academic affairs, and state academic officers. Since 1984 the forum has addressed regional higher education issues and fostered new initiatives aimed at resource sharing, helping to create WCET, the Northwest Academic Computing Consortium, and NorthWestNet. The forum’s 2007 annual meeting, at Portland State University on April 26-28, focused on the alignment of P-16 education and strategies to ensure student success, including topics such as early assessment in high school and strategies for successful student transitions and retention in higher education.

During fiscal 2007 the WICHE-NWAF initiative **NEON** (the Northwest Educational Outreach Network) strengthened ongoing programs in three disciplines: nursing (Ph.D.), global supply chain management, and library media (graduate certificates). WICHE provides ongoing support to the supply chain management graduate certificate, which is jointly offered by the University of Alaska Anchorage and Boise State University. In the area of nursing, NEON has collaborated with the Western Institute of Nursing (WIN), creating www.NursingPhd.org to provide information on available nursing doctoral programs in the WICHE West, with an emphasis on those programs that are delivered electronically. During fiscal 2008 WCET and other WICHE staff will continue to work with another collaborative effort, the **NEXus** (Nursing Education Xchange) project. NEXus is a partnership among five colleges and schools of nursing to allow students to share seats in four nursing Ph.D. cognates, using the database of the new regional **WICHE Internet Course Exchange** (WICHE ICE); the NEXus consortium is based at WIN.

WICHE ICE grew out of the NEON project, for which NWAF provided support and oversight. WICHE ICE seeks to provide broader access to courses and programs by facilitating the sharing of electronically delivered courses throughout the WICHE region and beyond. Currently, 12 higher education institutions and university systems in the West are members. These institutions are developing (or assessing the feasibility of developing) course and program exchanges in a variety of disciplines, including general education, social work, allied health fields, teacher preparation courses in secondary math and science, and master’s level programs in public health and education. Member institutions are represented on the WICHE ICE Steering Board, which oversees the policies that guide this regional consortium.

Policy Analysis and Research

The Policy Analysis and Research unit offers analysis, support, and data to constituents on issues including access, finance and financial aid, accountability, workforce development, and information technology. Current projects include:

- ◆ Pathways to College Network
- ◆ Escalating Engagement: State Policy to Protect Access to Higher Education
- ◆ Tuition and Fees in Public Education in the West
- ◆ The WICHE Factbook: Policy Indicators for Higher Education
- ◆ Benchmarks: WICHE region
- ◆ SPIDO (State Policy Inventory Database Online)
- ◆ State-specific projects and activities
- ◆ Workforce certification feasibility
- ◆ Back in the Fold – degree completion activities for returning adults
- ◆ College access marketing environmental scans
- ◆ Examination of college-level learning measurements and costs
- ◆ Policy Insights – short reports on major policy issues
- ◆ Exchanges – bulletin on unit activities and initiatives
- ◆ Legislative Advisory Committee

WICHE ICE enables institutions to share development costs for Internet courses, increases the menu of online course and program offerings available to students, and helps states address workforce shortages in several targeted fields. Students will enroll for WICHE ICE courses at their own institutions, eliminating financial aid and transfer hassles and enabling students to get the courses they need to complete their degrees. Faculty members will benefit from cross-institutional interactions as they become acquainted with faculty at other ICE member institutions. ICE will help colleges and universities in two primary ways: they can avoid the cost of developing new courses that are available elsewhere, and they can attract more students to their online courses. In fiscal 2008 WICHE staff will continue to support WICHE ICE, with the goals of building new cooperative programs through expanded institutional membership in ICE, filling gaps and expanding existing programs, and meeting immediate campus needs for new academic offerings.

WCET also works with institutions and state agencies as they integrate technologies into their academic and student support activities. One example: WCET and WICHE's Policy unit have collaborated on **EduTools for Online Advanced Placement Courses**, a web-based resource containing reviews of online AP courses.

The website, overseen by the Western Consortium for Accelerated Learning Opportunities (a cooperative effort administered by WICHE and the Colorado Department of Education) and the Monterey Institute of Technology in Education, provides independent reviews of online Advanced Placement courses to help educators and administrators make more informed decisions on which courses will best serve students. (For a full review of WCET's work, see box on pp. 12-19 and 12-20.)

The WICHE Mental Health Program provides consultation and facilitated workshops on models of distance learning in behavioral health through distance technology. In addition, it offers monthly webcasts that allow rural professionals to obtain training on current issues in mental health practice via distance learning technology. (For a full review of Mental Health's work, see box on p. 12-21.)

Lastly, the **American TeleEdCommunications Alliance** (ATAlliance) – a national initiative of WICHE and two other regional higher education organizations (the Midwestern Higher Education Compact and the Southern Regional Education Board) along with MiCTA, a national nonprofit technology association – will continue its work, providing our institutions with improved purchasing options for technology, telecommunications, and other products.

Workforce & Society

WICHE's annual **Workforce Briefs**, produced by the Programs and Services unit, detail workforce projections in each of our 15 member states, emphasizing the health professions and other fields covered in PSEP.

Escalating Engagement, a Policy project sponsored by the Ford Foundation, allows us to focus more intensely on the connections between postsecondary education and state workforce and economic development. Over a three-year period, WICHE is collaborating with the National Center for Higher Education Management Systems (NCHEMS), the Council on Adult and Experiential Learning (CAEL), and other groups and states to examine the nexus between higher education and the states' needs for the right kind of individuals to support workforce and economic development. WICHE and its partners are promoting informed, balanced discussions that lead to public policy decisions supportive of strong education and workforce development initiatives within the states in the West, as well as to initiatives that address unique regional challenges faced by groups of states. Having already completed work with Hawaii and South Dakota in the first year of the project, we will extend our efforts to Alaska and three other states through a grant competition in 2008. The project provides technical assistance and other support in analyzing state needs and priorities around economic development, the impact on workforce

development, and the connections to higher education. (A regional policy forum, to be held just before the start of fiscal '08 in Denver, will bring together key policymakers from several WICHE states to hear from national experts, as well as each other, on the topic.) This project has also provided WICHE fellowships for early to mid-career higher education faculty, policy staff, and others through an annual competition. In fiscal 2008, seven new fellows will work on research informing two issues: "first dollar for

access" and "preparing our own talent." WICHE is also establishing rural behavioral health training initiatives, including regional exchange programs and collaborative training ventures between states and institutions. WICHE's Student Exchange and Mental Health programs (which conducted a survey of higher education institutions in the West to learn more about existing programs that prepare rural mental health professionals, as well as to identify programs that may be interested in

WCET 2007-2008: New Strategic Directions

WCET History and Purposes

WCET is a nonprofit organization founded by WICHE in 1989 to explore and advance innovative and effective uses of technology in higher education. We seek to leverage technology to enhance the effectiveness of instruction and student learning, improve access to higher education by underserved populations, and, where possible, lower the costs of high-quality higher education.

WCET is a national and, increasingly, international organization, and membership is open to providers and users of educational technology, including higher education institutions; corporations; state or government agencies; nongovernmental and not-for-profit organizations; and others approved by the WCET Executive Council.

WCET addresses pressing technology-related issues in higher education, helping member institutions and organizations achieve their individual and collective goals in areas such as:

- ◆ Educational quality – including accountability, best practices, and professional development.
- ◆ Increased access to higher education opportunities for underserved populations.
- ◆ Academic services and administrative processes that support student success.
- ◆ Financial models for technology-delivered or supported education.
- ◆ Rapid student- and faculty-driven adoption of emerging and innovative technology services and tools, for use both on- and off-campus.
- ◆ Practical applications of technology to teaching and learning.
- ◆ Support for international education and exchange.
- ◆ Campus-based action and implementation.

2007 Strategic Planning

WCET recently engaged in a strategic-planning process, involving all of its key constituencies. The goals of this process were to insure that WCET remains a premier and highly valued pathfinder, resource, and catalyst in advancing practical applications of innovative technologies in higher education; and to realign many of WCET's strategic goals with those of its parent organization, WICHE.

Institutional members, WCET leadership groups, and other important stakeholders identified three strategic goals and various emerging opportunities in each of these areas. Working groups are in place to develop specific project plans and identify prospective resources for each project. A new project plan will be available by June 2007. The three goals and emerging opportunities identified through the strategic-planning process are as follows.

Strategic Goal #1: Innovation

WCET will be the leading expert and provider of information on innovative technologies – both proven and emerging – that offer significant advantages for achieving goals related to quality and access in higher education.

Emerging opportunities related to innovative technologies in higher education include:

- ◆ Building and advancing cyberinfrastructure, e-science, e-health, e-learning, and e-culture.
- ◆ Providing the high-quality, life-long education necessary to succeed in an innovation economy (in which valued goods are intellectual rather than physical entities).
- ◆ Addressing issues of institutional management (outcomes), content management (publishing), curriculum management (approach), and learning management (tools).
- ◆ Increasing student participation in discovery (creation and application of new knowledge).

expanding their outreach) are currently working with six schools of social work in Western universities – Boise State University, University of Alaska Anchorage, University of Nevada – Reno, University of North Dakota, University of Utah, and the University of Wyoming – to create the **Western Consortium for Rural Social Work Education** (WCRSWE), in order to increase the number of social workers with M.S.W. and Ph.D. degrees who are committed to working in rural communities or as faculty members preparing students to serve rural clients. There

is a shortage of doctorate-level social workers to serve as faculty to educate the workforce, particularly in rural states and states that do not have Ph.D. programs in this discipline. The participating institutions will recruit and retain doctoral candidates who will enroll in the online technology-enhanced doctorate offered by the University of Utah. Additionally, an online program exchange, supported by WICHE ICE, will enable participating institutions to share courses focused on social work practice in rural and frontier areas. These courses will

WCET 2007-2008: New Strategic Directions

- ◆ Enabling individualized education and student-directed learning (mass customization) and real fluency in information technology (not just literacy).
- ◆ Bridging the gap between secondary and postsecondary education with the help of e-learning and online learning.

Strategic Goal #2: Quality

WCET will be the leading expert on, and resource for, the uses of innovative technologies to achieve quality objectives – especially delivery and outcomes objectives – in higher education. To fulfill this role, we will be the best provider of information, tools, relationship facilitation, and activities related to quality in education.

Emerging opportunities related to quality in higher education include:

- ◆ Addressing issues of institutional management (outcomes), curriculum management (approach), and learning management (tools).
- ◆ Establishing quality measurements and methods of measuring.
- ◆ Identifying and sharing best practices.
- ◆ Providing better and more effective methods of teaching and learning (including mass customization).
- ◆ Ensuring relevance of educational outcomes (for both individuals and society).
- ◆ Increasing access to quality higher education for underserved populations.

Strategic Goal #3: Access

WCET will be the leading expert and resource on the uses of innovative technologies to achieve increased access objectives in higher education. To fulfill this role, we will be the best provider of information, tools, relationship facilitation, and activities related to access in education for those individuals, groups, and communities who currently encounter geographic, cultural, financial, or physical barriers to higher education.

Emerging opportunities related to access in higher education include:

- ◆ Removing geographic, economic, and social barriers to equal access.
- ◆ Developing content-rich repositories and providing increased access to them.
- ◆ Moving content management beyond traditional publishing and textbooks.
- ◆ Providing anytime, anywhere learning environments.
- ◆ Supporting the globalization of higher education and information technology.
- ◆ Enabling and encouraging student and life-long citizen participation in, and contributions to, our democratic society.
- ◆ Ensuring that higher education delivers advantages in an innovation economy.
- ◆ Facilitating collaboration across all disciplines and institutions.

WCET Financial Stability

This “strategic goal” is a necessary condition for those above. Achieving financial stability will be done through a variety of means – all of which are currently underway:

- ◆ Seeking, securing, and perpetuating sources of federal, state, and private funding.
- ◆ Developing new membership benefits and increasing the membership base.
- ◆ Inventing and implementing revenue-generating activities, services, or tools.
- ◆ Controlling internal (operating) and external (direct) costs.
- ◆ Partnering with other WICHE units in areas of common interest and mutual benefit.
- ◆ Partnering with other organizations in areas of common interest and mutual benefit.
- ◆ Closing the gap between good ideas and the financial means to pursue them without placing a burden on members.
- ◆ Reducing costs, where possible, to the organization, members, and end users.

eventually lead to a jointly offered, fully online graduate certificate in rural social work practice to enhance the professional training of current practitioners. The participating M.S.W. and Ph.D. programs will expand their enrollments by offering these online courses.

WICHE's Professional Student Exchange Program has helped Western states to recruit and retain thousands of well-educated practitioners since the program's inception in the early 1950s. A regional strategy that has enabled states to "grow their own" practitioners, PSEP has served WICHE states well over the years, but persistent labor force shortages continue to affect many rural and underserved areas. Attracting primary care, oral health, and behavioral health professionals to rural and underserved areas continues to be an enormous challenge. Lower salaries, high education debt load, professional isolation, and fewer opportunities for continuing education in rural areas are deterrents for many professionals. WICHE and its 15 member states want to develop a comprehensive regional strategy to help rural communities improve their access to health professionals, either through enhanced recruitment strategies or through new models of health care delivery.

WICHE proposes a regional partnership with federal and state agencies to incorporate pipeline strategies to attract students from rural and underserved areas and give them loan repayment options and other financial incentives to practice in those areas upon graduation. Part of the answer to the rural and underserved health workforce challenge will continue to be efforts to encourage graduating health care professionals to relocate to those areas. However, WICHE believes the most sustainable rural and underserved workforce strategy will be a **grow our own approach** that provides a range of educational options to students and practitioners already living and working in those communities, including more widespread availability of distance learning (online) education options. Expanding the use of telemedicine and rural rotations for practitioners are other strategies under consideration.

To explore future directions for this effort, WICHE will convene a **Western Health Professionals Advisory Council**, which will include institutional representatives, practicing health professionals, state policymakers, and leaders of health agencies. The council's mission will be to propose and help develop regional strategies regarding pipeline issues, curriculum development, new service delivery models, and strategies to attract professionals to underserved and rural communities. Initially, we will focus on: oral health care; primary care and nursing; behavioral health; pharmacy; public health; emergency medical services; and disaster preparedness.

A new project for the Policy Analysis and Research unit

includes feasibility studies for states that may be interested in **workforce certification programs**, like those currently operating in Louisiana, Kentucky, Virginia, and other states. These certification programs bring business/industry and higher education together to agree on a common assessment and language, which identify workforce readiness not only for students exiting colleges and universities but also for people who are already in the workforce. These programs also help identify people in the workforce that could benefit from continued higher education experiences.

In fiscal 2008 WICHE will continue to communicate with key stakeholders to broaden their understanding of what WICHE offers. Our **Legislative Advisory Committee** will convene its annual meeting in mid-August in conjunction with the annual meeting of the Council of State Governments – West to discuss the access, preparation, and fiscal challenges states are facing throughout the region, as well as other important higher education issues. We will continue to collaborate with other higher ed and policy organizations to expand the reach of our work and to share resources.

Accountability

For a new project, Policy Analysis and Research is in the process of examining several methodologies for measuring **college-level student learning**. Part of our analysis will include an examination of the costs of various instruments that can be used for such measures so higher education systems in the West can benefit from cooperative purchasing.

Several other continuing Policy activities focus on accountability. We have developed performance benchmarks for the region so that we can determine how well the West is serving the educational needs of its citizens. WICHE also helps Western states design new strategic plans to encourage greater accountability in relation to higher education investments. Our multiyear *Escalating Engagement* project, described previously, provides an opportunity for policymakers, institutional leaders, and others in the higher ed community to better understand the relationships between access and accountability issues. The National Center for Public Policy and Higher Education's *Measuring Up 2006*, a state-by-state report card for higher education, allows WICHE to assist policymakers with accountability issues. Through state technical assistance, roundtables, and small meetings with state leaders, WICHE has supported Western states' efforts on a broad range of accountability issues. WICHE has been assisting several states, including Alaska, Hawaii, North Dakota, Oregon, South Dakota, and Utah.

Our short report series, *Policy Insights*, covers numerous

higher education topics, including accountability, while *Policy Alerts* and *Stat Alerts* offer weekly e-mail notices of new policy- and data-related reports. In addition, we produce an annual *Tuition and Fees in Public Higher Education in the West* report, with detailed data on all

public institutions in the West, as well as the *Regional Fact Book for Higher Education in the West*, which provides a wealth of data on access, affordability, finance, faculty, technology, and workforce issues. ■

Mental Health Program

The WICHE Mental Health Program seeks to enhance the public systems of care for persons with mental illnesses, children with serious emotional disturbances, and their families. The program approaches this mission through partnerships with state mental health authorities, advocacy and consumer groups, federal agencies, and higher education institutions. Activities focus upon direct technical assistance to state and local agencies, policy analysis and research, support of state mental health agency data analysis, and liaison activities with higher education to enhance workforce development. Current projects include the following.

WICHE Center for Rural Mental Health Research. This federally funded research institute conducts studies that help inform health policy at multiple levels of decision making. Focused upon rural mental health, the center is one of seven rural health research centers in the United States funded by the Office of Rural Health Policy of the Health Resources and Services Administration (HRSA). Since most rural Americans obtain their mental health care through primary care providers, rather than specialty mental health providers, the initial focus of the research seeks to expand knowledge around supporting adoption of evidence-based practices in primary care and the potential impact of such adoption on health outcomes for the consumer. (A resource for this work, the recently published *Mental Health and Rural America: 1994-2005: An Overview and Annotated Bibliography*, a reference book prepared under contract with HRSA, was edited by Mental Health Program Director Dennis F. Mohatt and staffers Scott J. Adams and Mimi M. Bradley, along with Chad D. Morris.)

Western States Decision Support Group (WSDSG). Through a partnership in funding between the federal Center for Mental Health Services and 15 WICHE states, the Mental Health Program coordinates a regional effort to enhance and coordinate program evaluation and data-driven decision support in the public mental health systems of the WICHE West. WSDSG meets face to face three times yearly to focus on regional issues related to enhancing accountability through sound data management to support quality improvement, policy formation, and administration.

Workforce Development. The Mental Health Program is engaged in an array of activities to improve the preparation and continuing education of the public mental health workforce in the WICHE West.

◆ The Mental Health Program continues its work with Alaska,

Nevada, and North Dakota to improve collaboration in training between state mental health systems and higher education training programs.

- ◆ The program produces a monthly series of Rural Mental Health Grand Rounds Webcasts, funded by the federal Center for Mental Health Services (CMHS). These webcasts enable rural professionals to obtain training on current issues in mental health practice and continuing education credit. Over the first two years of the series, the WICHE Mental Health Program developed 18 sessions on key topics; year three consists of four broadcasts. At the end of this series, the Mental Health Program will submit a report that identifies promising rural practices – including mental health promotion, prevention of mental illness and substance abuse, and treatment practices across the lifespan.
- ◆ The program continues to work on improving the behavioral health workforce of the rural West in regards to deaf and hard-of-hearing populations.
- ◆ The Mental Health Program is routinely called upon by member states and others to offer state-specific technical assistance, facilitating activities focused upon system improvement, planning, and needs assessment.
- ◆ The program is working with Alaska to support an initiative related to building an integrated delivery system and an integrated data system.
- ◆ The program has an ongoing project in South Dakota related to supporting the development of systems of care for children and families; and is providing technical assistance conducting surveys of consumers.
- ◆ Mental Health Program staff members are currently the evaluators for two federally funded suicide grants – one in Wyoming and one in South Dakota.
- ◆ Staff is also involved in a project to train rural primary care providers in South Dakota on the identification of depression and other mental health disorders in rural primary care practice.
- ◆ Staff members frequently work with states across the region in areas of needs assessment and gap analysis. An epidemiologist has updated the model estimating the prevalence of serious disorders. New estimates are based on the National Comorbidity Survey Replication Study and include estimates of individuals with serious emotional disturbances, serious mental illness, and substance use disorders. Eight Western states have contracted with WICHE for state-specific synthetic estimates of serious disorders at the county level.

WICHE FY 2008 Workplan: Priority Themes & Activities

Existing Activities (GF=general fund)

Finance	Access & Success	Innovation & Info-technology	Workforce	Accountability
Annual Tuition and Fees report (GF)	Student Exchange Programs: Professional Student Exchange Program (PSEP), Western Regional Graduate Program (WRGP), Western Undergraduate Exchange (WUE)	Support of the NorthWest Academic Forum's regional initiatives (NWAF)	Escalating Engagement (Ford)	Regional benchmarks (GF)
Multyear policy projects on higher education and financial aid (Lumina Foundation)	State Scholars Initiative (OVAE)	Internet Course Exchange (ICE)	Developing Student Exchange Program responses to critical workforce shortages, especially in the West's rural and underserved areas	Electronic Regional Fact Book: Policy Indicators for Higher Education (GF)
Performance measurement improvement in the Western states public mental health programs	Pathways to College Network (GE Fund, James Irvine Foundation, FIPSE and others)	Developing best practices in online student services and audits of institutions' online student services via CENTSS, the Center for Transforming Student Services (WCET)	Mental health student exchange	Policy Insights on a range of higher education issues (GF)
Property insurance and risk consortium (self-funding)	Escalating Engagement (Ford)	EdTools provides comparisons of electronic learning software and online course evaluations (WCET)	Workforce Briefs (GF)	Facilitation of the Western States Decision Support Group for Public Mental Health (SAMHSA)
Legislative Advisory Committee	Multyear policy projects on higher education and financial aid (Lumina Foundation)	WCET annual conference (WCET)	Building partnerships for competency: public mental health workforce development	Electronic alerts and clearinghouse (GF)
Workshop for legislative staff (Lumina)	High school graduates projections by state, race/ethnicity, and income		Rural mental health training initiatives	SPIDO (GF)
Technical assistance workshop (Lumina)	Children's mental health improvement projects in Wyoming and South Dakota		State technical assistance with Alaska, Oregon, North Dakota, and Washington (Ford)	

**New Directions
(proposals have been approved by the commission)**

Finance	Access	Innovation & Info-technology	Workforce	Accountability
Residency policies	Methodological review of Projections of High School Graduates (Spencer) Student mobility Portable financial aid	Quality measures in e-learning (WCET) Good practice for the creation and use of open educational resources material (WCET) EduTools sustainability model (WCET) Implementation of WCET strategic planning/branding outcomes (WCET) Implementation of dynamic, integrated web and communication tools (WCET) Expand EduTools comparisons of policies (WCET) Acquiring a regional learning center for SHEPC	Expanding professional advisory councils (health professions) Regional social work consortium (seeking funding) Development of an R-34 research proposal focused on evidence-based practice in rural mental health with the University of New Mexico Health Sciences Center Regional rural health care advisory council and new initiatives	Collaboration with NCHEMS, SHEEO and WICHE on database maintenance and exchanges

**On the Horizon
(proposals not yet submitted to the commission or past proposals that are being recast)**

Finance	Access	Innovation & Info-technology	Workforce	Accountability
Productivity as a strategy to address cost and affordability concerns	New traditional students Assisting states and institutions in planning for new types of students (WCET) Projecting financial aid program funding to increase access for low-income students Adult degree completion College access marketing Expand access for minority-serving institutions to cyberinfrastructure networks and applications (Science, Technology, and Innovation – WCET) Expand availability and use of digital arts and humanities	Expansion of ICE Facilitating Internet II connectivity throughout the West Expand the availability and use of e-health and e-science applications (Science, Technology, and Innovation – WCET)	WICHE licensure and credentialing service Recruiting leaders for Western higher education Assisting states in identifying academic program development needs Health and allied health workforce development and policy Workforce credentialing systems	Follow-up initiatives responding to the National Center on Public Policy and Higher Education's report cards and the National Commission on Higher Education's Report Assistance to regional accrediting community in assessing online education (WCET) Analysis of technologies' impact on student assessment and learning outcomes (WCET)

**Meeting Evaluation
WICHE Commission Meeting
May 21-22, 2007
Whitefish, Montana**

Please give us your suggestions on the following areas:

Program (presentations and discussions, Committee of the Whole structure, and speakers):

Agenda Book (format, content):

Schedule (structure, schedule, pace of meeting):

Facilities (hotel, sleeping rooms, food):

Future topics for policy discussions:

Other comments you care to make:

Your name (optional):

Please return to:

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