Monday, May 20, 2002

8.00 - 8.45 am [Tab 1]  Executive Committee (Closed - members only)
Kiva A

Breakfast refreshments available at 7.30 am
Informal Review of Executive Director’s Performance

8.45 - 9.30 am [Tab 1]  Executive Committee (Open)
Kiva B-C

- Executive Committee Minutes, November 2001
- Executive Committee Minutes, January 2002
- Executive Committee Minutes, February 2002
- Executive Committee Minutes, March 2002
- Fiscal Year 2003 Salary and Benefits Recommendations
- Fiscal Year 2003 Budget and Review of FY 2002 Budget
- Dues for FY 2004 and 2005

Discussion Item: Minimum Reserve Level
Discussion Item: May 2002 Meeting Schedule Review

9.30 - 9.45 am [Tab 2]  Committee of the Whole, call to order
Kiva B-C

Introduction of New Commissioners and Guests

- Committee of the Whole Minutes, November 2001

Report from the Chair
Report from the Executive Director

9.45 - 10.00 am  Break
Monday, May 20, 2002

10.00 - 11.30 am [Tab 3]
Programs and Services Committee

Kiva B-C

Action Item
Programs and Services Committee Minutes, November 2001, and Student Exchange Program Subcommittee Minutes, January 8, 2002, February 19, 2002, and April 8, 2002

Action Item
Professional Student Exchange Program Support Fees for FY 2003-2004 and FY 2004-2005

Action Item
FY 2002-03 Workplan Chart

Discussion Item: WICHE’s Student Exchange Programs: A Glance Back and a Look Ahead

10.00 - 11.30 am [Tab 4]
Issue Analysis and Research Committee

Kiva A

Action Item
Issue Analysis and Research Committee Minutes, November 2001

Action Item
FY 2002-03 Workplan Chart

Discussion Item: Revenue Project

Information Item: Unit Updates

11.30 am - 12.45 pm [Tab 5]
Lunch with speaker, Gail Hutchings, senior advisor, Federal Substance Abuse and Mental Health Services Administration

Hacienda
(new hotel building via covered walkway)

“Promoting Access, Quality, and Accountability in Behavioral Healthcare: A Federal Perspective”

12.45 - 4.00 pm [Tab 6]
Policy Discussion: Healthcare workforce development – a focus on mental health

Kiva B-C

Moderator: Michael A. Hoge, associate professor of psychology, Yale University School of Medicine

Speakers: Neal Adams, medical director of the California Department of Mental Health; Allen Daniels, professor of clinical psychiatry at the University of Cincinnati; John A. Morris, professor of clinical neuropsychiatry and behavioral sciences at the University of South Carolina School of Medicine.
Tuesday, May 21, 2002

8.00 - 10.00 am [Tab 7] 
Kiva B-C

Policy Discussion: Healthcare workforce development – a focus on policy

Moderator: Bruce D. Hamlett, executive director of the New Mexico Commission on Higher Education

Speakers: R. Philip Eaton, interim vice president for health sciences at the University of New Mexico, Patricia Moritz, associate professor and interim dean at the University of Colorado Health Sciences Center, School of Nursing, and Annette E. Talbott, workforce policy coordinator, Oregon Governor’s Office

10.00 - 10.15 am

Break

10.15 - 11.45 am [Tab 8] 
Kiva B-C

Policy Discussion: State finance and political issues – what’s up in the WICHE states?

Speakers: David Longanecker, executive director, and Cheryl Blanco, director, Policy Analysis and Research

11.45 am - 2.00 pm [Tab 9] 
Kiva B-C

Committee of the Whole, business session/working lunch

Report of the Executive Committee

1. Recommended Action: Salary and Benefits for FY 2003
2. Recommended Action: General Fund Budget for FY 2003 and review of FY 2002
3. Recommended Action: WICHE Dues for FY 2004 and 2005

Report of the Programs and Services Committee

1. Recommended Action: Professional Student Exchange Program Support Fees

Report of the Issue Analysis and Research Committee

- FY 2002-03 Workplan
- 50th Anniversary Plans for WICHE

2.15 pm - Meet in hotel lobby

Travel to the Santa Fe Institute

2.30 - 3.30 pm [Tab 9]

Optional tour and presentation – The Santa Fe Institute

[Tab 10]

Reference
Executive Committee

Monday, 8.00 – 8.45 am (closed)
Kiva A

8.45 – 9.30 am (open)
Kiva B-C

Executive Committee Meeting (closed) Agenda
Executive Director’s Evaluation
(Confidential — for Commissioners only)

Executive Committee Meeting (open) Agenda

Executive Committee Minutes — November 2001
Executive Committee Minutes — January 2002
Executive Committee Minutes — February 2002
Executive Committee Minutes — March 2002

Salary and Benefits — FY 2003
General Fund Budget — FY 2003 and Review of FY 2002

Dues for 2004 and 2005

Discussion Item — Minimum Reserve Level
Monday, May 20, 2002

8.00 - 8.45 am
Kiva A

Executive Committee Meeting (Closed – members only)
Breakfast refreshments available at 7.30 am

Committee Members

Tad Perry (SD), chair
Chuck Ruch (ID), vice chair
Emily Stonington (MT), immediate past chair

Diane Barrans (AK)
Linda Blessing (AZ)
Warren Fox (CA)
Bill Kuepper (CO)
Clyde Kodani (HI)
Gary Stivers (ID)
Dick Crofts (MT)
Ray Rawson (NV)
Bruce Hamlett (NM)
David Nething (ND)
Diane Vines (OR)
Bob Burns (SD)
David Gladwell (UT)
Don Carlson (WA)
Jenne Lee Twiford (WY)

Agenda

Review and approval of executive director’s self-evaluation for FY 2002 and objectives for FY 2003 and beyond, and approval of a recommendation for executive director’s salary increase for FY 2003 (confidential copies provided only to WICHE commissioners)

Other*

*Please note: Article III of Bylaws states:

Section 7. Executive Sessions
Executive sessions of the commission may be held at the discretion of the chairman or at the request of any three commissioners present and voting. The executive director shall be present at all executive sessions. The chairman, with the approval of a majority of the commissioners present and voting, may invite other individuals to attend.

Section 8. Special Executive Sessions
Special executive sessions, limited to the members of the commission, shall be held only to consider the appointment, salary, or tenure of the executive director.
EXECUTIVE DIRECTOR’S PERFORMANCE OBJECTIVES
AND SELF-EVALUATION

This document provides three items: My current performance objectives as adopted by the commission, a self-assessment of my performance as your executive director during this past year, and a proposed set of performance objectives for this coming year based on what has happened this past year and what has been incorporated in the draft WICHE Workplan for 2002-2003. In black I have presented, first, the 2001-2002 performance objectives and, second, the 2002-2003 proposed performance objectives. Sandwiched between, I have provided in blue italics an evaluation of performance with respect to each of the objectives we established for me at last May’s meeting. Overall, I believe my performance for this past year is what Garrison Keiler would call “pretty good,” which is to suggest that we accomplished much but could have done better. And while I often get credit for what is accomplished, the progress that WICHE has made this past year has been due principally to the exceptional efforts and energy of a truly wonderful staff. When I am out and about I often receive accolades and credit for a “new and positive presence” of WICHE, both in the West and nationally. To the extent that we have moved forward, it is as a result of long hours and exceptionally competent work by a dedicated staff to whom both you and I owe much.

Administering the WICHE Organization:

• Objectives for “maintaining” the organization

• Internal management

1. Maintain a balanced budget for fiscal year 2001 and beyond. Also work with commission to establish targets for staff compensation, compared to comparable agencies within the West. [Accomplished. The overall operating budget for WICHE, excluding PSEP support fees, rose from $4.2 million in FY 2001 to $5.8 million in FY 2002, a 37 percent increase; $326,000 (21 percent) of this increase came from increases in general fund support, about half of which came from the increase in membership dues. The remaining $1.3 million has come from increases in externally funded contracts and grants.] For 2002-2003, retain the same objective.

2. Build a staff of exceptional ability and representative diversity. [Well on the way to being accomplished, yet this past year has presented two unique challenges for us. First, with Dewayne Matthew’s resignation to join ECS, I decided to use this as an opportunity to reduce the number of unit directors, consolidate some units, and free up some funds for more junior level staffing. In general, I believe this has been a wise decision, but there is no doubt that the work load increase that this has meant for both Cheryl Blanco and Jere Mock has made their jobs more demanding and difficult. The second challenge we have faced is that the increase in externally funded grant activities has increased the level of staffing within the agency, yet we have not in all cases been able to find staff that fit well our new staffing needs, which has also increased the workload for our senior level staff. Dennis Mohatt, who joined us last July as director of the Mental Health unit, has proven to be a great addition to our management team. While we have had substantial changes and...
additions to staff overall in the organization, we have maintained a diverse and exceptional crew, over all.] For 2002-2003, retain the same objective.

3. Improve the morale of WICHE staff to achieve the highest possible level of productivity. [Staff morale currently seems to be in pretty good shape. The move to new office space has, in general, proved to be positive for most staff. The aesthetic improvement has clearly had a positive effect, with staff being comfortable and proud to invite their colleagues to meetings at WICHE. An active staff council and staff advisory committee have helped maintain a friendly, cohesive, highly functioning team feeling for the WICHE family. Two issues, however, have begun to surface that will warrant particular attention during this coming year. First, the substantial increase in the cost of health insurance and the seemingly perennial revisiting of which health plan we will participate in is taking a toll. For many staff, the increase in costs of health insurance will exceed what they will receive in increased salary. And the necessity to revisit annually who our health insurance provider will be causes of both angst and dissension because passions run high about issues around personal health. Second, as a number of our soft-funded projects begin to terminate over the next year, staff working on those projects will in many cases be terminated. While all of our staff understand the nature of their employment, we have a tendency to become quite attached to each other, so terminations, understood or not, take a toll on staff morale. This circumstance will not be much different than what we experienced in 2000, when budget difficulties required a substantial downsizing of our staff.] For 2002-2003, retain the same objective.

- Commission maintenance

1. Present to the commission at the May meeting an annual workplan that reflects the mission and priorities of WICHE, as established by the commission. [On target to being accomplished. Coincident with presenting this self-evaluation and my projected performance objectives for 2002-2003, I am submitting to the commission for its consideration a proposed annual workplan that reflects the mission, priorities, and realistic possibilities for WICHE for the coming year. This proposed workplan is essentially an extension of the plan under which we have been operating for the past year, with incremental changes. We have retained this basic plan because our discussions with the commission, particularly with the Executive Committee and officers, have indicated that the current workplan appropriately reflects the issues, needs, and activities that WICHE should be addressing.] For 2002-2003, retain the same objective.

- State relations

1. Participate, either in official state visits or WICHE relevant events, in activities in at least one half of the WICHE states. All state visits should include at least one public speaking or public engagement session. [Accomplished, in some fashion. During this past year I have visited 10 WICHE states. I visited nine in a capacity that focused explicitly on state business, six of which included a public speaking or public engagement session. I visited four for purposes not related to state business, generally to participate in a national or regional meeting or to present to a national or regional group. I believe that I missed unique opportunities to serve two states (Hawaii, which has a new president I have not yet met, and Idaho, which I visited twice but for national meetings and not to assist the state.)] For 2002-2003, retain this objective, and focus on states engaged in WICHE’s 50th anniversary activities.

2. Establish a long-term strategy for the role of WICHE’s legislative advisors and secure funding
to maintain that activity. [In process. Through action of the commission, we have reestablished the Legislative Advisory Committee and have solicited nominations of membership from the commissioners in each state. Through our strengthened relationship with the Council of State Governments – West (CSG-West), we will dovetail the first meeting of this newly rejuvenated LAC with the July 2002 CSG-West annual meeting in Lake Tahoe. Funding for the LAC will come from a small contribution from the general fund and modest support from the Ford Foundation grant to support “legislative engagement.” We have also forged a stronger association with the National Conference of State Legislatures (NCSL); we are collaborating on separate grants from the Lumina Foundation, both focusing on funding higher education, and will be participating in NCSL’s July 2002 annual meeting, as well.] For 2002-2003, retain this objective.

- Objectives for “development and innovation” within the organization

- Internal management

1. Secure new office space for WICHE that provides as good or better working environs at a price that fits within our balanced budget parameters. For 2001-2002, develop a strategy for planning and financing a land/building acquisition to coincide with the termination of our new lease and to be as consistent as possible with the vision of the state-of-the-art working and learning community, which was reflected in this past years performance objective. [Partially accomplished. We secured a 39-month lease, within our projected cost parameters, in new, convenient, aesthetically pleasing, and well-designed space. This lease will allow us time to continue developing a plan to achieve our ultimate goal of securing land and building or buying a facility through which WICHE can accumulate equity over time. To prepare for this next step, our timetable is to determine the specific strategy – whether to buy, build, or lease – by the end of calendar year 2002; to secure funding and land acquisition, if that is the plan, by June 30, 2003; and build, retrofit, or prepare for a move to be accomplished by September 2004. In addition to the tasks of securing a facility and financing for this facility, this planning also needs to incorporate how we will finance the moving costs associated with such a transition and associated acquisition of office furniture and related items. The commission has established the officers as a subcommittee to assist and oversee the staffs efforts in future space planning.] For 2002-2003, retain portion of objective calling for development of a strategy for planning and financing a new facility upon termination of the current lease.

2. Seek resources to configure the new office space as a regional, state-of-the-art working and learning center. [Not accomplished. As indicated above, I am very disappointed that I have not been able to progress this concept of a “state-of-the-art working and learning center.” While I remain confident that over the next three years we will be able to secure excellent working space, I am less optimistic that we will be able to move forward with the idea of incorporating a viable learning center, as well. I will continue to pursue this dream, but it is proving to be more difficult to bring to reality than I had expected, and a number of efforts to secure grant funding for this project over the past year have been rebuffed.] For 2002-2003, retain this objective consistent with the preceding objective.

3. Organize WICHE staff to operate in a more team-oriented work environment, with greater collegiality and less unnecessary redundancy. [We’re making progress. The modest reorganization and clarification of unit responsibilities pursued through consolidation after Dewayne Matthews left have helped reduce some of the unnecessary redundancy between units and individuals. There remains much work to do, however, to establish a strong team-oriented approach. Despite substantial internal rhetoric and mythology to the contrary, such “working together” has not been the dominant ethic within the organization, and it will take
some time and concerted effort to make the desired change.] For 2002-2003, retain this objective.

- Commission development and innovation

1. Maintain the orientation process for new commissioners created last year. [Accomplished. New commissioners have indicated that this orientation has proven quite valuable in coming up to speed rapidly as commissioners. We have even attracted some current commissioners who felt they could benefit from the orientation. Providing this orientation in association with the semi-annual meetings has proven useful in two ways. First, it is time efficient for the participants. Second, it keeps the number of new commissioners involved relatively small, which adds to the success of the sessions.] For 2002-2003, drop this objective. It is now standard operating procedure and need not be included as an explicit objective.

2. For 2001-2002, restate “to develop” rather than “to seek resources” collaboration with the Association of Governing Boards regarding strategies for better informing and engaging the commission and governing board members throughout the West in better understanding emerging higher education issues. [Not accomplished. While our relationship with AGB remains strong, we have not been able to develop an effort focused on governing board members. One activity planned with AGB to focus on informing legislators about issues in the West fell victim to the “cancellations” that followed the tragic events of September 11. Efforts focusing on governing boards were not pursued for lack of funding.] For 2002-2003, retain this objective.

3. Work with the Executive Committee to maintain the restructuring of the commission’s committee structure, which was achieved in 2001-2002. [Accomplished. The new committee structure is functioning effectively. Adjustments have been made to the semi-annual meetings to assure that Executive Committee meetings do not overlap with meetings of the other committees.] For 2002-2003, drop this objective. It is now standard operating procedure, and need not be included as an explicit objective.

4. Work with the governors, as appointment opportunities develop, to increase the diversity of the commission’s membership. [Not accomplished. While the appointments to the commission this past year have been exceptional individuals, they have not enhanced the diversity of the commission. Today’s commission has 10 women, one fewer than a year ago. No additional commissioners of color have been added during the past year.] For 2002-2003, retain this objective.

- State relations development and innovation

1. Expand our legislative relations activity to include more direct involvement with legislative and executive staff. [Partially accomplished. As noted in my comments earlier on legislative engagement, we have been quite successful in expanding our direct efforts with legislators through CSG-West and NCSL. We have not, however, enhanced our relationships with executive staff. While we have worked closely with the Western and National Governors’ Associations, we have not found a venue for working with governors’ staff.] For 2002-2003, retain this objective.

2. Expand partnership relationships, where appropriate, with other organizations, such as NCHEMS, CSG-West, NCSL, WGA, SREB, NEBHE, MHEC, ECS, SHEEO, AGB, the College Board, the Center for the New West, the Center for the Rocky Mountain West, the Center for the American West, EduCause, etc. [Accomplished, but never really finished business. We have or have planned cosponsored events with CSG-West, NCSL, WGA, ECS, SHEEO, and
the College Board. We have collaborated with NCHEMS closely on a number of projects. We have begun a collaborative program with SREB, NEBHE, and MHEC, although one unfortunate development with our regional colleagues has been our inability to find resources to sustain WICHE’s continued participation in the Doctoral Scholars program. Staff and I believe that collaborating in this fashion results in a win-win environment. We are the lead agency but cosponsors with SHEEO and ACE on our Lumina Foundation Grant to examine higher education financing issues. In addition, I serve on ACE’s policy advisory committee and international education commission, the executive board of the National Postsecondary Education Council, SHEEO’s teacher mobility task force, NCPPHE’s advisory board, CONAHEC’s executive committee, and NCHEMS’s advisory board on national databases and information systems; I also participate in the Pathways to College collaborative. During this past year I was asked to make presentations at SHEEO’s and ECS’s annual meetings.] For 2002-2003, retain this objective with special attention to enhancing relationships with state legislative and executive branch office holders and staff.

Providing Program Services to the Western States:

• Objectives for “maintaining” the organization

• Student Exchange Programs

• Accomplish those aspects of the commission-adopted workplan that fit within this objective, including particular focus on:

1. Stemming the decline in PSEP participation by focusing program more on states’ individual needs and interests. [In process. Participation in PSEP continues to wane, despite Alaska’s return to program participation, but a special project, staffed by Jere Mock and lead by Commissioner Ruch, has been addressing ways in which the PSEP program can be sustained as a vital and viable program for the future.] For 2002-2003, retain this objective.

2. Managing growth of WUE within existing staff and financial resources, and examining ways in which WICHE can be more proactive in facilitating exchange in areas of projected workforce needs and in areas of imbalance with respect to issues of supply and demand of educational opportunities. [In process. Despite continued growth in WUE and an increase in the number of programs managed through the WRGP, we have continued to provide strong customer service with a modest commitment of staff. Through the special project described in (1) above we are examining ways in which the WUE and WRGP programs can be enhanced to even better serve the students and institutions that participate. This will become an increasingly important issue as enrollment strains test the efficacy of the current models for these programs.] For 2002-2003, retain this objective.

• Objectives for “development and innovation” of programs to serve the states

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective. [Partially accomplished, but some areas where progress has not been sufficient. The most serious area of concern is with the Doctoral Scholars Program, which is part of the national Compact for Faculty Diversity. It appears at this time that future funding for this program is unlikely and that we will be winding down WICHE’s involvement in this project.] For 2002-2003, retain this objective.
2. Begin a formal evaluation of the Student Exchange Programs. While I believe that I should continue to seek funding for this initiative and have embedded such an evaluation in the student mobility study that is proposed for the workplan, I believe it is our responsibility to evaluate our programs periodically, and we should pursue this effort within existing WICHE operating budget resources if I am unable to secure outside funding. [Not accomplished. Because we have not been able to secure funding to pursue the student mobility study, we have not yet begun the formal evaluation of the SEP programs.] For 2002-2003, retain this objective.

3. Implement in stellar fashion the new initiatives for which we secure funding, and possibly develop an additional multistate collaborative program. [In process. We have implemented the Advanced Placement project and have even received an increase in funding but have had difficulty getting a number of the nine partner states to develop and deliver all the promised services. Thus, this project is not currently expending all of its funding, which could jeopardize further funding and support for the program in future years. We have finally secured initial funding for the interregional telecommunications alliance and have begun implementing this program. We were able to secure a FIPSE planning grant, in collaboration with CONAHEC, to develop the concept for an international student exchange bank, which is in development. We aggressively pursued but have yet to receive financial support for a virtual (online) collaborative effort known as the Northwest Educational Outreach Network (NEON), which WICHE would manage for the Northwest Academic Forum (NWAF); our efforts continue on this front.] For 2002-2003, retain this objective.

Providing Policy, Research, and Technical Assistance to the Western States:

- Objectives for “maintaining” policy, research, and technical assistance services

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective. [On target to accomplish this objective.] For 2002-2003, retain this objective.

2. Continue WICHE’s exceptional work as the regional source for higher education information and policy analysis. [On target to accomplish this objective.] For 2002-2003, retain this objective.

3. Continue the Western Policy Exchange as an initiative to strengthen our policy agenda. [Accomplished. We conducted a regional forum on accountability in November 2001. Unfortunately the aftermath of the September 11 tragedy substantially reduced participation in this forum, but it was well received by those who did participate.] For 2002-2003, retain this objective.

4. Maintain the strength and vitality of the Western Cooperative for Educational Telecommunications (WCET), the Mental Health Program, and CONAHEC, and do so without general fund support. [On target to accomplish this objective. WCET remains an extremely vital and vibrant part of WICHE, due to Sally Johnstone’s leadership. With changes in the by-laws CONAHEC has become entirely independent of WICHE, though we continue to provide contract services to the organization. Indeed, the amount of service we provide has increased substantially; it’s just that we do so now as a vendor rather than as a partner. While the future viability of the Mental Health Program remains tenuous, the selection of Dennis Mohatt as the new director to replace Courtenay Harding bodes well for the unit. Dennis has brought new energy, dynamism, and creative concepts to this position, and has been extremely well received by the public mental health community in the West.] For 2002-2003, retain this objective.
• Objectives for “development and innovation” of policy, research, and technical assistance services

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective, including securing external financial support for at least two major policy, research, or technical assistance projects consistent with WICHE’s mission and priorities. [On target to accomplish this objective. We have received funding for our participation in the Pathways to College program and for our project on financing higher education. We have also received funding to sustain our legislative engagement activities around the general themes of accountability and workforce development. We have not, however, been able to secure funds yet for the mobility project, for the replication of our work on high-school graduates, for the specific project on IT workforce needs, or for our project on sustaining future state revenues to support essential public services.] For 2002-2003, retain this objective.

2. Develop technical assistance capacity to support specific state and interstate needs for expertise on policy issues. [In process. Staff and I have provided technical assistance in the policy arena to a number of our members during the past year, including Arizona, California, Colorado, Nevada, New Mexico, and Oregon. Some of these efforts have been provided within the rubric of either general fund support or one our existing foundation grants (i.e., Ford foundation grant on legislative engagement), though a number have been supported in part or in full by the participating states.] For 2002-2003, retain this objective.

Last year during the Executive Committee’s discussion of my performance, there was discussion that a self-evaluation such as I have provided above reflects quite well my activities but does not capture well the “leadership qualities” that are essential to being an effective executive director. I agree. Yet, it is difficult to capture in writing one’s own contribution to leadership. Not only that – it’s tough to be intellectually honest in doing so. Should one be humble, bold, honest to a fault, whatever? So I will leave it to you who have watched me over the past year to help me discern where my leadership has been an asset to the organization and where it might have been a detriment. I look forward to that discussion.

David Longanecker
Monday, May 20, 2002

8.45 - 9.30 am
Kiva B-C

Executive Committee (Open)

Committee Members

Tad Perry (SD), chair
Chuck Ruch (ID), vice chair
Emily Stonington (MT), immediate past chair

Diane Barrans (AK)
Linda Blessing (AZ)
Warren Fox (CA)
Bill Kuepper (CO)
Clyde Kodani (HI)
Gary Stivers (ID)
Dick Crofts (MT)
Ray Rawson (NV)
Bruce Hamlett (NM)
David Nething (ND)
Diane Vines (OR)
Bob Burns (SD)
David Gladwell (UT)
Don Carlson (WA)
Jenne Lee Twiford (WY)

Agenda

Executive Committee Minutes of November 12, 2001
Executive Committee Minutes of January 9, 2002
Executive Committee Minutes of February 19, 2002
Executive Committee Minutes of March 28, 2002
Fiscal Year 2003 Salary and Benefits Recommendations
Fiscal Year 2003 Budget and Review of FY 2002 Budget
Dues for FY 2004 and 2005
Discussion Item: Minimum Reserve Level
Discussion Item: May 2002 Meeting Schedule Review

Other
Chair Stonington called the meeting of the Executive Committee to order and announced there would be an addition to the agenda, “WICHE Partnerships.” She reminded commissioners that elections for new Executive Committee members would take place during the second Committee of the Whole session, and states should be caucusing about who would serve in that role during 2002.

**Action Item**

**Approval of the Executive Committee Minutes**

**Action Item**

**Audit Report for FY 2001**

David Longanecker said the Audit Report for FY 2001 was distributed to all commissioners in advance of this meeting. He said the auditors’ report contained no material findings, and he called on Marv Myers to review the document.

Myers reported the action item for the audit report for 2001 was attached to the document mailed prior to this meeting and is not contained in the agenda book. He said the audit is presented in two parts: 1) the financial audit; and 2) the A133 audit that is required when federal dollars received for contracts and grants exceed $300,000. In previous years, WICHE has been below this amount, and the additional audit was not required. He said due to WICHE’s success in obtaining federal support, WICHE will be above that threshold for the next several years. He said since this is WICHE’s first A133 audit in many years, the auditors referenced four different problems. He said all four problem items have been or are in the process of being resolved. Rather than going into additional detail, he asked if commissioners had any questions. Hearing no questions, Chair Stonington asked for a motion to approve.

COMMISSIONERS BURNS/VINES (M/S) APPROVAL OF THE FY 2001 AUDIT REPORT. The motion passed unanimously.

**Action Item**

**Process for Building or Purchasing the WICHE Working and Learning Center**

David Longanecker reminded the committee that prior to moving into the newly leased office space, consideration had been given to purchasing property and building office space for WICHE on land owned by the University of Colorado. This venture would have many benefits, including the opportunity of sharing office space with other higher education organizations. This notion included the addition of a small, state-of-the-art learning center that would enable both real and virtual conferencing. Time constraints prevented the further pursuit of this idea, and WICHE’s offices moved to a new, leased (39 months) facility. The new office space was leased with the understanding that WICHE would continue to explore the purchase of property to build a facility or purchase an existing facility that would include a “learning center.”

Longanecker said he has continued to discuss the financing end of this venture with Lee White, a former WICHE commissioner from Colorado and who works with George K. Baum and Company, a financial advising company. White and his colleagues have helped WICHE consider how such a venture might be funded, and he has joined the meeting today to share finance ideas with the commission. Longanecker said that currently financing is the focus of his effort regarding future office facilities, and he has done little about other specifics that will be necessary at a later date.

Longanecker reminded the commissioners that previous discussions had been primarily with the University of Colorado and he hopes to continue those discussions. He said future discussions about office facilities would include a number of other agencies. He said he still anticipates that NCHEMS (the National Center for Higher Education Management Systems) will be a part of future office facility with WICHE.

Longanecker asked Lee White to describe funding options for future office facilities for WICHE. White said he would describe options that might be possible if WICHE were to pursue building or purchasing an office facility. He said it is not unusual for organizations such as WICHE to want to secure permanent facilities. He distributed information concerning the National Conference of State Legislatures (NCSL) recent facility purchase. He said NCSL is a multistate organization, structured much like WICHE. White said his firm helped NCSL secure property and build a 55,000 square foot facility in Denver. Much like
WICHE, their objective was to get out of a leasing situation and into an ownership position. He said they are now using funds, which had been spent on leasing a downtown high rise, to pay down the debt service on their own facility. He said 20-year bonds receiving an “A” category rating from Standard and Poors were yielding interest in the mid-5 percent range. He added that actual yields are a bit lower today. He said the debt is an obligation of NCSL and not their states’ governments. He described all of the items included in the debt (e.g., land purchase, contracting for building, etc.) and said in short it was a construction loan and a permanent loan all packaged into one loan. He said if WICHE is credit worthy and wants to proceed to acquire a building as opposed to continuing to pay rent, the NCSL model is one that could be used for WICHE. He emphasized that affordability depends on credit worthiness and bond rating. He briefly compared WICHE’s financial position to that of NCSL and said WICHE, while different from NCSL in some ways, would have a good chance to obtain favorable financing. He said there are sources available for capital projects such as this, and the key is to fashion the financing to allow a redirection of lease funds to make the venture affordable. In closing, he said rates are good today and WICHE would qualify for financing, but there are a number of questions to be answered (e.g., credit worthiness, project costs, location, other tenants, etc.), including whether this would be a good business decision for the organization.

Chair Stonington thanked Lee White, and said the question before the Executive Committee today is whether to authorize WICHE to pursue funding for this project. Longanecker said the agenda book contains background and a description of the action requested. He said the action requests that the officers be given the authority to serve as an “Office Space Planning Subcommittee,” a subcommittee of the Executive Committee. The subcommittee would be the principle group of commissioners working with staff and others to proceed to explore the financing of this concept.

Executive Committee questions included:

- **Estimate of total project cost?** Current costs are projected to be $9 million. This figure includes inflation factors over the next three years.

- **Estimate of up-front costs?** The many fees associated with such a project depend on a number of things, but typically the fees are about 2 percent of the total project, and underwriting fees are typically one-half of that. If the project is not rated, financing charges are higher; investment-grade financing is less. All of the fees are paid out of the proceeds of the bond issue, and George K. Baum and Company provides its services on a success-contingent basis; that is, if the plan fails, they don’t get paid.

- **Is the plan for WICHE to own the building and lease space to other organizations?** The current plan is to own the building in partnership with others, but with current partners under consideration, WICHE would occupy most of the building. If available, there is the potential that WICHE would lease some space to other nonprofit organizations.

- **What is the level of interest of the other partners?** NCHEMS is a solid partner, but the others’ interest is unknown or undeclared.

- **Do other partners or leases need to be in place before the bond can be set?** It would be a very good idea in order to achieve the lowest possible rate.

- **How would multiple-ownership affect credit worthiness, compared with single ownership?** The other organizations mentioned are not as credit worthy as WICHE. To keep the rate low, one possibility would be for WICHE to purchase the building and lease it to the others, thereby having WICHE responsible for the entire bond. Another possibility would be to establish the building as a condominium—still, the other organizations’ credit worthiness, as tenants, would be considered. WICHE would be limited to leasing to other 501(c)3, nonprofit tenants.
• Would representatives of other groups serve on this subcommittee? Today’s action is seeking a commission-only group. At a later date, as partnerships develop a committee involving all partners would be established.

• Is it possible that partners whose credit worthiness was rated lower than WICHE’s would impact the overall rate WICHE could receive? All partners will impact the overall bond rating. There could be a situation where WICHE may want to sever a potential partnership in order to receive a better overall rating. Related to obtaining a better rating, Longanecker said he is pursuing foundation assistance to securitize the loan. Having the backing or guarantee of a financially secure establishment could ratchet WICHE’s credit rating up to investment grade and save WICHE a considerable sum over the term of the loan. This would also benefit the foundation by making a considerable contribution to WICHE without reducing any direct grant-making funds. However, this is a new idea and most foundations are hesitant to be the first to step into uncharted territory.

• Did the recent cost analysis include increased personnel and other factors related to owning a facility? Yes, these factors are included in the cost analysis.

• What are the benefits of WICHE owning its own office facility? WICHE would build equity over time and it would benefit by not being as vulnerable to inflation and market-driven lease rates. There would be some control over an expense that amounts to almost 20 percent of WICHE’s overall expenditures. Recently, WICHE has been very vulnerable to increases in lease rates. It is not much different than owning your own home. Some people do not like the idea of purchasing a facility because you are locked in; WICHE would not be locked in because the facility could be sold if it became necessary to sell it.

• Are the bonds callable? For example, if WICHE outgrows the building and needs to move into a larger facility, what would happen? The standard in the municipal bond capitol markets is 20- to 30-year fixed-rate financing. The bond is normally given 10 years of call protection. You are able to shorten that period of call protection, but you’d have to pay the investors a slightly higher coupon as a reimbursement for a diminished call-protection period. The federal government and the IRS rules permit an advanced refunding of bonds only once before the end of the call date. For example, in year five, if you wanted to sell the building and buy another building, you can do that and set aside the money to pay off the bonds to the call date. Then, the investors would get that 10-year call date protection—normally, this is how it would work. WICHE should go into this transaction with the expectation that it would stay in the facility for a while. But there is the flexibility after you pay off the bonds at par (after 10 years).

• What are current interest rates? Today’s bond-rating, and corresponding interest rates are: A-ratings—low 5.0 to 5.25 percent range; BBB-ratings—6.0 percent; and noninvestment grade bonds—7.0 to 7.50 percent.

Commissioner Ching said she and her colleagues feel comfortable about pursuing the plan to explore WICHE’s future offices and support the establishment of the subcommittee. Chair Stonington said she wants the commission to be comfortable knowing the subcommittee, consisting of WICHE’s officers, will be reporting to the Executive Committee. Commissioner Frost said another benefit of building a facility is that WICHE would be able to design it and include the learning center that would not only serve WICHE but also serve other higher education organizations in the region.

COMMISSIONERS SHAFF/RECHLITZ (M/S) APPROVAL THAT THE COMMISSION DIRECTS THE OFFICERS TO SERVE AS A TEMPORARY “OFFICE SPACE PLANNING SUBCOMMITTEE” OF THE EXECUTIVE COMMITTEE. THE SUBCOMMITTEE WOULD HAVE THE RESPONSIBILITY TO CONFER WITH STAFF AND WICHE’S FINANCIAL ADVISORS ON ALL OPTIONS BEING CONSIDERED, AND WOULD REGULARLY REPORT TO THE EXECUTIVE COMMITTEE AND THE COMMISSION. THIS
SUBCOMMITTEE WOULD HAVE THE AUTHORITY TO APPROVE ACTIONS BY STAFF TO MOVE FORWARD ON ALL ASPECTS OF THE PROSPECTIVE PARTNERSHIP AND FINANCING, WITH THE EXCEPTION THAT FINAL APPROVAL OF THE PROJECT WOULD REQUIRE ACTION BY THE COMMITTEE OF THE WHOLE. The motion passed unanimously.

Information Item
Mental Health Program Update

David Longanecker introduced WICHE’s new director (as of July 1, 2001) of the Mental Health Program, Dennis Mohatt. Mohatt described his educational and professional background and said he is excited to join WICHE and provide leadership to the Mental Health Program. He said a written report about his experience and an update about the Mental Health Program were included in the agenda book.

Information Item
WICHE Partnerships

David Longanecker said over the last couple of years a number of WICHE’s activities and grant proposals have been in cooperation with other organizations. In turn, other organizations have sought partnership with WICHE in their projects. Some of those are:

1. Frank Newman, former president of the Education Commission of the States (ECS), is associated with the “Futures Project” at Brown University. The Futures Project is working on issues around the impact of market forces on higher education (both positive and negative). He has expressed an interest in working with WICHE to conduct research and focus groups on the attitudes of legislators and higher education leaders.
2. Bob Zemsky, the director of the University of Pennsylvania’s Institute for Research on Higher Education and Research and Analysis, is working on strengthening the management approach to leadership in higher education. This project would provide stronger services to higher education leaders and would facilitate the exchange of information and the development networks for presidents of institutions.
3. The Institution for Higher Education Policy and the Academy for Educational Development are initiating an effort to reach out and provide more technical assistance around the world. This effort would assist people from other countries in visiting the U.S. and provide learning about the U.S. system of higher education. They are interested in WICHE’s partnership because of its strong regional, institutional focus.

Longanecker said he believes there may be some possibilities in exploring these ideas, but some areas are not as central to WICHE’s mission as others. He said WICHE needs to be cautious about potential partnerships, and he just wanted to mention these partnership overtures.

Discussion Item
Commission Meeting Agenda

This item was not addressed during the Executive Committee meeting.

Discussion Item
Other Business and Current WICHE Issues

This item was not addressed during the Executive Committee meeting.
Chair Perry called the Executive Committee meeting to order.

**ACTION ITEM**

**Building Institutional Capacity and Leadership for Faculty Diversity**

Jere Mock described the project detailed in Attachment 1. She said it had been discussed with the Executive Committee in November. She said approval is now being sought to approach new funding sources for a planning grant to develop new directions for a faculty diversity initiative.

Mock said this grant would take a different approach than the previous focus of the Compact for Faculty Diversity. The new effort would work directly with faculty and deans on campuses in three to four states.

With the encouragement of the Atlantic Philanthropic Service (APS), WICHE submitted a proposal for a planning grant in the amount of $293,500. This action item seeks approval to approach other funding sources.

Mock said the National Compact for Faculty Diversity has convened a highly successful annual Institute for Teaching and Mentoring. She said the Southern Regional Education Board (SREB) is interested in continuing the annual institute. SREB is also interested in working with WICHE to develop a stronger component for faculty development issues related to minority students.

David Longanecker said this is a substantially revised thrust for WICHE’s activities in this area. He said the last three-year initiative was a $5 million grant. Most of this money went to fellowships for students. He said this is not a continuation of the fellowship component but an attempt to change the culture of
departments in their support of students so that students of color will be more successful in garnering the fellowships that come from other sources. Longanecker said the previous initiative showed that the most effective component was the institute. He said another successful component of the previous initiative was the direct work with the mentors and the departments to change the culture of graduate education.

Longanecker said if funding for this project is not received, WICHE would terminate this activity. APS has told WICHE it will initially provide a small planning grant.

Commissioner Fox said the outcomes of this initiative are long term and WICHE would need a multiyear commitment to achieve these goals. He asked if a planning grant could lead to a longer-term grant. Longanecker said APS had been very supportive and encouraging about the potential of a five- to 10-year grant beyond the planning grant. He said the APS leadership has recently changed, and it is not clear if it has the same level of commitment for this initiative as in months past. He said this is why WICHE wants to broaden its search for funding. Other foundations that might be interested in this initiative are the Ford Foundation and the Gates Foundation.

Commissioner Hamlett asked about the two other educational compacts involved in the Compact for Faculty Diversity. Longanecker said SREB is independently funded. He said many of the southern states are mandated under the Adams Decree to provide funding for race-based scholarships. SREB receives state-appropriated funds for this initiative. The New England Board for Higher Education (NEBHE) has already shut down its activities in this area. This new direction would allow WICHE to work with SREB and potentially NEBHE as well.

Commissioner Hamlett asked what would be lost with the elimination of the scholarship component of this initiative. Longanecker said Suzanne Benally believes the loss of this component will actually strengthen the program. She believes students who receive race-based fellowships often become marginalized.

COMMISSIONERS BLESSING/VINES (M/S) APPROVAL TO SEEK, RECEIVE, AND EXPEND FUNDS TO SUPPORT A PLANNING YEAR THAT WILL BUILD RELATIONSHIPS, PARTNERSHIPS, AND RESOURCES TO STRENGTHEN REGIONAL, INSTITUTIONAL, AND DEPARTMENTAL CAPACITY FOR ADDRESSING SUCCESSFUL MINORITY PARTICIPATION IN DOCTORATE EDUCATION AND PREPARING A DIVERSE FUTURE FACULTY. The motion passed unanimously.

**Action Item**

**Knocking at the College Door: Projections of High School Graduates**

**By State, Race/Ethnicity, and Income – 1988 to 2018**

Cheryl Blanco described the action item detailed in Attachment 2. She said WICHE has a long history of collecting and reporting data about high school graduates. Since 1979 this data has helped decision makers make informed policy decisions about higher education. She said the major difference in this effort is the inclusion of income data. The combination of income-level data with racial/ethnic data for elementary and secondary school students will help states make important decisions about admission policies, tuition setting, appropriations, and financial aid.

It is estimated that the project will require $500,000 over the remainder of FY 2002 and all of FY 2003. The data, which will include three decades of information, will project trends out to the year 2018 and is planned for released in summer 2003. Blanco said prior to the release of the report, she would provide each state with a profile that would highlight significant changes and provide higher education leaders with an opportunity to discuss the implications of and use for this data.
David Longanecker said WICHE is seeking significant external support for this project. In the past, WICHE has contributed a significant amount of staff time. The current proposal calls for just .5 FTE of contributed staff time. Cheryl indicated that in the past, the College Board had helped support this project and that ACT had also expressed interest in possibly providing support during this cycle. Commissioner Fox encouraged staff to seek funding from both ACT and the College Board. He said some states work mostly with the College Board while others work mostly with ACT and added that if one were to be approached, the other should be as well.

COMMISSIONERS KUEPPER/BURNS APPROVAL TO SEEK, RECEIVE, AND EXPEND FUNDS TO SUPPORT AN UPDATE OF WICHE’S HIGH SCHOOL GRADUATE PROJECTIONS WITH THE ADDITION OF INCOME DATA. The motion passed unanimously.

ACTION ITEM
**Following the Sun: Trends, Issues, and Policy Implications of Student Mobility**

Cheryl Blanco described the project detailed in Attachment 3. This project would build states’ capacity to measure and understand the impact of student mobility in higher education in the West. *Following the Sun: Trends, Issues, and Policy Implications of Student Mobility* would engage policymakers and higher education leaders in key policy issues regarding the ability of states to manage mobility and provide better-informed discussions of public policies on mobility issues as they relate to higher education. The purpose of this project would be to assist states in building their capacity to measure and understand the impact of student mobility and to effectively address related public policy issues. Blanco said the two-year project would require $420,000 from external sources.

Commissioner Blessing asked if the project would include data about mobility among states bordering Mexico and trends across these borders. Blessing said institutions in these states are accepting high school graduates as residents even though they are not U.S. citizens. Some states, such as Texas and California, have had complicating legislative intervention. Commissioner Fox agreed and said the SHEEOs should be closely involved in this project. Commissioner Crofts suggested that states bordering Canada would have similar interests in this type of data. It was agreed that an international component for bordering countries would be important for this project.

Commissioner Ching asked if the study should include other factors not listed in the description that might influence students’ choices about higher education. Blanco said there would be other areas included in the project and the description is not a comprehensive list of the issues.

COMMISSIONERS CHING/BURNS (M/S) APPROVAL TO SEEK, RECEIVE, AND EXPEND FUNDS TO SUPPORT A PROJECT TO BUILD STATES’ CAPACITY TO MEASURE AND UNDERSTAND THE IMPACT OF STUDENT MOBILITY IN HIGHER EDUCATION IN THE WEST. The motion passed unanimously.

DISCUSSION ITEM
**WICHE’s Legislative Advisory Committee**

Jere Mock described the staff’s desire to reactivate WICHE’s Legislative Advisory Committee (LAC). She said the committee would strengthen WICHE’s communications with key educational policymakers. She said the advisory committee would include WICHE commissioners who are legislators plus other invited legislators from each state. WICHE commissioners would recommend legislators to be invited to serve on the committee. The group would meet in conjunction with the summer 2002 meeting of the Council of State Governments-West and other WICHE and non-WICHE meetings. She said the goal for the LAC is to
strengthen policymaking in higher education. She said a combination of grants and general fund dollars would be used to support the projected $20,000 per year costs for this effort.

Several commissioners voiced support for the reactivation of the advisory committee. Mock said this item would be presented as an action item at the Executive Committee conference call meeting in February.

**DISCUSSION ITEM**  
**Student Exchange Program Subcommittee (oral report)**

In November, a subcommittee of the Student Exchange Program was established to review WICHE’s three exchange programs: The Professional Student Exchange Program (PSEP), the Western Regional Graduate Program (WRGP), and the Western Undergraduate Exchange Program (WUE). Vice Chair Ruch was appointed chair of the subcommittee and all commissioners were invited to participate.

Vice Chair Ruch reported the subcommittee had met by conference call on January 8. He called on Jere Mock to summarize that meeting. Mock said the subcommittee includes: Commissioners Ruch (ID), Kuepper (CO), Isaak (ND), Vines (OR), Crofts (MT), and Mantes (UT). The subcommittee decided it would review PSEP to determine if new fields should be added, determine if new rules and administration policies needed to be developed for all of the programs, and examine possible new models of collaboration and cooperation within the region. The subcommittee decided it would focus on the following areas: 1) the nursing shortage and whether WICHE should be involved in examining supply/demand issues and responses; 2) the establishment of a brokering function to help states with access/shortage issues; 3) the establishment of a process to identify future workforce needs to help institutions meet those needs through PSEP; and 4) the development of a procedure to more effectively track trends and the states’ plans for participation in PSEP. Vice Chair Ruch said the WICHE certifying officers and SHEEOs would be involved in the subcommittee’s work. The committee will meet monthly and will report to the Programs & Services Subcommittee in May. The Executive Committee also will receive periodic updates during its conference calls.

Commissioner Rawson suggested that the Robert Wood Johnson Foundation might be interested in funding efforts around healthcare issues. He said the foundation would be announcing a call for proposals that would include funding to address workforce issues. Mock said she would follow up with him regarding the foundation’s new initiative.

The meeting adjourned.
ACTION ITEM
Building Institutional Capacity and Leadership for Faculty Diversity

Summary

For the past year staff have been seeking new directions and potential funding sources for a faculty diversity initiative that would build upon the successful diversity programs that WICHE has implemented over the past several years. Staff now request approval for WICHE to seek, receive, and expend funds to support a one-year planning grant that will focus on:

- Strengthening minority graduate education and successful doctoral degree attainment of minority scholars.
- Developing comprehensive institutional and faculty leadership to support hiring and retention of minority scholars in faculty positions.
- Strengthening and expanding upon the successful core activities of the Compact for Faculty Diversity – namely, the Institute on Teaching and Mentoring.

The planning grant will enable WICHE to develop a network of leaders in the Western United States by partnering with several Research I institutions that already have begun substantive campus diversity initiatives that include plans for faculty diversity, departmental cultural change, and the transformation of curriculum, policies, and practices to create more hospitable, equitable campus environments. To achieve these goals, WICHE will sponsor activities that build institutional and state-level capacity and national partnerships and collaborations.

Relationship to WICHE Mission

The proposed planning initiative supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The emphasis in this grant is on strengthening the response of higher education – colleges and universities – to the need for greater faculty diversity. This project will develop relationships, partnerships, and strategies for a concerted collaborative effort to build a diverse future faculty.

Background and New Directions

Three regional higher education associations – the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education – created the Compact for Faculty Diversity in 1994 to address the serious and chronic problem of minority faculty underrepresentation. Through the compact, increasing numbers of minorities are earning doctoral degrees and entering faculty positions. The compact works because it promotes the reform of graduate education to insure minority student success and because it generates new institutional and state support for prospective minority faculty. Funding from the Atlantic Philanthropic Service (APS) Company, PEW Charitable Trusts, and the Ford Foundation supported the Compact for Faculty Diversity over a six-year period.

WICHE proposes to build on the success of the Compact for Faculty Diversity by developing a second generation of programs that focus on retooling graduate programs at colleges and universities throughout the West. The groundwork has been laid and models implemented for successful graduate and doctoral scholars programs that focus on student success and students’ needs. While significant
contributions have been made to the building of more inclusive colleges and universities, the barriers to faculty diversity today lie primarily with institutional and departmental cultures, climates, and practices that hinder the hiring and career advancement of minority scholars.

As we move forward, it is essential to focus on departmental change because many of the challenges minority faculty face have their locus there, in part because of the strong faculty governance culture in academe. Departmental change is unlikely to succeed unless there is intervention from the leadership of the university. In order to provide this leadership, administrators need a solid understanding of the structural, psychological, and behavioral barriers to the hiring and advancement of minority faculty and of best practices and strategies at the departmental and institutional level.

Merely increasing the supply of minority doctorates, though essential, is not enough. We must continue to be vigorously engaged in activities that lead minority scholars and other future faculty to successful and satisfying academic careers. We must also continue our work to engage and educate higher education’s leaders and policymakers on the importance of faculty diversity and minority student achievement.

The University of Washington, a champion of faculty diversity, will be a lead institution in developing and shaping this effort. Other institutions will be identified to form a regional consortium that can later become a resource for other colleges and universities.

**Planning Goals and Outcomes**

The goals of the planning phase are designed to create support among key higher education leaders at state and institutional levels, who will sustain future work on this agenda. A process will be developed with targeted institutions and departments focusing on efforts that correspond to their unique missions and environments and that promote minority success. Finally, the planning goals seek to identify national partners whose programs and resources can contribute and further support a faculty diversity agenda.

Therefore, the goals of the one-year planning grant are to:

- Build departmental, institutional, and regional capacity to successfully foster and respond to increasing faculty diversity.
- Develop an informed, supportive group of leaders and policy support for faculty diversity.
- Identify and develop future collaborations and partnerships with national higher education organizations.
- Develop faculty leadership for diversity and mentoring at the Institute for Teaching and Mentoring.

The anticipated outcomes of the one-year planning phase are:

- An identified network of engaged institutions and departments. To participate, institutions must agree to involve at least three departments in activities during the planning phase.
- A cadre of deans, faculty, and administrators who are committed to the graduate school reform process and advocates for faculty diversity.
- Senior institutional leaders who are willing to commit resources to future phases of the program.
- A regional dialogue that addresses the need for faculty diversity.
- An informed constituency of key state educational leaders and policymakers.
- Identified partners to participate in future phases of the project, who will engage in a larger national effort.
- A faculty development component, to be instituted at the 2002 Institute for Teaching and Mentoring.

These efforts will serve to reaffirm and build upon existing commitment in the Western states and will work to actively build a stronger collaborative agenda for an anticipated comprehensive initiative. The unique
attributes of the West are taken into account: the degree of isolation and distance between campuses, varying population densities, diversity of demographics in its subregions, differing local and state political histories, and diversity of higher education governance and institutional missions.

**Action Requested**

Approval to seek, receive and expend funds to support a planning year that will build relationships, partnerships, and resources to strengthen regional, institutional, and departmental capacity for addressing successful minority participation in doctorate education and preparing a diverse future faculty.

**Staff and Fiscal Impact**

The planning phase will be supported entirely by grant funds. APS invited WICHE to submit a proposal. We also plan to approach other foundations, including the Bill and Melinda Gates Foundation. We are seeking funding of approximately $293,500; indirect costs contributed to WICHE would total $38,512.

**Staff Impact (annualized FTE)**

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ACTION ITEM
Knocking at the College Door: Projections of High School Graduates by State, Race/Ethnicity, and Income – 1988 to 2018

Summary

Staff requests approval to seek, receive, and expend funds to support an update of our high school projections report with the addition of income data. By combining income-level data with racial/ethnic data for elementary and secondary school students, we will be able to add an additional dimension to projections of high school graduates. This project will provide policymakers with the hard data they’ll need to make more informed decisions about the effect of changing demographics on higher education.

Relationship to WICHE Mission

This project directly supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The policy and research emphasis of this project will focus on issues related to student access to higher education.

Background

Access to higher education is a critical issue, particularly among states experiencing dramatic growth and change in their populations. The K-12/higher education student clientele is changing significantly as a wave of new students surges through our elementary and secondary schools. In the first decade of the 21st century, more American high school students will be pursuing postsecondary education than ever before – and these students will be characterized by unprecedented diversity. Policymakers need a better understanding of the impact of these demographic changes, especially in light of the growing numbers of low-income and minority students. WICHE proposes a new research initiative that will develop projections of high school graduates by income level. By expanding data collection and analysis efforts to include information on students’ income, we will powerfully supplement our extensive databases on enrollments and race and ethnicity.

In 1979, WICHE began collecting data and publishing projections of high school graduates by state throughout the U.S. and the District of Columbia. The commission’s initial publication of high school graduates that year provided the first comprehensive examination regionally and by state of the effects of birth rates and interstate migration on the numbers of public high school graduates.

In 1990, in collaboration with the College Board, this project was expanded to include data and projections on grade-by-grade enrollment and graduates by race and ethnicity. WICHE’s work on tracking race and ethnicity was reported in The Road to College. This publication grew out of increasing need among higher education planners for data on elementary- and secondary-level enrollment and high school graduates by race/ethnicity, as well as other indicators of educational progression by race/ethnicity.

Subsequent editions of our projections publications have continued to provide valuable information for higher education planning by translating demographic trends into tangible measures directly related to college enrollments. Through these publications, the commission established an enviable reputation for producing projection data needed for access and diversity discussions. Our projections of high school graduates have become a national reference for higher education, researchers, business investors, education planners, and policymakers because they provide:
• Projections of the number of high school graduates by state and by race/ethnicity over decades.
• Analyses of national, regional, and state public and private high school graduation projections.
• Data, both historical and projected, on school enrollments (grades 1 through 12).
• Trends in birth rates (historical and projected) and their impact on school and college enrollments.
• Consistently valid projections.
• Information available in hard copy and electronically.

For the first time, in the upcoming 6th edition of Knocking, the projections will also be calculated by income level. The potential for this kind of information is significant, as it will allow state and institutional planners, researchers, and policymakers to better understand how to address important related issues such as tuition setting, appropriations, and financial aid.

**Project Description**


New data from the states has continued to come in on an irregular basis since the release of the 5th edition. In order to improve the quality and timeliness of data collection, we have revised our collection methodology for public school data and are now relying on state reports to the common core of data in the federal government’s national center for education statistics. The Common Core of Data (CCD) is the Dept. of Education’s primary database on public elementary and secondary education in the United States. CCD is a comprehensive, annual, national statistical database of all public elementary and secondary schools and school districts, which contains data that are designed to be comparable across all states.

Data on nonpublic enrollments and graduates are collected from those states where data are available from the state department of education. The reliability and completeness of nonpublic data varies considerably across states. Therefore, we analyze a variety of sources of nonpublic data. Grade-by-grade enrollment and graduate data by state for schools that are part of the National Catholic Education Association (NCEA) are requested (Roman Catholic schools represent approximately one half of all nonpublic enrollments in the United States). We are also investigating the availability of data from other nonpublic school associations and data from the National Center for Education Statistics Private School Universe Survey. In order to reflect the increased use of home schooling as an option for many families, the project will attempt to collect and report data on this alternative education phenomenon.

In addition, birth data by state and race/ethnicity will be collected from the National Center for Health Statistics for all 50 states and the District of Columbia and entered into the database.

In order to expand this project to include income data, we will need to redesign our projection model to incorporate income variables. This will first entail commissioning a consultant to assist us in identifying appropriate income data sources, developing a model to project income levels with race/ethnicity variables, and applying this information to our existing data base of enrollment data and other variables. Clearly, this will be a complex, time-consuming, and expensive process. However, we feel it is critical to add this new dimension to our work in order to provide our constituents with a more valuable tool for higher education planning.

As we have done in the past, WICHE will solicit external support from foundations to assist with model redesign, data collection, processing, and analysis costs, as well as personnel, publication, and dissemination expenses for the publication.
Staff and Fiscal Impact

This project will be supported by WICHE and by grant funds. Staff estimate the project will require approximately $500,000 in funding over the remainder of FY02 and all of FY03.

**FISCAL IMPACT**

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\(^{a}\) Office rent, telephone equipment, and network services fees.

**STAFF IMPACT (annualized FTE)**

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**Action Requested**

Approval to seek, receive, and expend funds to support an update of WICHE’s high school graduate projections with the addition of income data.
ACTION ITEM
Following the Sun:
Trends, Issues, and Policy Implications of Student Mobility

Summary

Staff requests approval to seek, receive, and expend funds to support a project to build states’ capacity to measure and understand the impact of student mobility in higher education in the West. Following the Sun: Trends, Issues, and Policy Implications of Student Mobility will engage policymakers and higher education leaders in key policy issues regarding the ability of states to manage mobility and provide better-informed discussions of public policies on mobility issues as they relate to higher education. The purpose of this project will be to assist states in building their capacity to measure and understand the impact of student mobility and to effectively address related public policy issues.

Relationship to WICHE Mission

This project directly supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The policy emphasis of this project will focus on dealing with state-level issues related to student mobility in higher education.

Background

Population mobility is a very real issue for higher education. As state higher education agencies as well as postsecondary systems and individual institutions develop or update master plans and enrollment projections, all are concerned not only with population changes within the state but also with in-migration trends. Population and student mobility concerns also impact a wide range of related policy issues, including tuition setting, financial aid, appropriations, housing, faculty, facilities management, residency requirements, transfer, student outcomes, efficiency, and linkages with K-12.

According to the U.S. Census Bureau, approximately 43 million Americans moved between 1999 and 2000. The majority (56 percent) of the moves were within the same county, but one fifth occurred between one county and another within the same state and another fifth involved moves to another state. The Census Bureau has noted a decrease in moves within the same county and a corresponding increase in the percentage of moves between counties, particularly to counties in different states. In 1998, 15 percent of all moves were between states, compared with 19 percent of all moves in 2000. People from households in lower income categories were more likely to move than those in higher-income categories. However, there were only small differences in moving rates by educational attainment.

The West is one of the most attractive areas of the country. Five Western states – Nevada, Arizona, Colorado, Utah, and Idaho – topped the scales in the 2000 census with the highest percentage changes in population since 1990. Several other states in the West were ranked in the top 10, based on the numeric changes in their populations. Between 1999 and 2000, 763,000 people moved into the West; only the South exceeded this immigration number, with 1.2 million immigrants. However, 820,000 people left the West for other regions – most of them headed South.

An increasing number of people are indicating that they move to attend or leave college: nationally, 719,000 people chose this reason for moving in 1997-98; 944,000 chose it in 1999-2000. Migration trends are linked to higher education enrollments, particularly those of first-time freshmen. Two Western states (North Dakota and Utah) have high percentages (over 25 percent) of freshman college students...
who come from other states. Several states (Arizona, Colorado, Idaho, Oregon, South Dakota, and Wyoming) report that 20 to 25 percent of their students come from other states. High percentages of students from WICHE states also elect to attend institutions in other states. Approximately 53 percent of postsecondary students in Alaska attend a college or university out of state; North Dakota and Wyoming send about 34 percent to another state. Those percentages range from 20 to 30 percent for Hawaii, Idaho, Montana, Nevada, New Mexico, and South Dakota.

National studies show that between 1982 and 1993, approximately one half of undergraduate students attended more than one postsecondary institution. Of students who began their postsecondary education in 1989-90, almost half (45 percent) had enrolled as undergraduates at more than one institution by 1994.

**Project Description**

While mobility issues affect different Western states in different ways, none can escape the need to understand the way population migration affects their colleges and universities. The uncertainty of revenue streams, the potential for cutbacks, and the impact of revenue and expenditure restrictions make careful analysis of mobility issues even more critical.

*Following the Sun: Trends, Issues, and Policy Implications of Student Mobility* will examine student mobility at three points in the college experience: mobility of recent high school graduates as they enter college; the “swirling effect” produced as college students move in and out of higher education institutions; and the movement of recent college graduates from their institution to their state of employment. The project will analyze mobility data and explore the factors that contribute to students’ decisions as we explore several questions, including:

- Do mobility patterns differ significantly by income, age, race/ethnicity, and institutional choice?
- How do “mobile” students compare to “nonmobile” students in terms of persistence to graduation from college?
- How do federal policies impact mobility?
- How will online learning impact student mobility?
- How do state policies related to tuition, financial aid, recruitment, admissions, etc., impact mobility?
- How do regional compacts and interstate and interinstitutional reciprocity agreements influence mobility?
- How do economic conditions affect mobility? Can we effectively project student mobility patterns for planning purposes during high fluctuations in state economies?
- What is the most effective way of developing state strategies to deal with mobility issues?
- What are the regional implications of mobility patterns?
- Do revenue reductions in one state create conditions in institutions and systems that result in higher student migration or brain drain?

With *Following the Sun*, WICHE will address these and other policy questions. Over a two-year period involving a variety of activities – including state roundtables, technical assistance, regional forums, analytical briefs, consensus building, and policy formulation – this project will allow states to examine their individual trends and policies as well as to look at the consequences produced by the interaction of regional and multistate policies and practices that affect student mobility. To test the utility of a subregional data base on student mobility, a small group of contiguous states will be invited to participate in case study design that will examine data exchange options as well as policy alternatives. The initial year of the project will be for information collection, database development, and research; the second year will involve implementation of the database on a subregional level and dissemination activities.
WICHE will collaborate with organizations such as the State Higher Education Executive Officers (SHEEO), National Conference of State Legislatures (NCSL), the Council of State Governments-WEST, the National Governors’ Association, ACT, and the College Board.

**Staff and Fiscal Impact**

This project will be supported primarily by grant funds. Staff estimate the project will require approximately $175,000 in FY 2003 and $245,000 during FY 2004 in external funding.

**FISCAL IMPACT**

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<th>Grant Activities</th>
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**STAFF IMPACT (annualized FTE)**

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**Action Requested**

Approval to seek, receive, and expend funds to support a project to build states’ capacity to measure and understand the impact of student mobility in higher education in the West.
Minutes
Executive Committee Conference Call
February 19, 2002

Committee members attending
Tad Perry (SD), chair
Chuck Ruch (ID), vice chair
Emily Stonington (MT), immediate past chair
Linda Blessing (AZ)
Warren Fox (CA)
Bill Kuepper (CO)
Doris Ching (HI)
Gary Stivers (ID)
Dick Crofts (MT)
Larry Isak for
  David Nething (ND)
Diane Vines (OR)
Bob Burns (SD)
Don Carlson (WA)

Committee members unable to attend
Diane Barrans (AK)
Ray Rawson (NV)
Bruce Hamlett (NM)
David Gladwell (UT)
Jenne Lee Twiford (WY)

Other commissioner attending
Bill Byers (CO)

Other attending
Louise Lynch (AZ)

Staff attending
Cheryl Blanco
David Longanecker
Jere Mock
Dennis Mohatt
Marv Myers
Marla Williams

Chair Perry called the Executive Committee meeting to order.

Action Item: WICHE’s Legislative Advisory Committee

Jere Mock described the action item detailed in Attachment 1. She said the concept of establishing the Legislative Advisory Committee had been discussed with the Executive Committee in January, and that action is now being sought for formal approval. She said the committee’s objectives include:

• To engage key legislators in discussions of important higher education issues, particularly those issues relevant to the WICHE workplan.
• To seek legislative input on strategies for interstate collaboration and joint solutions to shared educational challenges in the West.
• To encourage legislators and legislative staff to rely on WICHE as a prime source of information on higher ed issues and to encourage the committee members to make others aware of the services and assistance available from WICHE.

Mock said expenses for the committee’s activities, estimated at $20,000, would be funded by WICHE’s general fund and through external sources.

COMMISSIONERS BLESSING/CHING (M/S) APPROVAL TO REACTIVATE THE WICHE LEGISLATIVE ADVISORY COMMITTEE AND TO RECRUIT TWO LEGISLATORS FROM EACH OF THE WICHE STATES TO SERVE AS COMMITTEE MEMBERS. The motion passed unanimously.
Action Item
Bringing Balance: Strategies to Reform Revenue Systems

David Longanecker reported that the item detailed in Attachment 2 had been approved by the Issue Analysis and Research Committee at the May 2001 commission meeting and that no action was required at this time.

Commissioner Blessing said this issue is very important in Arizona. She said much of Arizona’s funding is through sales tax, and it is based on goods only (not on services). She said Arizona’s economy is growing in the service area and this is causing constraints. Longanecker said this problem is much like e-commerce. He said the nature of commerce today has changed substantially, making the tax structures developed in the 1900s inadequate.

Commissioner Carlson asked if states were interested in having WICHE make a proposal to them about their revenue systems or if that would be seen as an imposition or interference to the states. Longanecker said the way the project was envisioned, WICHE would work with the Brookings Institution to garner a strong factual and philosophical basis for regional forum discussions. States could either participate or not. Following the regional forum discussions, WICHE would work individually with states that wanted to pursue reform structures. WICHE wouldn’t tell states what they should be doing. Instead, WICHE would provide information and a forum for discussion. He said many states are interested, but there isn’t a structure for dialogue about this issue. Carlson said the problem is getting the citizens’ support for tax changes. Longanecker said that is why it is important to provide both factual and philosophical material.

Commissioner Kuepper asked why WICHE is involved in this area and asked if it is central to WICHE’s mission or if WICHE was doing this by default. Longanecker said this is one of the reasons why WICHE wants to partner with groups who have a broader perspective, like the Council of State Governments, the National Conference of State Legislatures, and the Brookings Institute. He said for WICHE there is interest in this topic because states need to have enough revenue to support quality higher education.

Commissioner Blessing said it would be hard for WICHE to avoid the political implications of this issue. She said one thing unique to the West is the enormous growth in some states. She said this alone makes it an appropriate focus for WICHE, and states need help to cope with enrollment growth. Longanecker said another thing unique to the West is that the states are not wealthy; this means it takes a substantial tax effort to support public services. Longanecker said this project requires external support to begin.

Commissioner Burns said he believes this is an important project and it is a key issue in South Dakota. He said having a neutral group to provide data and meaningful dialogue would help to override some of the nonproductive partisanship that occurs around these issues.

Report – Student Exchange Program Subcommittee

Vice Chair Ruch reported that staff had interviewed each WICHE state about the subcommittee’s four areas of concern: 1) the nursing shortage and whether WICHE should be involved in examining supply/demand issues and responses; 2) the establishment of a brokering function to help states with access/shortage issues; 3) the establishment of a process to identify future workforce needs to help institutions meet those needs through PSEP; and 4) the development of a procedure to more effectively track trends and the states’ plans for participation in PSEP. He said based on these interviews, staff will develop a working paper for the subcommittee. He said initial results reveal health care workforce issues are an immediate need in the states, but it appears to be a reoccurring problem of over/under supply/demand in this area. David Longanecker said the May meeting would focus on health care issues. He said the Executive Committee would discuss the meeting schedule later during this conference call. Vice Chair
Ruch thanked Jere Mock and Sandy Jackson for their staff work with the subcommittee. He said the subcommittee would examine the history, roles, and philosophical reasons for the three student exchange programs. He said everyone should be cognizant of the programs’ future need for flexibility in every state. He said the working paper will address these areas to be further discussed by the subcommittee, and a discussion with the full Programs & Services Committee is planned for May.

**Discussion Item: FY 2002 and 2003 Budget Projections**

David Longanecker reported on updated projections for the FY 2002 budget and reviewed initial projections for the FY 2003 budget. He said for FY 2002, interest income was down due to lower interest rates, and indirect income was down due to underspending in currently funded WICHE grants. He said while the FY 2002 budget is better than projected in May 2001, it is not as good as was most recently reported in November 2001. He said total income for FY 2002 will be about $35,000 less than projected. He said expenditures are projected to be $57,000 less than projected. He said as a result of these factors, the FY 2002 budget is doing better than projected in May by about $22,000.

Longanecker said the major items to note for the general fund FY 2003 budget are: 1) the increased income due to the approved increase in dues; 2) the projected, continued decline in interest rates, 3) a decrease in PSEP funding; and 4) an increase in income from indirect cost recovery from grants and contracts. This results in a total income of $2 million with expenses just under $2 million, resulting in a surplus of $49,325. He said this is not the entire budget picture because there are designated line items in the budget: 1) the required minimum reserve of 12 percent of total general fund expenditures; and 2) an estimated $60,000 expenditure for WICHE’s 50th anniversary celebration. He said next month the Executive Committee would review a detailed plan for WICHE’s 50th anniversary activities and expenses. He said states would be surveyed just prior to the May meeting to provide more accurate estimates of PSEP participation. He said commissioner participation in meetings and general travel costs are projected to increase travel expenses. He reminded the committee that these projections are very preliminary and the proposed FY 2003 budget would be acted on at the May meeting.

Commissioner Blessing asked about the minimum reserve level. Longanecker said in May 2000, the commission set the minimum reserve at 12 percent of general fund expenditures. Commissioner Blessing said this amount seems lean and that some organizations have six months’ worth of operating expenses on hand. She asked for clarification about the 50th anniversary celebration expense and the reduction in interest earnings directly impacting the reserve level. She commended staff for having built up the reserves, but said she was concerned about these items, given the small amount of the reserve even though it is more than the minimum level. Longanecker said while the reserve level had been set in May 2000, the commission might want to reconsider that level in May. Longanecker said he does not think nonprofit organizations should build reserves beyond what is realistically needed, and that the policy developed in May 2000 presumed this to be enough to operate for three months. He said the only thing that is currently budgeted for FY 2003 that would impact the FY 2003 reserves is the 50th anniversary celebration. He said there are some expenses, such as association management software, that may not occur in FY 2002 and may be moved to the FY 2003 budget.

Commissioner Rawson asked if it wouldn’t be prudent to have two separate reserve levels and use one of those for emergencies only. He said given the recession, it isn’t wise to disassemble the WICHE organization and perhaps it would be better to increase the emergency reserve to be able to operate for a longer period of time. He added this might be a long-term strategy. Commissioner Blessing said she would like to have an opportunity to discuss and revisit the minimum reserve level. She added that she appreciates the rapid improvement in the budget for the overall health of the organization. Longanecker said he would work with Chair Perry to bring a discussion about the reserve to the commission in May.
**Discussion Item: FY 2003 Workplan Development**

David Longanecker reported that he and the officers had discussed the workplan for FY 2003. The consensus was WICHE’s current workplan is still relevant and attuned to the needs of the West. It was decided the workplan would need some minor adjustments rather than a larger redefinition. Longanecker said he would take suggestions made to him over the past year about the workplan and incorporate them into existing themes. The workplan themes include: finance, access, accountability, workforce development, and innovation/technology. A draft workplan will be presented to the Executive Committee for review during their March conference call meeting. Longanecker said a more substantial evaluation of the workplan would be appropriate in FY 2004.

**Discussion Item: Commission Meeting Schedule for May 2002**

David Longanecker reviewed the draft schedule for the May 20-21, 2002, commission meeting to be held in Santa Fe, New Mexico. He said on Sunday, May 19, prior to the start of the commission meeting, WICHE’s certifying officers will meet, and an orientation session for new commissioners would be held. On Monday, May 20, the commission meeting starts with a closed session of the Executive Committee followed by an open Executive Committee meeting. Policy theme discussions would include a meeting with the Mental Health Oversight Council on Monday afternoon. As part of this theme, discussions would focus on workforce development and continuing education for mental health professionals. He said on Tuesday, May 21, the discussion would be broader about health care workforce development issues. Also on Tuesday, state finance issues would also be discussed. The final session is a Committee of the Whole session where the majority of the commission’s business would be conducted. Longanecker said another draft meeting schedule would be discussed during the Executive Committee conference call in March.

The meeting adjourned.
SUMMARY

In response to commission and staff interest, we are eager to reactivate WICHE’s Legislative Advisory Committee (LAC) to strengthen our communications with key educational policymakers. WICHE commissioners who are legislators will be invited to serve as members, and we propose to work with commissioners and legislative leadership to seek other appointees. The LAC would be convened this summer as part of the 55th Annual Meeting of the Council of State Governments-WEST in Lake Tahoe.

Relationship to WICHE Mission

This activity directly supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. Staff will work with committee members to seek their ideas on key issues that WICHE should address, strengthen their understanding of emerging policy issues, and schedule legislative briefings in several WICHE states during 2002 and beyond.

Background

In June 1995 the WICHE Commission approved the creation of a WICHE Legislative Advisory Committee, with two legislators representing each state. The committee met annually from 1995 through 1999 (the 1995 and 1998 meetings were held in conjunction with WICHE Commission meetings; meetings in 1996 and 1997 preceded Western Policy Exchange forums; and in 1999 the meeting was held with the annual meeting of the Western Cooperative for Educational Telecommunications). Committee members also took part in several WICHE regional policy forums. Funds from a Kellogg Foundation grant in support of the Western Policy Exchange, along with some general funds, supported these meetings and legislator travel to the policy forums.

Reactivating the Legislative Advisory Committee

WICHE’s overall goal for the Legislative Advisory Committee is to strengthen state policymaking in higher education. Specific objectives include:

- To engage key legislators in discussions of important higher education issues, particularly those issues relevant to the WICHE workplan.
- To seek legislative input on strategies for interstate collaboration and joint solutions to shared educational challenges in the West.
- To encourage legislators and legislative staff to rely on WICHE as a prime source of information on higher ed issues and to encourage the committee members to make others aware of the services and assistance available from WICHE.

Two legislators per state will be appointed, with both chambers of the legislature represented; some states will have more than two members if they have commissioners who are legislators (as is now the case in Alaska, Montana, Nevada, New Mexico, North Dakota, Utah, and Washington). Staff will work with the commissioners and legislative leaders in each state to coordinate the appointments; we will seek to appoint the chairs of Education and Appropriations committees. Each member will serve a three-year
term, with the option of accepting one additional, successive term; no member will serve more than six years on the committee.

WICHE proposes to partner with CSG-WEST to convene the LAC meetings (CSG-WEST has asked WICHE to develop a higher ed component for its annual meetings). The 2002 CSG-WEST meeting will be held July 16-19 in Lake Tahoe, NV.

**Budget**

A combination of grants and general funds will be used to support the bulk of the Legislative Advisory Committee’s costs. Expenses are estimated at approximately $20,000 per year for travel stipends, communications, and associated meeting expenses. General fund support will be budgeted in the Programs and Services unit for these costs. Funds from one or more grant-funded projects will also be used, including WICHE’s three-year project *Expanding Engagement: Public Policy to Meet State and Regional Needs*, which is supported with a grant from the Ford Foundation. This project includes several regional forums, roundtables, and policy meetings in which we’re planning to involve LAC members. Some funds have been allocated in the project budget to support legislative travel.

**Action Requested**

Approval to reactivate the WICHE Legislative Advisory Committee and to recruit two legislators from each of the WICHE states to serve as committee members.
ACTIONS ITEM

Bringing Balance: Strategies to Reform State Revenue Systems

Summary

Staff request approval for WICHE to seek, receive and expend funds to support a project that will examine outdated state tax and revenue structures in Western states along with the impacts of voter imposed or legislatively enacted tax and spending limitations. The project will help policymakers and higher education leaders to better understand the philosophical and political undergirdings of current revenue policies and practices, as well as to examine the financial projections and societal implications of where these policies will lead in the future. WICHE will use several forums to provide information and to discuss ways in which public policy can address the issues. We will partner with at least two other organizations: the Brookings Institution and the Council of State Governments-West to address key policy issues concerning state revenue structures, alternatives that should be considered by states to better meet emerging societal needs, and implications for higher education funding in the future.

Relationship to WICHE Mission

This project directly supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The emphasis in this project is on state-level issues and an integrated approach to examining current tax and revenue structures, it will address ways in which tax reform might better meet the needs of states and higher education – the largest single discretionary item in states’ budgets.

Background

A 1999 study conducted for the National Center for Public Policy and Higher Education indicated that 14 of the 15 Western states face structural deficits within the next decade – in part because many of them rely on tax and revenue structures that are not designed to meet changing fiscal and societal demands. Three of the Western states (Alaska, Nevada, and Wyoming) have no personal state taxes of consequence, relying almost entirely on mineral extraction fees or taxes on gambling. Washington has no income tax and relies heavily on sales taxes and high business taxes, creating a chilling effect on prospective new businesses. Its neighbor, Oregon, has an income tax but no sales tax, thus making it particularly vulnerable to the vagaries of a narrow tax base. The problems arising from these already outdated systems have been exacerbated by various voter-imposed or legislatively enacted tax and spending limitations. And as e-commerce increases as an untaxed piece of the economy, state revenues will erode further. If new approaches aren’t explored and implemented the long-term consequences could lead to fiscal crises in virtually every Western state.

Several indicators suggest that an initiative targeting state tax and revenue structures, and their impact for future public support for higher education, is critical: projections indicate that the state budget outlook may deteriorate during the next few years. “Specifically, a moderate slowdown in state revenue growth and escalating state health care costs will cause many state budgets to tighten,” according to a recent study by the National Governors’ Association. Revenue declines are occurring at a time when most states are facing significant growth among college-age youth, a large proportion of whom are from racial and ethnic groups and economic sectors that traditionally have been underrepresented in higher education.
Most states are not well positioned to accommodate this type of enrollment demand, particularly in an era of widening budget gaps.

**Project Description**

WICHE, working with staff of the Brookings Institution, will develop the policy research necessary to demonstrate the magnitude of the challenges. This phase of the project will involve documenting how current revenue collection policies and practices have evolved in the West, as well as examining the financial projections and societal implications of where these policies will lead in the future. We’ll also look at the unique circumstances in the West that tax and spending limitations, many resulting from initiative and referendum, are imposing on state government. This initial phase will build on the solid foundation of work in the area by the National Center for Public Policy and Higher Education and the Nelson A. Rockefeller Institute of Government.

In addition to examining current policies and economic projections, this phase of policy research will also focus on the West’s current political culture and the impact it has on tax and revenue reform. At least two current Western governors have contemplated tax reform but have determined that it was not an issue they could successfully address in the current political climate. One Western legislature has mandated study and reform, but that effort has yet to gain any traction.

The second aspect of the project will be to present our findings and explore policy alternatives in various forums throughout the West. The Council of State Governments-WEST has agreed to assist with this component – and we will also work with the National Conference of State Legislatures and the Western Governors’ Association to disseminate our work. We will conduct at least one regional forum to bring together a diverse set of relevant policymakers from all of the Western states to provide information and to discuss ways in which public policy can address the issue. The forums will help participants understand the issue and also aid them in exploring ways in which states, individually or collectively, might consider alternative tax and revenue structures.

The third component will be to work with selected Western states that share an interest in exploring more deeply how they – together or individually – can reform their tax and revenue structures to more adequately address the emerging needs of their citizens.

Our primary partners will be the Brookings Institution and its Center for Public Policy Education, along with the Council of State Governments-WEST. These partners will expand and enrich the scope of the project, helping us to reach out to national experts on these issues. Throughout the project, we would work closely with leadership from both the legislative and executive branches of government, as well as with related regional and national organizations such as the National Center for Public Policy in Higher Education, the National Conference of State Legislatures, and the Nelson A. Rockefeller Institute of Government.

**Action Requested**

Approval to seek, receive and expend funds to support a project that will help policymakers and higher education leaders to better understand why many states’ current revenue policies and practices need to be changed, as well as to examine the financial projections and societal implications of not responding to this need.
Staff and Fiscal Impact

The “Bringing Balance” project will be supported primarily by grant funds. The primary potential national funder is the Pew Charitable Trusts’ Public Policy Program. WICHE will seek approximately $402,500 in grant funding.

FISCAL IMPACT

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Chuck Ruch (ID), vice chair

Other attending
Louise Lynch (AZ)

Staff attending
Cheryl Blanco
David Longanecker
Jere Mock
Dennis Mohatt
Marv Myers
Marla Williams

Chair Perry called the Executive Committee meeting to order.

Discussion Item
Commission Meeting Schedule for May 2002

David Longanecker reviewed plans for the May 2002 WICHE Commission meeting. He said the program varied slightly from the program reviewed in February; the policy piece was broadened to include healthcare as an overall theme. Longanecker said U.S. Sen. Pete Domenici of New Mexico has been invited to participate in the meeting.

Commissioner Shaff said flight schedules for departure on Tuesday, May 21, are limited and he asked about ending Tuesday’s meeting earlier to accommodate earlier departure times. Commissioner Fox suggested the final business session start first thing Tuesday morning. Longanecker said a working lunch could be held on Tuesday to shorten the day, ending at 1:30 p.m. Several commissioners agreed with the idea of having a working lunch and ending the meeting at 1:30 p.m.

Longanecker reported that a tour of the Santa Fe Institute on Tuesday afternoon had been scheduled for those who would be able to stay longer. The Santa Fe Institute will provide a tour of their facilities and a presentation on the “science of complexity.”
Commissioner Crofts asked about the health care policy theme and wanted clarification about the mental health piece. Longanecker said Monday afternoon’s sessions would focus on mental health and Tuesday’s sessions would address broad healthcare workforce development issues. He said four nationally recognized mental health policy individuals would be speaking on Monday. Commissioner Hamlett said mental healthcare is an urgent issue in New Mexico and he believes this session will be well attended.

Discussion Item
Draft Workplan for 2002-03

David Longanecker said the workplan distributed for the conference call is a draft plan and he would appreciate the Executive Committee’s comments. He said the WICHE officers had reviewed this workplan during their retreat in Boulder on Feb. 23. He said at the May meeting, the workplan would gain additional input from the two other commission committees. Ultimate approval by the full commission will be sought during the final Committee of the Whole session on Tuesday.

Longanecker said this workplan is not a radical departure from WICHE’s work of last year. He said WICHE has the same five issue areas, but they’ve been reordered by current priorities as follows: 1) finance; 2) access; 3) innovation and information technology; 4) workforce and society; and 5) accountability. Longanecker briefly described WICHE’s current and proposed activities under each of the issue areas. Project descriptions beginning on p. 2 of the workplan include funded activities and activities where funding is being sought. Longanecker said the Doctoral Scholars Program is substantially at risk of closure due to a lack of external funding.

Commissioner Blessing said the workplan looks thorough and challenging, and asked about staff capacity. Longanecker said staff overload is a legitimate concern, particularly if WICHE is successful in obtaining funding on all of the proposed activities. He said staff are busy and he believes the proposed activities are important. Chair Perry said the proposed workplan is comprehensive and will keep WICHE at the forefront of higher education issues. Longanecker asked the committee to consider other areas that should be added to the workplan.

Discussion Item
WICHE’s 50TH Anniversary – Setting Our Sights on a New Century

David Longanecker said staff had provided the Executive Committee with a proposed plan to celebrate WICHE’s 50th anniversary. Under this plan, the proposed activities would include:

- A year-long celebration of WICHE’s accomplishments and the West’s higher education milestones, from Nov. 2002 to Nov. 2003.

- State-sponsored events – such as a legislative breakfast, luncheon, or a roundtable discussion - to commemorate the state’s participation in the commission. The exact nature and scheduling of the activities will be planned in collaboration with the WICHE commissioners.

- A symposium in conjunction with the Nov. 2002 commission meeting (in Colorado) that will celebrate WICHE’s past and advance the debate about several crucial issues facing higher education today and in the future.

- A gala following the symposium to celebrate WICHE’s 50 years to honor the commissioners (active and retired), executive directors and staff, current and past, distinguished alumni of our student exchange and intern programs, and other friends of WICHE.
• An anniversary monograph to include the panel discussions and keynote speeches of the anniversary symposium, along with a short WICHE history, published to coincide with the close of the anniversary year in November 2003.

An honorary advisory committee – composed of current and former WICHE commissioners, institutional leaders, policymakers, and alumni of our Student Exchange Program – to work with staff help promote these activities.

Depending on the scope of the project, approximately $83,000 to $118,000 will be needed to cover the costs of these activities. These funds would be allocated from the agency’s dedicated reserves. In May, the commission will consider an action item containing a proposed scope of activities statement and funding for WICHE’s 50th Anniversary.

Chair Perry said if you look at these events as a marketing strategy for WICHE the bottom line isn’t expensive. Commissioner Fox said he liked the ideas presented and wanted to encourage the inclusion of current PSEP students. Commissioner Carlson said he believes the state-level activities are the most important. Commissioner Ching said it would be good to outline the goals of this proposal and include future projections about WICHE’s service to the states. Commissioner Blessing said she was impressed with the proposal and eager to participate in the activities in Arizona. Commissioner Hamlett agreed and suggested the states could help with tracking PSEP students in their states and make this data available to state policymakers. Commissioner Barrans suggested a list of former commissioners from each state would be helpful in forming advisory groups at the state level. Commissioner Vines suggested a list of former Legislative Advisory Committee members would also be helpful.

Committee Assignments and Legislative Advisory Committee Members

Chair Perry asked staff to remind Executive Committee members that they need to complete their work related to commission committee assignments and Legislative Advisory Committee members.

The meeting adjourned.
ACTION ITEM
Fiscal Year 2003 Salary and Benefit Recommendations

Background

The staff salary and benefit recommendations for FY 2003 appear in the budget tables in this section. The general fund budget for FY 2003 includes funds for the cost of these recommendations. The recommended merit salary increases provide for performance-based salary increases; no across-the-board cost-of-living increases are proposed. The proposed salary schedule beginning July 1, 2002, reflects external salary comparisons of several positions obtained through Mountain States Employer’s Council. In addition to the merit salary increases, this action item includes recommendations for equity salary adjustments; relatively small salary adjustments for staff in the lower salary grades, which are directly associated with the salary schedule adjustments; benefit costs related to the salary increases (i.e., retirement plan, life insurance, workers’ compensation, unemployment compensation, and Social Security); and costs not related to the salary increases (i.e., estimated increases in health and dental insurance premiums, Social Security, and workers’ compensation). Staff members will pay for a significant portion of benefit cost increases, primarily those associated with increases in dependent coverage costs for health insurance, as well as paying for their share of contributions to Social Security.

Action Requested

Approval of the salary and benefit recommendations for FY 2003 as detailed in the two tables associated with this action item.
### ACTION ITEM

Cost Summary of the Proposed Salary & Benefit Increases for FY 2003

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C General Fund</th>
<th>D Non-Gen Fund</th>
<th>E TOTAL COST</th>
<th>F FY 2003 Average Increase per FTE</th>
<th>G Percent of Total Salaries</th>
<th>H Percent of Eligible Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item affected</td>
<td># of staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Nonexempt Staff - Merit Increases</td>
<td>11</td>
<td>$2,712</td>
<td>$2,482</td>
<td>$5,194</td>
<td>$1,161</td>
<td>2.00% N</td>
<td>2.00% N</td>
</tr>
<tr>
<td>4.00% (0, 2.5%, 3.5%, 4.5%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Exempt Staff - Merit Increases</td>
<td>32</td>
<td>29,569</td>
<td>37,552</td>
<td>67,121</td>
<td>2,293</td>
<td>3.86% E</td>
<td>4.00% E</td>
</tr>
<tr>
<td>4.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Equity Salary Adjustments</td>
<td>2</td>
<td>1,000</td>
<td>1,200</td>
<td>2,200</td>
<td>75</td>
<td>0.11% T</td>
<td>0.11% T</td>
</tr>
<tr>
<td>4. Salary Scale Adjustments</td>
<td>21</td>
<td>3,993</td>
<td>5,905</td>
<td>9,898</td>
<td>259</td>
<td>0.50% T</td>
<td>0.51% T</td>
</tr>
<tr>
<td>5. TOTAL SALARY INCREASES</td>
<td></td>
<td>37,274</td>
<td>47,139</td>
<td>84,413</td>
<td>2,208</td>
<td>4.22% T</td>
<td>4.36% T</td>
</tr>
<tr>
<td>6. BENEFIT COST INCREASES</td>
<td></td>
<td>9,393</td>
<td>11,879</td>
<td>21,272</td>
<td>535</td>
<td>1.06% T</td>
<td>1.10% T</td>
</tr>
<tr>
<td>7. TOTAL SALARY &amp; BENEFITS BASE</td>
<td></td>
<td>46,667</td>
<td>59,018</td>
<td>105,685</td>
<td>2,744</td>
<td>5.29% T</td>
<td>5.45% T</td>
</tr>
</tbody>
</table>

N = Nonexempt staff salaries  
E = Exempt staff salaries  
T = Total staff salaries (exempt and nonexempt staff)
### CURRENT SALARY SCHEDULE, 7/1/2001 - 6/30/2002

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Mid Point</th>
<th>Maximum</th>
<th>Range</th>
<th>$ Amt</th>
<th>% Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONEXEMPT</td>
<td>1</td>
<td>21,350</td>
<td>25,620</td>
<td>29,890</td>
<td>8,540</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>23,920</td>
<td>28,704</td>
<td>33,488</td>
<td>9,568</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>26,250</td>
<td>31,500</td>
<td>36,750</td>
<td>10,500</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>28,840</td>
<td>34,609</td>
<td>40,377</td>
<td>11,537</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Mid Point</th>
<th>Maximum</th>
<th>Range</th>
<th>$ Amt</th>
<th>% Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXEMPT</td>
<td>5</td>
<td>33,070</td>
<td>40,511</td>
<td>47,952</td>
<td>14,882</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>36,500</td>
<td>44,713</td>
<td>52,925</td>
<td>16,425</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>40,400</td>
<td>49,490</td>
<td>58,580</td>
<td>18,180</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>44,640</td>
<td>54,684</td>
<td>64,728</td>
<td>20,088</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>49,510</td>
<td>60,650</td>
<td>71,790</td>
<td>22,280</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>55,770</td>
<td>68,040</td>
<td>80,309</td>
<td>24,539</td>
<td>44.0%</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>64,550</td>
<td>78,106</td>
<td>91,661</td>
<td>27,111</td>
<td>42.0%</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>73,270</td>
<td>87,924</td>
<td>102,578</td>
<td>29,308</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

### PROPOSED SALARY SCHEDULE BEGINNING JULY 1, 2002

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Mid Point</th>
<th>Maximum</th>
<th>Range</th>
<th>$ Amt</th>
<th>% Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONEXEMPT</td>
<td>1</td>
<td>22,250</td>
<td>26,700</td>
<td>31,150</td>
<td>8,900</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>24,920</td>
<td>29,904</td>
<td>34,888</td>
<td>9,968</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>27,500</td>
<td>33,000</td>
<td>38,500</td>
<td>11,000</td>
<td>40.0%</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>31,500</td>
<td>37,801</td>
<td>44,101</td>
<td>12,601</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Mid Point</th>
<th>Maximum</th>
<th>Range</th>
<th>$ Amt</th>
<th>% Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXEMPT</td>
<td>5</td>
<td>35,080</td>
<td>42,973</td>
<td>50,866</td>
<td>15,786</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>38,450</td>
<td>47,102</td>
<td>55,753</td>
<td>17,303</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>42,320</td>
<td>51,842</td>
<td>61,364</td>
<td>19,044</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>46,430</td>
<td>56,877</td>
<td>67,324</td>
<td>20,894</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>51,490</td>
<td>63,076</td>
<td>74,661</td>
<td>23,171</td>
<td>45.0%</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>58,000</td>
<td>70,760</td>
<td>83,520</td>
<td>25,520</td>
<td>44.0%</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>67,130</td>
<td>81,228</td>
<td>95,325</td>
<td>28,195</td>
<td>42.0%</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>76,200</td>
<td>91,440</td>
<td>106,680</td>
<td>30,480</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary Grade</th>
<th>Minimum</th>
<th>Mid Point</th>
<th>Maximum</th>
<th>Range</th>
<th>$ Amt</th>
<th>% Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXEMPT</td>
<td>13</td>
<td>Discretion of Commission</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**ACTION ITEM**

**Fiscal Year 2003 Budget**

**Background**

The first table provides current estimates of WICHE’s general fund income and expenditures for fiscal year 2002 (column C), compared to the general fund budget (column B). The estimates include actual income and expenditures through March 31, 2002, with estimates for the final three months of FY 2002. Income will be lower than anticipated because of the dramatic decrease in interest rates (footnote b) and a slower than anticipated rate of expenditure with several externally funded projects, which results in lower indirect cost recoveries. A surplus of slightly more than $24,000 (column C, line 21) is anticipated in the general fund budget, which is somewhat less than the budgeted surplus of $40,000 (column B, line 21), primarily as a result of needing to cover the Doctoral Scholars shortfall of $29,483 (column C, line 19).

This table also contains the proposed general fund budget for FY 2003 (column F), reflecting the third consecutive year WICHE has had a balanced general fund budget. Estimated income is $2,029,000 (line 7), reflecting an increase of $48,000 over the FY 2002 budget, primarily due to the increase in state dues (approved in June of 2000) and higher indirect cost recovery as a result of additional external funding. Proposed expenditures are $2,022,979 (line 20), representing an increase of $82,804 (4.3 percent). The two pie charts depict the FY 2003 budget for income and expenditures. The budget includes the general fund portion of the WICHE operation, as outlined in the FY 2003 workplan found in this agenda book. The budget also provides for the general fund staff salary and benefit increases for FY 2003 of $46,667 (column F, line 16). For details pertaining to the proposed salary and benefit increases, refer to the separate action item in this agenda book.


In summary, the general fund budget proposed for FY 2003 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 & Research unit, but 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 nonstate dollars. The proposed general fund budget will support overall net operating expenses of approximately $7.5 million in FY 2003.

**Action Requested**

Approval of the FY 2003 general fund budget as summarized on the first table.
### General Fund Budget Estimate for FY 2002 and Proposed Budget for FY 2003

#### Income and Expenditures

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2002</strong></td>
<td><strong>FY 2002 Budget Estimate</strong></td>
<td><strong>Better or (Worse) than FY 2002 Budget</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income:</td>
<td>(a)</td>
<td>$</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>2 Member dues</td>
<td>1,485,000</td>
<td>1,485,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>3 Interest</td>
<td>314,000</td>
<td>310,000</td>
<td>(4,000)</td>
<td>-1.3%</td>
</tr>
<tr>
<td>4 Indirect cost recovery</td>
<td>340,000</td>
<td>321,000</td>
<td>(19,000)</td>
<td>-5.6%</td>
</tr>
<tr>
<td>5 Miscellaneous Income</td>
<td>12,000</td>
<td>13,000</td>
<td>1,000</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,881,000</td>
<td>1,909,000</td>
<td>(28,000)</td>
<td>-1.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FY 2003</strong></th>
<th><strong>Better or (Worse) than FY 2003 Budget Estimate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposed</strong></td>
<td>(a)</td>
</tr>
<tr>
<td>2 Member dues</td>
<td>1,545,000</td>
</tr>
<tr>
<td>3 Interest</td>
<td>61,000</td>
</tr>
<tr>
<td>4 Indirect cost recovery</td>
<td>410,000</td>
</tr>
<tr>
<td>5 Miscellaneous Income</td>
<td>13,000</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>2,029,000</td>
</tr>
</tbody>
</table>

#### Expenditures:

<table>
<thead>
<tr>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2002</strong></td>
<td><strong>Better or (Worse) than FY 2002 Estimate</strong></td>
<td><strong>Better or (Worse) than FY 2003 Estimate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures:</td>
<td>(a)</td>
<td>$</td>
<td>%</td>
<td>$</td>
</tr>
<tr>
<td>7 Policy Analysis &amp; Research</td>
<td>296,476</td>
<td>286,026</td>
<td>10,450</td>
<td>5.1%</td>
</tr>
<tr>
<td>8 Communications &amp; Public Affairs</td>
<td>275,913</td>
<td>263,079</td>
<td>12,834</td>
<td>4.7%</td>
</tr>
<tr>
<td>9 Commission Meeting Expense</td>
<td>106,945</td>
<td>96,710</td>
<td>10,235</td>
<td>9.6%</td>
</tr>
<tr>
<td>10 Executive Director's Office</td>
<td>34,938</td>
<td>31,260</td>
<td>3,678</td>
<td>11.7%</td>
</tr>
<tr>
<td>11 Administrative Services</td>
<td>490,449</td>
<td>460,411</td>
<td>30,038</td>
<td>6.5%</td>
</tr>
<tr>
<td>12 Direct Cost Sharing Expenses</td>
<td>82,666</td>
<td>86,466</td>
<td>3,800</td>
<td>4.4%</td>
</tr>
<tr>
<td>13 Staff Salary &amp; Benefit Cost Increases for FY 2003</td>
<td>46,667</td>
<td>71,200</td>
<td>24,533</td>
<td>34.6%</td>
</tr>
<tr>
<td>14 Indirect Cost Recovery</td>
<td>340,000</td>
<td>321,000</td>
<td>19,000</td>
<td>5.6%</td>
</tr>
<tr>
<td>15 Interest</td>
<td>61,000</td>
<td>1,000</td>
<td>60,000</td>
<td>1.0%</td>
</tr>
<tr>
<td>16 Member Dues</td>
<td>1,485,000</td>
<td>1,485,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>17 Total Expenditures</td>
<td>1,909,000</td>
<td>1,940,175</td>
<td>31,175</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

#### Reserves:

<table>
<thead>
<tr>
<th><strong>2002</strong></th>
<th><strong>Better or (Worse) than Budget or Estimate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposed</strong></td>
<td>(a)</td>
</tr>
<tr>
<td>18 Total Surplus</td>
<td>40,825</td>
</tr>
<tr>
<td>19 Reserves Available for Dedication</td>
<td>208,802</td>
</tr>
<tr>
<td>20 Total Expenditures</td>
<td>2,029,000</td>
</tr>
<tr>
<td>21 Total Income</td>
<td>1,881,000</td>
</tr>
</tbody>
</table>

#### Dedications to the Reserve During the Fiscal Year:

<table>
<thead>
<tr>
<th><strong>Surplus (Deficit) during Fiscal Year (Line 20 - above)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>22 Total Reserves - Beginning of the Fiscal Year</td>
</tr>
</tbody>
</table>

#### End of the Fiscal Year:

<table>
<thead>
<tr>
<th><strong>Surplus (Deficit) during Fiscal Year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>23 Total Reserves - End of the Fiscal Year</td>
</tr>
</tbody>
</table>

#### Change in Total Reserves - Increase or (Decrease)

<table>
<thead>
<tr>
<th><strong>Surplus (Deficit) during Fiscal Year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>25 Total Reserves - Beginning of the Fiscal Year</td>
</tr>
</tbody>
</table>

#### End of the Fiscal Year:

<table>
<thead>
<tr>
<th><strong>Surplus (Deficit) during Fiscal Year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
</tr>
<tr>
<td>26 Total Reserves - End of the Fiscal Year</td>
</tr>
</tbody>
</table>

### General Information

- **Budget approved by the commission in May of 2001, adjusted for actual carry over from FY 2001 and adjusted for actual salary increases by unit.**
- **For FY 2002: Average daily balance of $3,976,000 at 3.63%. For FY 2003: Projected daily balance of $3,983,000 at 2.26%.**
- **Includes the following functions for all units and projects within WICHE: Accounting, payroll, auditing, financial management, facilities, management, purchasing, H.R., and mailing services.**
- **Includes property & liability insurance, legal fees, unallocated rent, and other miscellaneous costs not allocated to unit budgets.**
- **Approved by the Commission at the Nov. 2001 meeting in Bloomfield, CO.**
- **Proposed salary and benefit cost increases for FY 2003.**
- **The minimum reserve level authorized by the Commission (12% of budgeted expenditures, per May 2000 Commission Meeting).**
- **Budget for FY 2003: Average daily balance of $3,710,000 at 1.65%. For FY 2003, the projected PSEP funds are 75% of those during FY 2002.**
- **Adjusted for actual carry over from FY 2001 and adjusted for actual salary increases by unit.**
- **Includes property & liability insurance, legal fees, unallocated rent, and other miscellaneous costs not allocated to unit budgets.**
- **Proposed salary and benefit cost increases for FY 2003.**
- **The minimum reserve level authorized by the Commission (12% of budgeted expenditures, per May 2000 Commission Meeting).**
- **End of the Fiscal Year: Total Reserves - End of the Fiscal Year.**

---

**Note:** All figures are in thousands of dollars.
ACTION ITEM

General Fund Budget Estimate for FY 2002 and Proposed Budget for FY 2003

Income and Expenditures

Income

- State Dues: 76.2%
- Interest: 3.0%
- Indirect Costs: 20.2%
- Miscellaneous: 0.6%

Expenditures

- Salaries: 45.7%
- Benefits: 14.9%
- Rent: 10%
- Commission Meetings: 5.3%
- Travel: 4.2%
- Consultants/Subcontracts: 3.7%
- Computers/Web: 4.8%
- Printing: 1.5%
- Phone/Postage: 1.5%
- Indirect Cost Sharing: 4.0%
- Other: 4.4%
## ACTION ITEM

### Total WICHE Expenditures by Fiscal Year

(rounded to nearest $1,000)

<table>
<thead>
<tr>
<th>Primary Account Names</th>
<th>Actual FY 2001</th>
<th>Estimate FY 2002</th>
<th>Estimate FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 General Fund</td>
<td>$1,559,000</td>
<td>$1,885,000</td>
<td>$2,023,000</td>
</tr>
<tr>
<td>2 WICHE Reserves</td>
<td>66,000</td>
<td>84,000</td>
<td>210,000</td>
</tr>
<tr>
<td>3 WCET</td>
<td>1,260,000</td>
<td>1,846,000</td>
<td>2,090,000</td>
</tr>
<tr>
<td>4 Mental Health</td>
<td>433,000</td>
<td>420,000</td>
<td>450,000</td>
</tr>
<tr>
<td>5 CONAHEC/ELNET</td>
<td>111,000</td>
<td>616,000</td>
<td>360,000</td>
</tr>
<tr>
<td>6 NWAF</td>
<td>52,000</td>
<td>25,000</td>
<td>35,000</td>
</tr>
<tr>
<td>7 Advanced Placement (AP)</td>
<td>331,000</td>
<td>351,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>8 AT Alliance</td>
<td>4,000</td>
<td>14,000</td>
<td>15,000</td>
</tr>
<tr>
<td>9 Ford - Legislative Policy</td>
<td>81,000</td>
<td>121,000</td>
<td>0</td>
</tr>
<tr>
<td>10 Ford - Legislative Engagement</td>
<td>47,000</td>
<td>58,000</td>
<td>0</td>
</tr>
<tr>
<td>11 Ford - Expanding Engagement</td>
<td>0</td>
<td>12,000</td>
<td>161,000</td>
</tr>
<tr>
<td>12 Lumina - Changing Direction</td>
<td>0</td>
<td>47,000</td>
<td>325,000</td>
</tr>
<tr>
<td>13 Doctoral Scholars</td>
<td>113,000</td>
<td>84,000</td>
<td>0</td>
</tr>
<tr>
<td>14 Bridges to the Professoriate</td>
<td>123,000</td>
<td>125,000</td>
<td>155,000</td>
</tr>
<tr>
<td>15 Pathways to College Network</td>
<td>11,000</td>
<td>100,000</td>
<td>105,000</td>
</tr>
<tr>
<td>16 CHEA - Accreditation Process</td>
<td>7,000</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>17 High School Graduates</td>
<td>1,000</td>
<td>1,000</td>
<td>200,000</td>
</tr>
<tr>
<td>18 US/UK Education Dialogue</td>
<td>0</td>
<td>39,000</td>
<td>6,000</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - Primary Accounts</strong></td>
<td><strong>4,199,000</strong></td>
<td><strong>5,829,000</strong></td>
<td><strong>7,535,000</strong></td>
</tr>
<tr>
<td>(Lines 1 thru 19)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Self-Supporting Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Network Services</td>
<td>147,000</td>
<td>192,000</td>
<td>210,000</td>
</tr>
<tr>
<td>22 Printing Services</td>
<td>77,000</td>
<td>10,000</td>
<td>16,000</td>
</tr>
<tr>
<td>23 Telephone Services</td>
<td>21,000</td>
<td>34,000</td>
<td>37,000</td>
</tr>
<tr>
<td>24 Facilities Services</td>
<td>180,000</td>
<td>363,000</td>
<td>382,000</td>
</tr>
<tr>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - Self-Supporting Srvcs.</strong></td>
<td><strong>425,000</strong></td>
<td><strong>599,000</strong></td>
<td><strong>645,000</strong></td>
</tr>
<tr>
<td>(Lines 20 + 26)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 <strong>Subtotal Primary + Self-Supportg.</strong></td>
<td><strong>4,624,000</strong></td>
<td><strong>6,428,000</strong></td>
<td><strong>8,180,000</strong></td>
</tr>
<tr>
<td>(Lines 20 + 26)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 PSEP Support Fees</td>
<td>11,190,000</td>
<td>11,470,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>28 <strong>TOTAL - ALL SOURCES</strong></td>
<td><strong>15,814,000</strong></td>
<td><strong>17,898,000</strong></td>
<td><strong>18,180,000</strong></td>
</tr>
<tr>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ACTION ITEM

Establishing Dues for the FY 2004-2005 Biennium

The commission establishes dues in May every other year for the coming biennium. Action on the dues for the FY 2004 and FY 2005 years is needed at this meeting. The reason the dues are set for two years is because a number of states operate on biennial budgets. In those states, once the budget item is set for the two years, it is difficult to change it in the second year. The establishment of dues in May is necessary because states begin preparing budgets for the following year or biennium in late summer or early fall.

Dues for FY 2003 have already been established at $103,000 per member state. The staff recommendation is to increase the dues by $4,000 in both FY 2004 and FY 2005. The dues would be as follows:

<table>
<thead>
<tr>
<th>Members</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003 Approved</td>
<td>$103,000</td>
</tr>
<tr>
<td>FY 2004</td>
<td>$107,000  3.88%</td>
</tr>
<tr>
<td>FY 2005</td>
<td>$111,000  3.74%</td>
</tr>
</tbody>
</table>

Why is a dues increase needed?

The total revenue provided by the dues increases would be $60,000 in both FY 2004 and FY 2005. There would be no great change or expansion in programming as a result of this increase. It is needed for the increased cost of doing business. Salaries will increase in order to keep quality staff. Health insurance costs will continue to escalate very significantly. Rent will increase because of rate escalations in the lease agreement.

The state dues provide the core support for WICHE. These funds are used for basic WICHE program activities, such as the Student Exchange Program and Policy Analysis & Research, but they also are used to provide an organizational structure that allows WICHE to become involved, as determined by the commission, in numerous activities in regional resource sharing.

The commission, in a separate agenda item at this meeting, will be taking action on the FY 2003 budget (details can be found elsewhere in this agenda book). Staff believes this budget reflects the priorities that have been established by the commission in ongoing discussions over the last several years. As evidenced by the total budget, many of these projects are funded in part by sources other than the state dues. State dues represent only 21 percent of WICHE’s total revenue for FY 2003.

Dues for the other regional higher education organizations

With the proposed increases for FY 2004 and FY 2005, the WICHE dues would remain below the dues for SREB (Southern Regional Education Board) and NEBHE (New England Board of Higher Education). One of the following tables provides a comparison of dues for the three organizations since FY 1997-1998. MHEC (Midwestern Higher Education Commission), the newest regional higher education organization, began operating in FY 1991.

Action Requested

Approval of the following WICHE dues schedule for each member state:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2004</td>
<td>$107,000</td>
</tr>
<tr>
<td>FY 2005</td>
<td>$111,000</td>
</tr>
</tbody>
</table>
**ACTION ITEM**

**WICHE STATE DUES — History and Proposal for FY 2004 & 2005**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Dues</th>
<th>Increase</th>
<th>Percent</th>
<th>Dues</th>
<th>Increase</th>
<th>Percent</th>
<th>TOTAL FY DUES (All States)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004 - 2005</td>
<td>$111,000</td>
<td>$4,000</td>
<td>3.74%</td>
<td>$111,000</td>
<td>$4,000</td>
<td>3.74%</td>
<td>100% $1,665,000 $60,000 3.74%</td>
</tr>
<tr>
<td>2003 - 2004</td>
<td>107,000</td>
<td>4,000</td>
<td>3.88%</td>
<td>107,000</td>
<td>4,000</td>
<td>3.88%</td>
<td>100% 1,605,000</td>
</tr>
<tr>
<td>2002 - 2003</td>
<td>103,000</td>
<td>4,000</td>
<td>4.04%</td>
<td>103,000</td>
<td>4,000</td>
<td>4.04%</td>
<td>100% 1,545,000</td>
</tr>
<tr>
<td>2001 - 2002</td>
<td>99,000</td>
<td>11,000</td>
<td>12.50%</td>
<td>99,000</td>
<td>15,000</td>
<td>17.86%</td>
<td>100% 1,485,000</td>
</tr>
<tr>
<td>2000 - 2001</td>
<td>88,000</td>
<td>3,000</td>
<td>3.53%</td>
<td>84,000</td>
<td>7,000</td>
<td>9.09%</td>
<td>95% 1,312,000</td>
</tr>
<tr>
<td>1999 - 2000</td>
<td>85,000</td>
<td>2,000</td>
<td>2.41%</td>
<td>77,000</td>
<td>6,000</td>
<td>8.45%</td>
<td>91% 1,259,000</td>
</tr>
<tr>
<td>1998 - 1999</td>
<td>83,000</td>
<td>2,000</td>
<td>2.47%</td>
<td>71,000</td>
<td>6,000</td>
<td>9.23%</td>
<td>86% 1,221,000</td>
</tr>
<tr>
<td>1997 - 1998</td>
<td>81,000</td>
<td>2,000</td>
<td>2.53%</td>
<td>65,000</td>
<td>2,000</td>
<td>3.17%</td>
<td>80% 1,183,000</td>
</tr>
<tr>
<td>1996 - 1997</td>
<td>79,000</td>
<td>2,000</td>
<td>2.53%</td>
<td>63,000</td>
<td>2,000</td>
<td>3.17%</td>
<td>80% 1,153,000</td>
</tr>
</tbody>
</table>

**Proposal for Approval at May 2002 Commission Meeting**

**a** North Dakota and South Dakota.

**b** In June of 1998, Commission approved equalizing the dues for affiliates over a 4 year period beginning in FY 1998 - 1999 (increase an extra $4,000 each FY).

The final phase of this equalization process occurred during FY 2001-2002.
**ACTION ITEM**

**Fiscal Year State Dues**

**Similar Regional Higher Education Organizations**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>WICHE (per state)</th>
<th>SREB (per state)</th>
<th>NEBHE (avg. per state)</th>
<th>MHEC (per state)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004 - 2005</td>
<td>$111,000 a</td>
<td>Undecided</td>
<td>$234,667</td>
<td>Undecided</td>
</tr>
<tr>
<td>2003 - 2004</td>
<td>107,000 a</td>
<td>166,120</td>
<td>247,000</td>
<td>Undecided</td>
</tr>
<tr>
<td>2002 - 2003</td>
<td>$103,000</td>
<td>$160,500</td>
<td>$260,000</td>
<td>$82,500</td>
</tr>
<tr>
<td>2001 - 2002</td>
<td>99,000</td>
<td>157,350</td>
<td>266,853</td>
<td>82,500</td>
</tr>
<tr>
<td>2000 - 2001</td>
<td>$88,000</td>
<td>$154,990</td>
<td>$266,853</td>
<td>$75,000</td>
</tr>
<tr>
<td>1999 - 2000</td>
<td>85,000</td>
<td>151,950</td>
<td>257,025</td>
<td>75,000</td>
</tr>
<tr>
<td>1998 - 1999</td>
<td>$83,000</td>
<td>$149,700</td>
<td>$247,139</td>
<td>$58,000</td>
</tr>
<tr>
<td>1997 - 1998</td>
<td>81,000</td>
<td>146,800</td>
<td>237,634</td>
<td>58,000</td>
</tr>
</tbody>
</table>

Current # of member states

|        | 15 b | 16 c | 6 d | 10 e |

- a Proposed.
- c The Southern Regional Education Board (SREB) includes the following member states:
  - Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Texas, Tennessee, Virginia, and West Virginia.
- d The New England Board of Higher Education (NEBHE) includes the following member states:
  - Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
- e The Midwestern Higher Education Commission (MHEC) includes the following member states:
  - Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin.
Discussion Item

Minimum Reserve Level

Background and Summary

During the February conference call meeting of the Executive Committee, it was suggested that the commission revisit WICHE’s level of reserves and its reserve policy. The action item approved at the May 2000 commission meeting is included with this discussion item. The executive director reviewed this policy and continues to believe that it serves the agency well because:

- It provides a mandated minimum reserve, which can only be used to cover exceptional unanticipated losses, and then only when so designated by the commission.
- It further creates the capacity for dedicated reserves to cover the costs of one-time commission-approved expenditures.
- The 12 percent minimum threshold replaced a fixed $200,000 minimum reserve level. The fixed-level reserve had serious limitations because it did not increase over time along with organization’s increasing budget and equally increasing margin for risk.
- The 12 percent minimum reserve provides sufficient reserves to cover mandatory expenses in the event of a catastrophic revenue loss or increase in expenditures.

Rainy Day Reserve

The Executive Committee’s discussion in February, raised the question about whether WICHE should also sustain a “rainy day” fund to allow the organization to weather ebbs and flows in revenues, much like states do, without having to reduce the operating budget in lean years. To some extent, this was how the organization was budgeted in the late 1990s, and a return to this method of deficit financing would not seem advisable at this time. In addition to the problem WICHE faced then by having a built-in structural deficit, intentionally designating a rainy day fund might invite the “rainy day.” It would be easier for those who fund WICHE, in one way or another, to fall into arrears if WICHE had the capacity to absorb transgressions without immediate and harmful financial implications. States need rainy day funds because they lack control over some of their expenditures and revenues. It would be prudent for WICHE to budget and fund for all but exceptional expenditures and revenues.

For all of these reasons, staff recommend the current reserve level remain at 12 percent of the organization’s operating expenditures. It is also recognized that there is room for debate and differences of opinion on this issue.

Reserve Level and Policy Approved by the Commission in May 2000

Background

WICHE’s reserve should be adequate to cover any realistic budget shortfall. The dilemma, then, comes in defining what a realistic amount is to cover possible budget shortfall and what qualifies as a budget shortfall. Currently, the bylaws call for the reserve never to fall below $200,000. This creates a potential problem for the agency, however, because as the agency’s general fund budget increases over time, the mandated minimum provides less and less protection from any unexpected budget shortfall.
When adopted in 1982, the $200,000 reserve represented 20 percent of WICHE’s then $1,000,000 general fund budget. Today, the $200,000 mandated reserve represents about 10 percent of the WICHE’s annual operating budget. While this level of reserve appears adequate to guard against unanticipated budget shortfalls, it would not be sufficient in the future if it remains fixed at $200,000 and WICHE’s budget (and obligations) increase.

Therefore, staff recommended and the Executive Committee acted to recommend to the full commission that WICHE’s reserve be established at 12 percent of WICHE’s general fund expenditure budget.

Simply establishing a mandated minimum reserve level, however, does not a reserve policy make. It is also important to establish two other reserve policy parameters. First, what constitutes an unanticipated loss that would justify erosion of reserves below the minimum reserve requirement? Second, for what purposes can reserves in excess of the minimum be used? The Executive Committee discussed each of these issues, and recommends that the following guidelines be adopted by the full commission with respect to each of these issues. First, only exceptional unanticipated catastrophic losses to WICHE, as so designated by the commission, should be considered costs for which reserves below the minimum reserve requirement could be used. Second, reserves in excess of the minimum could be used only for one-time commission-approved expenditures that would substantially enhance the organization. Ongoing operational costs should not be budgeted against reserves, as they often have been in the past, because this tends to create a structural budget deficit, which can harm WICHE in future years.

**Action Approved**

COMMISSIONERS SWANSON (STONINGTON)/DUBOIS (M/S) APPROVAL OF WICHE’S RESERVE POLICY AS FOLLOWS:

1. WICHE WILL MAINTAIN A RESERVE OF AT LEAST 12 PERCENT OF THE APPROVED GENERAL FUND EXPENDITURES BUDGET.
2. RESERVES BELOW THE 12 PERCENT MINIMUM THRESHOLD CAN BE EXPENDED ONLY FOR EXCEPTIONAL UNANTICIPATED LOSSES, SO DESIGNATED BY 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.

The motion passed with two no votes (WA and NV).
Committee of the Whole, Call to Order

Monday, 9.30 – 9.45 am
Kiva B-C

Committee of the Whole Agenda

New Commissioner Biographies

Committee of the Whole Minutes – November 2001
Committee of the Whole
Breakfast refreshments available at 7:30 a.m.

Agenda

Call to Order: Tad Perry, Chair

Welcome

Introduction of New Commissioners and Guests

Committee of the Whole Minutes, November 12-13, 2001

Report from the Chair

Report from the Executive Director
New Commissioners

Ryan Deckert, a new WICHE commissioner from Oregon, took office as a state senator from Beaverton/Tigard in 2001. He is the chair of the Higher Education Caucus and a member of a number of committees, including those focused on education and business, labor, and economic development. Prior to this, he served two terms as a state representative and worked as the director of development at the Business Education Compact in Corvallis, as well as in positions at a number of other nonprofit organizations. He received his B.A. in political science from the University of Oregon, Eugene.

Tim Foster, a new WICHE commissioner from Colorado, is the executive director of the Colorado Commission on Higher Education and the Colorado Dept. of Higher Education. Prior to this, he was a partner in the general commercial practice law firm of Foster, Larson, Laiche and Griff in Grand Junction, CO. He served in the Colorado House of Representatives from 1988 to 1996 and was majority leader from 1993 to 1996, as well as a member of the Capital Development Committee and the Youth Crime Prevention and Intervention Program board; in addition he chaired the Finance Committee and the Education Task Force. He has been involved in numerous organizations and is currently a member of the Colorado Institute of Technology and the Governor’s Blue Ribbon panel on Higher Education for the Twenty-First Century. He holds a juris doctor from the University of Denver.

John D. Haeger, a new WICHE commissioner from Arizona, is the president of Northern Arizona University, a post to which he was appointed in 2001. Previous to this, he served as NAU’s provost and vice president for academic and student affairs. He has held academic and administrative positions in a number of other institutions as well, including Towson University and Central Michigan University. He received his B.S. in history and his Ph.D. in American history from Loyola University.

Camille Preus-Braly, a new WICHE commissioner from Oregon, is the commissioner of the Oregon Dept. of Community Colleges and Workforce Development, a post she’s held since 1999. Previous to this, she was the workforce policy coordinator at the Governor’s Office of Education and Workforce Policy, also in Oregon, and served as the director of the Office of Educational Policy and Planning, as well as in a number of other government and industry positions. Her B.S. degree is from Middle Tennessee State University, and her M.S. in business administration is from Indiana University.
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Participants

COMMISSIONERS

ALASKA
Diane M. Barrans
Johnny Ellis

ARIZONA
Lawrence Gudis

CALIFORNIA
Warren Fox (Sunday only)
Francisco Hernandez
Herbert Medina

COLORADO
William Byers
William Kuepper, III
Janet Kuepper
Tony Rechlitz

HAWAII
Doris Ching
Clyde Kodani
Raymond Ono

IDAHO
Charles Ruch

MONTANA
Richard Crofts
Francis J. Kerins
Mary Kerins
Emily Stonington, WICHE Chair

NEVADA
Jane Nichols
Raymond Rawson
Carl Shaff

NEW MEXICO
Everett Frost
Janet Frost
Pauline Gubbels

NORTH DAKOTA
Larry Isaak
Richard Kunkel
David E. Nething

OREGON
George Richardson, Jr.
Diane Vines

SOUTH DAKOTA
Robert Burns
Donna Burns
David R. Gienapp
Robert T. (Tad) Perry, WICHE Vice Chair
Carolyn Perry

UTAH
E. George Mantes
Mary Ann Mantes

WASHINGTON
Don Carlson
Marcus Gaspard

WYOMING
John Barrasso, M.D.
Jenne Lee Twiford
Jim Twiford

GUESTS

Frank Abbott
Former Director
WICHE Student Exchange Programs
Boulder

Julie Davis Bell
Education Program Director
National Conference of State Legislatures
Denver

Richard W. Clark, speaker
Senior Associate
Institute for Educational Renewal and
Institute for Educational Inquiry
Seattle
G U E S T S  continued

Corina Eckl, speaker
Program Director
Fiscal Affairs
National Conference of State Legislatures
Denver

William Husson
Vice President and Academic Dean
School for Professional Studies
Regis University
Denver

Toni Larson
Executive Director
Independent Higher Education of Colorado
Denver

Paul Lingenfelter
Executive Director
State Higher Education Executive Officers
Denver

Michael Martin
Interim Associate Vice President
for Technology and Innovations
University of Colorado
Boulder

Dewayne Matthews
Vice President, State Services
Education Commission of the States
Denver

James R. Mingle
President
Mingle & Associates
Littleton

Suzie Perry
Associate Dean
Teacher Education
Regis University
Denver

Lance Perryman
Dean
College of Veterinary Medicine
and Biomedical Sciences
Colorado State University
Ft. Collins

Kelly M. Rap
Wyoming WICHE Coordinator
University of Wyoming
Laramie

Ted Sanders, speaker
President
Education Commission of the States
Denver

Cynthia Board Schmeiser, speaker
Vice President
ACT, Inc.
Iowa City

Janis L. Somerville, speaker
Senior Associate
University System of Maryland and
the National Association of System Heads
(NASH)
Washington, D.C.

Spud Van de Water
Program Director, P-16
Education Commission of the States
Denver

James Voss
Dean and Emeritus
College of Veterinary Medicine
and Biomedical Sciences
Colorado State University
Ft. Collins

Lee White
Executive Vice President and Manager
Higher Education and Not-for-Profit Group
George K. Baum & Co.
Denver

S T A F F

Heidi Alina
Administrative Assistant
Administrative Services
Sharon Bailey
Policy Associate
Policy Analysis & Research
Cheryl Blanco
Director
Policy Analysis and Research

Suzanne Benally
Project Director
Doctoral Scholars
Programs and Services/Communications

Anne Finnigan
Communications Associate
Programs and Services/Communications

Caroline Hilk
Administrative Assistant
Policy Analysis & Research

Sandy Jackson
Program Coordinator
Student Exchange Programs
Programs and Services/Communications

Deborah Jang
Publishing and Design Manager
Programs and Services/Communications

Sally Johnstone
Director
Western Cooperative for Educational Telecommunications

Ying Ling
Research Associate
Policy Analysis & Research

David Longanecker
Executive Director
Guest: Mary Jane Longanecker

Sean Manley-Casimir
Assistant Project Director
Internet Resources
CONAHEC

Chuck McGee
Project Director
Mental Health

Michelle Medal
Administrative Assistant
Policy Analysis and Research

Craig Milburn
Accounting Manager
Administrative Services

Jere Mock
Director
Programs and Services/Communications

Dennis Mohatt
Program Director
Mental Health

Marv Myers
Director
Administrative Services

Margo Stephenson
Associate Project Director
CONAHEC

Diana Vari
Staff Associate
Mental Health

Marla Williams
Administrative Assistant to the Executive Director
and Executive Secretary to the Commission

Carol Wimert
Administrative Assistant
Programs and Services/Communications
COMMITTEE OF THE WHOLE

Chair Stonington called the meeting to order, and introduced three new WICHE commissioners: Bill Byers of Colorado, Jane Nichols of Nevada, and George Mantes of Utah. Two other newly appointed commissioners, Owen Cargol of Arizona and Gary Stivers of Idaho, were unable to attend the meeting.

Approval of the Minutes


Report of the Chair

Emily Stonington, WICHE Chair

Chair Stonington said the WICHE Commission comes together twice a year to oversee an organization that binds the West together in a way unlike most other organizations. The states pay dues to be a part of WICHE. Students benefit as a result of the advantages created by WICHE. Western institutions benefit as a result of the synergy that WICHE creates. Western legislators benefit from information about their neighboring states and the region. Western states, large and small, populous and sparse, benefit from WICHE and make our region more cohesive.

September 11 changed our lives. But September 11 did not change everything – certainly not the beauty of the West and certainly not our love for it. Nor did it change the West’s importance to the nation and to the world as a region, unique in its independence, creativity, and institutions.

The attacks on New York City and Washington, D.C., reminded us that we are more than East against West, more than urban against rural, coastal versus interior. We saw unity when fundraising groups stilled their phone banks. We saw it when a small town in Utah raised money to buy an ambulance for New York City. We saw it when farmers in Klamath Falls, OR, called a truce in their bitter siege of the federal irrigation system and told the guards that the headgates were safe, and they could go protect more vital installations. And we see it today in this meeting, when representatives form every state in the West come together to promote stronger education for our people.

WICHE is needed now more than ever. We, all of us here today, and the people we represent, need to explore, understand and work with the changes September 11 brought to all of our lives. We need our institutions of higher education to be strong. We need the ties that bind us to be resilient. We need the dialogue and information and programs WICHE provides so well to keep the West the West, a region unique in its geography but part of America and the global community.

Welcome to the Fall 2001 meeting of the WICHE Commission.
Report of the Executive Director
and What’s Up in the WICHE States
David Longanecker, Executive Director

David Longanecker said he was going to combine the “Executive Director’s Report” with the “What’s Up in the WICHE States” briefing.

Executive Director’s Report

I believe I have an absolutely wonderful job. It is one of the best jobs in America in higher education. I regularly tell people that, and while I might say that even if it were not true, I believe it is true.

We have a tough job ahead of us because of the economic and demographic circumstances facing almost all of our states. As you will be hearing over the next two days, that challenge has been amplified recently due not only to the September 11th attack but also due to the fact that prior to this, our economy was already suffering. Regional collaboration can be an effective and productive way to meet those challenges.

I thank the WICHE commissioners for helping me with a very difficult job last year. Selling the WICHE dues increase of 12 percent to your states was not easy. I appreciate very much your efforts and know that an “exceptional circumstance,” such as rent in Boulder, CO, was very difficult to sell to some of your legislators. Thank you, again.

What’s up in the West?

I’m going to address some of the same issues we’ve discussed early in this meeting. It will be brief.

Access and opportunity

1. Enrollments. Enrollments in the West are up, down, and all around. Enrollment growth is proving to be what was expected in Arizona, Colorado, New Mexico, Oregon, and Utah. Unexpected enrollment growth is occurring in Montana, North Dakota, and Wyoming. These states had been expected to have low-growth or declines in enrollments. Aggressive marketing activities coupled with the fine work of the WICHE commissioners turned this expectation around. Nevada is experiencing substantial enrollment growth but not as substantial as expected. Unexpectedly, Nevada’s growth is occurring in the four-year sector rather than the two-year sector. Generally, we are experiencing growth in higher education throughout the West. The question then becomes: are we seeing growth in access or just in enrollments? Growth can occur with an absolute decline in participation rates.

2. Financial access/aid. Need-based aid in the West is a mixed bag. The biggest story is in California, where there was a huge increase in funding for the Cal-grants. The dilemma in California is figuring out how to give this money away because the number of students expected to be eligible have not materialized. A number of WICHE’s states do not have need-based financial aid, and some states have had difficulty generating support for this in difficult economic times. Other states are doing extremely well, and there are a number of states with merit-based aid programs. One of the most significant ones is the millennium scholarship program in Nevada.

3. Federal aid. There was an increase in the amount of federal aid available to students. The maximum Pell Grant was increased to $3,750, a increase of $250. There had been a proposal to increase this amount to $4,000, but it does not look likely to happen at this point.

4. Early intervention programs. These programs have fared better than expected. The Trio Program funding was substantially increased in the appropriations bill and it appears that it will pass. The New
GEAR-UP Program had been slated for severe cuts, but currently it appears it will receive stable funding or a very slight decline in funding.

5. Policies on Access. The “Pathways to College Project” has gained more partners and has become more substantive as it develops. Cheryl Blanco, the director of Policy Analysis and Research at WICHE, is a significant leader in this national effort.

6. A report from the Morrison Institute at Arizona State University, *Five Shoes Waiting to Drop*, is a very poignant discussion about the importance of raising the aspirations and achievements of Arizona’s very large and increasingly growing Latino population if the state is to achieve future economic vitality.

**Finances**

1. The nation’s economic outlook. Corina Eckl from the National Conference of State Legislatures (NCSL) is going to join us for a presentation on finance issues. Therefore, I will keep this brief. I do not expect any of you to go away with smiles on your faces after hearing Corina’s very devastating story about the states’ economies. Recently, the director of the National Association of State Budget Officers showed me two charts of the states’ economic circumstances. Prior to September 11, data showed most of the states in the country expecting expansion in their state economies. Some states were uncertain about their economies, and the Midwest was projected to be in economic trouble. Following September 11, data showed (with some states not reporting) most states expected to be in financial trouble. Three states in the West do not appear to be in financial trouble. They are North Dakota, Montana, and Wyoming.

2. Institutional support. It is unclear if Western institutions are getting less support or getting less of an increase, and a few lucky states are getting more. Institutions generally had fairied pretty well at the end of their legislative sessions, but they now face cuts or cuts in previously approved increases.

3. Tuition and Fees. Public two- and four-year institutions have had tuition and fee increases of approximately 5 percent. This is below the national average, but averages do not capture everything. California had the lowest tuition increase with 2 percent; Hawaii increased by 3 percent; and Nevada increased by 2 percent. Montana was the highest with a 10 and 12 percent tuition increases; New Mexico’s tuition increased by 9.6 percent; Idaho’s by 9.1 percent; and Wyoming’s by 9 percent. The percentages of the increases do not show the entire picture. It is important to remember the West has the lowest tuition in the country. Ten percent of already low tuition would mean an increase of $200 to $300. Community colleges in the West received no or low increases. California’s community colleges received no increase, and Hawaii’s received 2/10ths of a percent increase. Montana’s two-year public institutions had an 11 percent increase, but keep in mind this is 11 percent on a very modest base.

4. The Higher Education Triad. The Higher Education Triad includes institutional support, financial aid, and tuition. In most cases, states are not integrating all of those elements into their decisions, and it is important to consider all three factors into the decision-making process.

**Governance and strategic planning**

In California, the statewide master plan being refashioned is much more expansive than it was in the 1960s – when it changed American higher education. The current plan under consideration provides an integrated K-16 path for students. In Nevada, Commissioner Nichols has been working hard to develop a master plan. The events of the last few months make it difficult to sustain interest in and attention on planning for higher education. It is a very important process, but focus has shifted to other more pressing matters. Implementing master plans is not as much fun as developing them. In Washington, they are experiencing what it is like to take a really good idea and try to convince people that it will be implemented.
Accountability
There are a number of accountability activities happening in the West. *Measuring Up 2000* is still capturing a lot of attention. At the recent annual meeting of the Education Commission of the States (ECS), the report cards from *Measuring Up 2000* were a major area of discussion, and some states are implementing them into their master plan as systems of accountability. Washington and North Dakota both have substantial components of accountability in their master plans.

Academic planning
Academic planning is a key issue in a number of Western states. Transfer policies and general education remain substantial issues. Colorado had a roundtable on general education. The Northwest Academic Forum has pursued some original ideas regarding transfer of credit. Transfer of credit is particularly important for the forum because of their virtual concept project, NEON (the Northwest Educational Outreach Network). If NEON is going to have a robust, collaborative outlet in the virtual education environment, it will be crucial to make sure students are able to carry those credits from institution to institution.

Technology
The use of technologies remains front and center. The University of Alaska has a statewide technology plan that they have developed that is not for education alone but for the entire spectrum, including the National Guard, community groups, and elementary and secondary educational institutions. The Arizona Board of Regents has established a virtual university. The University of California developed a virtual high school to provide advanced placement opportunities and other activities. The Western Governors’ University remains strong and healthy, having received a $10 million federal appropriation.

Workforce development
The big three issues in workforce development are: teachers, faculty, and nurses. WICHE will be proposing some involvement in workforce development policy issues, including incorporating workforce development into the Student Exchange Programs. Dennis Mohatt spoke about mental health. WICHE could provide substantial and important assistance to states to address issues around the need for a professional mental health workforce. This effort could also include other professionals who regularly administer mental health services such as ministers, police officers, and school counselors.

International students
The impact of September 11 is going to be very significant for higher education. There are 120,000 international students attending Western institutions. This is about 23 percent of the total international student enrollment in the United States. About 24,000 students from the West study abroad; about 18 percent of all U.S. students traveling abroad. International students are a significant and important part of our constituency. There are serious concerns about their ability to obtain visas and questions about whether they will even want to get visa. The United States has been a safe place to come to go to school. There were parents from around the world who felt good about sending their children to the United States because they knew they could get good educations and remain relatively safe. The world will question whether this is still the case. Already, since September 11, Washington, D.C., institutions have experienced a loss of international students. We do not know what the impact will be, but we do know we are in a world where we need to be much more globally engaged.

Questions
Longanecker said that this was his perspective on where we are in the West and asked if there were comments or questions.

Commissioner Carlson commented that fees are an important way of providing higher education the ability pay for some unexpected increases in expenses such as energy. He said Washington state implemented an energy fee, but the courts threw it out. As a result of this court order, it all needs to be
refunded. Longanecker said Colorado institutions were told they were able to increase fees, but there is a limitation about the amount an institution may garner from taxes. In Colorado, tuition and fees are considered consumer tax, and now those institutions that raised their fees are facing a decrease in their state appropriations.

Chair Stonington commented on the security constraints being placed on international students. Longanecker said the privacy of students and privacy laws are important issues. He said the institutional presidents in attendance would be able to attest to the fact that shortly after September 11, they were asked to provide information to the federal government that would have been illegal under federal law. However, if they refused to provide this information they would be deemed unpatriotic. The law has been changed to protect institutions from this law in order for them to provide the government with this information. This raises the questions of privacy protection for our students, international students’ ability to obtain/afford visas, and just how much impact the bureaucracy will have on international students. Last week, a bill was introduced that would essentially shut down visas for students from countries who harbor terrorists. The impact of this may be to intellectually estrange us from those portions of the world.

Report of the Nominating Committee
Diane Vines, Committee Chair

Diane Vines (OR), committee chair, on behalf of the Nominating Committee – Pauline Gubbels (NM), Carl Shaff (NV), and Robert Burns (SD) – nominated Tad Perry (SD) as chair and Charles Ruch (ID) as vice chair for 2002. (Note: election of the chair and vice chair for 2002 occurred during the second Committee of the Whole session, one of the next items in these minutes).

The Committee of the Whole adjourned until Tuesday, November 13, 2001, at 10:45 a.m.

COMMITTEE OF THE WHOLE (continued)

Chair Stonington reconvened the Committee of the Whole on Tuesday, November 13, 2001, at 10:45 a.m.

Report: Executive Committee
Tad Perry, Vice Chair

Vice Chair Perry reported that during the closed meeting of the Executive Committee, the committee informally reviewed the WICHE’s progress. He said the committee was highly complimentary of David Longanecker for his ability to serve as a spokesperson for the organization, acknowledged his efforts to lead WICHE in partnerships with other organizations, and appreciated the quality of the issues and the policy focus of the commission meetings. The committee encouraged Longanecker to continue WICHE’s focus on legislators, particularly during times of financial crisis but also because of term limits and changes in legislative leadership.

Vice Chair Perry reported that during the open meeting of the Executive Committee, the committee recommended full commission approval of three action items.

Action Item: Executive Committee Meeting Minutes

Action Item: Audit Report for FY 2001


Action Item: Process for Building or Purchasing the WICHE Working and Learning Center

ON BEHALF OF THE EXECUTIVE COMMITTEE, VICE CHAIR PERRY (M) APPROVAL THAT THE COMMISSION DIRECTS THE OFFICERS TO SERVE AS A TEMPORARY OFFICE SPACE PLANNING SUBCOMMITTEE OF THE EXECUTIVE COMMITTEE. THE SUBCOMMITTEE WOULD HAVE THE RESPONSIBILITY TO CONFER WITH STAFF AND WICHE’s FINANCIAL ADVISORS ON ALL OPTIONS BEING CONSIDERED, AND WOULD REGULARLY REPORT TO THE EXECUTIVE COMMITTEE AND THE COMMISSION. THIS SUBCOMMITTEE WOULD HAVE THE AUTHORITY TO APPROVE ACTIONS BY STAFF TO MOVE FORWARD ON ALL ASPECTS OF THE PROSPECTIVE PARTNERSHIP AND FINANCING, WITH THE EXCEPTION THAT FINAL APPROVAL OF THE PROJECT WOULD REQUIRE ACTION BY THE COMMITTEE OF THE WHOLE. The motion passed unanimously.

Report: Issue Analysis and Research Committee
Chuck Ruch, Committee Chair

Committee Chair Ruch reported that during the meeting of the Issue Analysis and Research Committee, the committee heard reports on the activities of the Policy Analysis and Research unit and the Western Cooperative for Educational Telecommunications. The committee recommended full commission approval of an action item.

Action Item: Developing an Online Course-Rating Tool

ON BEHALF OF THE ISSUE ANALYSIS AND RESEARCH COMMITTEE, COMMITTEE CHAIR RUCH (M) APPROVAL TO SEEK, RECEIVE, AND EXPEND FUNDS FROM THE WILLIAM AND FLORA HEWLETT FOUNDATION FOR THE PROJECT, “DEVELOPING AN ONLINE COURSE-RATING TOOL.” The motion passed unanimously.

Report: Programs and Services Committee
Diane Barrans, Committee Chair

Committee Chair Barrans reported that during the meeting of the Programs & Services Committee, the committee recognized James Voss, dean and emeritus of the College of Veterinary Medicine and Biomedical Sciences at Colorado State University, upon his retirement. The committee also welcomed incoming dean, Lance Perryman.

Unit Reorganization

The committee was briefed about changes in staffing and the reorganization of the Programs and Services/Communications unit, directed by Jere Mock, which includes the Student Exchange Program, coordinated by Sandy Jackson. In addition, the unit is responsible for the Doctoral Scholars Program, the Northwest Academic Forum, print and Web-based media for WICHE, and public affairs.

Student Exchange Programs

The committee heard a report on preliminary findings of the statistical report for the Student Exchange Programs. The report, which will be distributed in December, will show student numbers slightly lower,
with increased dollar amounts in the Professional Student Exchange Program (PSEP). This is due to increased support fees for the program. In May, support fee levels for the biennium 2003-2004 and 2004-2005 will be considered by the full commission, with recommendations from the Programs & Services Committee, and the WICHE Certifying Officers. The Western Undergraduate Exchange (WUE) program continues to be the program with largest number of participating students. Currently, WUE has 15,300 students enrolled, resulting in estimated savings in tuition of $57.9 million dollars for the residents of WICHE states. Several committee members voiced concern about the impact that institutions, especially those that are flagship or large institutions, have on neighboring states when they choose not to participate in WUE. The Western Regional Graduate Program is in the process of seeking program nominations for 2001-2002.

Updates

The committee heard reports on other activities within the unit.

WICHE is one of four regional education compacts participating the American TelEdCommunications Alliance. The objective of the alliance is to align resources and buying power for particular types of products and services, primarily for the benefit of institutions in the compact states. The alliance has been established, and now the staff of the regional compacts are working to bring together committees who will work on various aspects of this endeavor.

The Compact for Faculty Diversity, a program designed to promote faculty diversity, continues to support the Institute on Teaching and Mentoring. The institute is an annual event that brings together future faculty of color, many of whom are participants in the compact. Funding is being sought to continue the Compact for Faculty Diversity.

Action Item: Expense Accounts for Unit Directors

Chair Stonington called on David Longanecker to describe this item. Longanecker said as executive director, he has a $3,500 expense account. This account is designed to pay for items incurred while traveling or otherwise conducting WICHE business that are not allowed under WICHE’s regular reimbursement policies. He said the problem is that the unit directors, who incur similar expenses, do not have expense accounts to cover these debts. Longanecker said this item had been brought before the Executive Committee during a conference call meeting and the committee recommended it be taken to the full commission for consideration. The proposal is to provide the unit directors with expense accounts up to a maximum of $2,500 per year. The funds would come from the unit director’s existing budget allocations, and this item would not require new funding.

COMMISSIONERS KERINS/CARLSON (M/S) APPROVAL TO ESTABLISH EXPENSE ACCOUNTS FOR WICHE’S UNIT DIRECTORS IN THE AMOUNT OF $2,500 PER FISCAL YEAR TO DEFRAY JOB-RELATED EXPENSES. The motion passed unanimously.

Action Item: Indirect Cost Recovery and Compensation Policies

Chair Stonington called on David Longanecker to describe this item. Longanecker said the Executive Committee, during a conference call, recommended this item be taken to the full commission for consideration. The action would change WICHE’s policy with regard to indirect cost distribution within the organization, the self-supporting units (currently, the Mental Health Program and the Western Cooperative for Educational Telecommunications (WCET)) and allow an option for unit directors to provide exceptional staff with performance-based bonuses.

Longanecker said the two self-supporting units do not receive any funding from WICHE. These units
contribute, via indirect costs (currently at 15 percent) on grants and contracts, to WICHE’s overhead, including the support of these grants and contracts. He said WCET has been particularly successful in obtaining grants and contracts, thereby providing WICHE with indirect cost income above the amount necessary to support the WCET’s activities. The WCET Executive Board asked WICHE to consider a new approach that would allow WCET to retain a reasonable portion of these funds. These funds would be used to maintain the overall health of the program.

Longanecker said after substantial discussion and examination of various alternatives, the full commission is now presented with the proposed change in policy detailed in the agenda book (tab 9).

Commissioner Crofts, who serves on the Executive Board of WCET, thanked Longanecker for his work on this proposal, which has also been approved by WCET’s Executive Board. He said the Executive Board has decided that these funds would be used to address reserve issues and to strengthen the organization.

COMMISSIONERS CROFTS/SHAFF (M/S) APPROVAL TO CHANGE WICHE’S POLICY ON DISTRIBUTION OF INDIRECT COST INCOME. THE FOLLOWING THRESHOLDS WILL APPLY: NONFEDERAL GRANTS, $7,500, AND FEDERAL GRANTS, $15,000, IN THE AMOUNT OF 80 PERCENT TO THE RESPONSIBLE SELF-SUPPORTING UNIT AND 20 PERCENT TO WICHE. IN ADDITION, COMPENSATION FOR EXCEPTIONAL STAFF MAY BE ADJUSTED BY UP TO 20 PERCENT AS A PERFORMANCE-BASED BONUS. The motion passed unanimously.

Information Item: FY 2002 Budget Update and Preliminary Budget for FY 2003

Chair Stonington called on Marv Myers to report on this information item. Myers referred to new budget sheets dated November 9, 2001, and distributed at the meeting (see attachments 1 and 2). He said primary changes in the budget since the May meeting are: 1) a decline in interest rates, a trend that continues; and 2) better than projected indirect cost income. He said the new budget sheets reflect the now approved reallocation of indirect costs income to the Western Cooperative for Educational Telecommunications in the amount of $99,126.00. All of these factors result in a projected reserve of $510,908. Myers said a second handout reports the overall operating budget for the organization for FY 2001 and the most recent projections for FY 2002. For 2002, income reported is actual to-date for grants and contracts, with additional income from grants and contracted anticipated.

Commissioner Kerins expressed concern about the large amount of grant and contract income and its potential impact on the organization should this source of funding decline. David Longanecker said this is a dilemma and when those funds do decline the organization could be vulnerable. He said he plans to be vigilant about making sure WICHE’s core organization is not dependent on this kind of funding, as was the case just two years ago. Myers added that project staff, supported on grants and contracts, are given periods of appointment dates and are aware that employment beyond the term of the grants/contract is dependent upon WICHE’s ability to obtain additional external funding.

Commissioner Frost thanked staff for the updated budget material and commented that it more accurately reflects the overall operation of the organization. He said that as a WICHE commissioner he believes it is important for this type of budget material to be included in every agenda book (twice per year). Longanecker said WICHE’s budget has been viewed as a $1.7 million budget, but this figure only reflects the core operation. WICHE’s overall operating budget is actually a $7 million budget.

Longanecker said he wanted to clarify WICHE’s funding structure. WCET, the Mental Health Program, and CONAHEC (the Consortium for North American Higher Education Collaboration) are not funded out of general fund dollars (state dues and other income). These programs are funded exclusively from external sources. He said that currently a large share of the Policy Analysis and Research unit’s activities
are externally funded as well. He said the core-operating budget of $1.7 million supports basic services only. In addition, many of the services at WICHE are supported by the indirect cost income obtained from grants and contracts. He said WICHE would not be the same organization if its level of funding were entirely dependent upon core support from the states.

Myers said he would present updated budget figures to the Executive Committee during one of its next conference call meetings. Chair Stonington asked if he saw any significant trends. Myers said rent continues to be a large expenditure, even more so than originally expected.

Remarks from the Outgoing Chair
Emily Stonington, Chair

Chair Stonington said she would like to make a few remarks before she turned the gavel over to the incoming chair.

As chair, I’ve been thinking about the commission as a whole, as a group of people. I would like to offer two things for you to think about in regard to your responsibilities as commissioners:

Meeting format. Is the meeting format a good mix of active/passive information sharing, education, and participation? I would urge you to reflect on that and urge you to make comments on the evaluation form for this meeting. We want these meetings to be valuable to commissioners.

Composition of the commission. As you know, there are three commissioners from each state. There is quite a bit of turnover on the commission. I urge each of you, when your term is up, to take an active role in replacing yourself on this commission. Call your governor about prospective candidates and confer with other commissioners and staff about potentially good candidates.

Election of Chair and Vice Chair

Chair Stonington reported that a motion was on the floor from the Nominating Committee:

ON BEHALF OF THE NOMINATING COMMITTEE, DIANE VINES, COMMITTEE CHAIR, NOMINATED TAD PERRY (SD) AS CHAIR AND CHARLES RUCH (ID) AS VICE CHAIR FOR 2002. The motion passed unanimously.

Presentations to the Outgoing Chair

On behalf of the WICHE Commission and staff, David Longanecker presented Emily Stonington with a cowboy hardhat to protect her from her very active lifestyle. Being of like mind, Chair Perry presented Stonington with another piece of protective headgear adorned with emblems from each WICHE state. Perry said he hoped she would use the headgear while motorcycling, horseback riding, and participating in other activities she had yet to consider. Stonington thanked the commission and staff said she would put the gifts to good use.

Remarks from the New Chair

Chair Perry thanked the commission for electing him as WICHE’s chair said he looked forward to working with Chuck Ruch as vice chair. He said this is going to be an interesting year. It will be a year to reflect back on the past and WICHE’s success. WICHE has become one of the influential higher education policy bodies in this country. It will be a year of looking forward to the next 50 years and making sure WICHE is properly positioned. The bleak economic discussions held during this meeting will
present us with challenges in higher education. He looked forward to meeting those challenges in the upcoming year.

**Selection of 2002 Executive Committee Members**

The following commissioners were elected to serve as Executive Committee members for 2002:

Tad Perry (SD), chair  
Chuck Ruch (ID), vice chair  
Emily Stonington (MT), immediate past chair

Diane Barrans (AK)  
Linda Blessing (AZ)  
Warren Fox (CA)  
Bill Kuepper (CO)  
Doris Ching (HI)  
Gary Stivers (ID)  
Dick Crofts (MT)  
Ray Rawson (NV)  
Bruce Hamlett (NM)  
David Nething (ND)  
Diane Vines (OR)  
Bob Burns (SD)  
David Gladwell (UT)  
Don Carlson (WA)  
Jenne Lee Twiford (WY)

**Report of the Site Selection Committee**

Chair Perry announced the future commission meeting dates/places adjusted as follows:

- May 20-21, 2002    Santa Fe, New Mexico – Hotel Santa Fe  
- November 11-12, 2002    Boulder, Colorado – Omni Interlocken  
- May 19-20, 2003    Salt Lake City, Utah  
- November 10-11, 2003    Colorado  
- May 17-18, 2004    Sun Valley or Boise, Idaho  
- November 8-9, 2004    Boulder, Colorado  
- May 9-10, 2005    Anchorage, Alaska (meeting date subject to change)

**WICHE’s 50th Anniversary**

David Longanecker said WICHE would mark its 50th year in November 2002. He said current plans are to celebrate this anniversary between November 2002 and November 2003. He said a detailed plan for activities and budget implications will be presented to the commission for consideration at the May meeting.

**Meeting Evaluation**

Chair Perry asked the commissioners to complete and turn in their meeting evaluation forms located in the agenda book. He also reminded them to consider Commissioner Stonington’s earlier remarks about the meeting.

**Other Business**

David Longanecker said Marla Williams is his closest colleague at WICHE and that she is certainly the commissioners closest colleague and contact with WICHE. He said she is a wonderful person and thanked her for doing a tremendous job.
Special Events Held During This Meeting

• Theme I Policy Discussion: 2002 Fiscal Outlook for the States and Implications for Higher Education; Corina Eckl, program director for fiscal affairs at the National Conference of State Legislatures.

• Theme II Policy Discussion: Aligning Curriculum and Standards for High School Exit and College Entrance; Cynthia Schmeiser, vice president of the developmental division of ACT, and Janis Somerville, senior associate at the University System of Maryland and National Association of System Heads (NASH).

• Theme III Policy Discussion: Accelerated Options – College in High School.

• New Commissioner Orientation Session.

• Tour and reception at WICHE’s new office facilities.
Programs and Services Committee

Monday, 10.00 – 11.30 am
Kiva B-C

Programs and Services Committee Agenda

Programs and Services Committee Minutes – November 2001


Professional Student Exchange Program Support Fees

FY 2002-03 Workplan Chart

Discussion Item – WICHE’s Student Exchange Programs: A Glance Back and a Look Ahead
Monday, May 20, 2002

10.00 - 11.30 am
Kiva B-C

Programs and Services Committee

Committee Members

Diane Barrans, (AK), committee chair
Phil DuBois (WY), committee vice chair
Tad Perry (SD), ex officio
Chuck Ruch (ID), ex officio

John Haeger (AZ)
Herbert Medina (CA)
Bill Byers (CO)
Raymond Ono (HI)
Gary Stivers (ID)
Emily Stonington (MT)
Carl Shaff (NV)
Bruce Hamlett (NM)
Larry Isaak (ND)
Camille Preus-Braly (OR)
David Gienapp (SD)
George Mantes (UT)
Ken Jacobsen (WA)

Agenda

Call to Order: Diane Barrans, chair

Action Item
Minutes of the November 13, 2001, Committee Meeting

Action Item
Minutes of January 8, 2002, February 19, 2002, and April 8, 2002 Subcommittee Meetings

Action Item
Professional Student Exchange Program Support Fees for FY 2003-2004 and FY 2004-2005 – Jere Mock, director of Programs and Services, and Sandy Jackson, coordinator, Student Exchange Programs

Action Item
FY 2002-03 Workplan Chart – Jere Mock

Discussion Item: WICHE’s Student Exchange Programs: A Glance Back and Look Ahead – Chuck Ruch, chair, Student Exchange Programs Subcommittee
Program Updates

1. Report on the May 19 Certifying Officers Meeting and the June 7 and 8 Veterinary Medicine Advisory Council Meeting – Sandy Jackson

2. Western Undergraduate Exchange Enrollment Report and Western Regional Graduate Program Nominations – Jere Mock

3. Status Report on Appointments to WICHE’s Legislative Advisory Committee – Jere Mock
Committee members present
Diane Barrans (AK), chair
Emily Stonington (MT), ex officio
Tad Perry (SD), ex officio
Richard Crofts (MT)
David Gienapp (SD)
Larry Isaak (ND)
Bill Kuepper (CO)
Herbert Medina (CA)
Jane Nichols (NV)
Raymond Ono (HI)
George Richardson (OR)

Committee members unable to attend
Phil Dubois (WY), vice chair
Owen Cargol (AZ)
Bruce Hamlett (NM)
Gary Stivers (ID)
Ken Jacobsen (WA)

Diane Barrans opened the meeting at 8:35 a.m.

Action Item: Approval of the Minutes of the May 21, 2001, Programs and Services Committee meeting

Members approved the minutes of the May 21, 2001, committee meeting.

Jere Mock provided an update on the recent consolidation of the Student Exchange and the Communications and Constituent Relations units to create the Programs and Services unit. The unit is responsible for WICHE’s Student Exchange Programs, print and electronic communications, the Northwest Academic Forum, the American TeleEdCommunications Alliance, and various public affairs activities. As part of this realignment, the administration of the Ford Foundation grant on Legislative Engagement in Higher Education Policy and the Advanced Placement Incentive Program grant funded by the U. S. Dept. of Education have been transferred to the Policy Analysis and Research unit.

Diane Barrans introduced Dr. James L. Voss, dean emeritus of the Colorado State University (CSU) School of Veterinary Medicine and Biomedical Sciences. She presented Dr. Voss with a gift in appreciation of his 43 years of service as a faculty member and dean of one of the most successful regional programs offered in the Professional Student Exchange Program (PSEP). Larry Isaak made a motion to extend WICHE’s sincere appreciation to Dr. Voss for his years of service to Colorado State University, his students, and to the WICHE programs; the motion was unanimously approved.

Barrans introduced Dr. Lance Perryman, who became dean of the CSU School of Veterinary Medicine and Biomedical Sciences on October 1, 2001. Dr. Perryman said since he started as dean, the school has...
received a site visit for reaccreditation (completed every seven years) from the American Veterinary Medicine Association, and a favorable written report is expected before Thanksgiving. On October 3, the school held a groundbreaking for the new animal cancer center that will be operated in conjunction with the Voss Veterinary Teaching Hospital. He described several important goals for the upcoming year: the reorganization of seven departments into four; addressing facilities requirements to help plan the best utilization of their available land; and increasing the business skills of veterinary medicine graduates by offering a joint DVM/MBA in the Fall of 2002. Dr. Voss added that the WICHE Professional Student Exchange Program is essential to the continued development and high caliber of the College of Veterinary Medicine and Biomedical Sciences.

Sandy Jackson provided a review of preliminary data from the Student Exchange Program’s 2001-2002 Statistical Report. Jere Mock informed commissioners that a state-by-state breakdown, outlining institutional participation in all three exchange programs, will soon be available. Don Carlson asked how the regional tuition concept, discussed by the Executive Committee, would affect the Western Undergraduate Exchange (WUE) program. David Longanecker clarified that a regional tuition concept has not been proposed, merely discussed at a previous meeting. He explained that the difficulty with trying to establish a precise regional tuition rate is that the states within the region all have different tuition policies and provide different levels of subsidies to their institutions. Longanecker said the WUE’s 150 percent tuition rate is a good “proxy” because it covers the marginal costs of a student but it doesn’t require a subsidy for WUE students.

Carlson said that tuition waivers are given in Washington by institution and he believes WUE students were included in FTE counts. He said Washington institutions receive funds based on their FTE, which is a sizeable amount of money. Longanecker said he would check into this, but he didn’t think it would be the norm.

Jackson continued with her review of enrollments and noted that the higher student enrollment numbers for the Western Regional Graduate Program were due partly to a concerted effort by staff to receive enrollment data from all institutions. Mock added that the unit is investigating ways to move from a paper to an electronic environment to improve SEP data gathering and tracking. She said by utilizing the Web and e-mail more efficiently, the states’ certifying officers and institutions’ staffs will not have to spend as much time on enrollment reporting functions. Currently, an electronic WUE enrollment reporting process is being developed to improve efficiency; the certifying officers will have an opportunity to preview the system before the May 2002 commission meeting. Mock assured the committee members that over the next few months, staff will work closely with certifying officers to address any concerns they may have related to the new electronic enrollment reporting system.

Dick Crofts commended the staff for their efforts on behalf of these programs. He added that the programs were used extensively in his state; he found the process to be fairly smooth and the WICHE staff to be very helpful. He noted Dewayne Matthews’ comment in the minutes from the May 2000 meeting — “saving students and families $57.5 million in tuition” — and suggested that WICHE should be promoting this savings.

Carlson said he is curious about how institutions determine if they are going to participate in the exchange programs, particularly the Western Undergraduate Exchange. Barrans said that the policy the commission has taken is to do whatever it can to encourage participation without interfering with the institutions’ discretion. If the institution has sufficient enrollment they can choose not to participate—particularly in the WUE program.

Longanecker suggested that the WUE program was developed to protect the institutions over the students. In Washington, which has enrollment caps on its institutions, it comes down to enrolling Washington or Oregon students. Oregon has the same dilemma, with severe fiscal constraints, so there is a balance that needs to be achieved. He wondered if there was a way to become more active in
support of those institutions that embellish the principles – something that would identify full-fledged WUE institutions vs. partial WUE colleges and universities. Carlson expressed his concern that Washington does not have more WUE students leaving the state than coming in, and asked how this can be balanced. George Richardson expressed similar concerns about the number of Oregon students going to Washington graduate institutions. Members agreed this topic needs more discussion.

Longanecker said he is aware of the situation and offered an example. Nevada expects their student population to increase 100 percent over the next 10 years. To develop a policy that mandated more WUE students coming into Nevada would be a real burden. Emphasis has been on maintaining as open a system as possible within an environment of 15 participating states with differing needs.

Longanecker added that he and Tad Perry have discussed some of the gaps that exist in serving students the array of programs available today. Perry suggested creating a small group of commissioners to work on this issue, to see if there is a way to be more proactive in creating more of a focus on student services and state needs instead of institutional desires.

Jane Nichols thought the Western Regional Graduate Program and the Professional Student Exchange Program provide good examples. She said that Nevada has a critical need for Ph.D.s in nursing but the state can’t increase its faculty levels to produce more nurses for other states. She thought the veterinary medicine program at CSU, from its very inception, was created with an eye toward meeting regional needs. She said it may be time to look at what manpower needs are emerging in the region and to be more proactive and aggressive at every level to develop regional solutions.

Barrans asked staff to give some thought to these issues and to propose an approach that will address potential program modifications that can meet the needs of students in terms of mobility across state lines, as well as state manpower needs.

Jackson provided a brief report on the June 2001 meeting of the WICHE certifying officers and the Veterinary Medicine Advisory Council. She noted that in 2002, these two groups will meet separately rather than jointly. The certifying officers will meet with the commissioners in Santa Fe to discuss support fees for the next biennium and the Veterinary Medicine Advisory Council will meet in Reno in June.

Mock provided a status report of the Western Regional Graduate Program nomination process. Nominations of programs to be included in WRGP are accepted every two years, and this year efforts are being made to streamline the peer review process. Recommendations on what programs to add to the WRGP will be presented to the commissioners at the May 2002 meeting. Currently, there are 34 institutions offering 120 programs.

Mock described several new publications for the PSEP, WRGP, and WUE programs. The publications are updated annually and are also available on WICHE’s Web site. Workforce Briefs were created for each of the WICHE states and copies are included in the commissioners’ folders. The Briefs will help establish a context for upcoming support fees discussions, Mock said.

Barrans extended her appreciation for the work done by WICHE staff on behalf of the Student Exchange Programs. She said staff efforts have helped to make extremely complex programs work seamlessly, and the new publications are another indication of the good work the unit produces.

Mock presented the timeline for consideration of the PSEP support fees. In the next few months, preliminary support fee recommendations will be sent out to affiliated groups. Their feedback will be gathered and a conference call will be arranged for members of the Student Exchange Program Advisory Council in late March or early April. Feedback from the states will be considered, and an action item will be developed for the May commission meeting. Certifying officers will discuss the fee recommendations at their May meeting, and final action will be requested at the Programs and Services Committee meeting.
Longanecker stressed that for those members who are new to the committee, the consideration of support fees is one of the most important and difficult tasks they have; this is because members try to balance what the institutions legitimately need in revenues to support their programs and what the states and students can afford to pay for those programs.

Barrans asked whether, in light of Jane Nichols’s comments about the shortage of nurses, there is any capacity available in the region. Mock answered that she didn’t believe there is substantial excess capacity within the region, but the Northwest Academic Forum is currently looking at electronic options for delivering programs, with nursing as a focus. External funding is required for pilot projects to be developed around this and other disciplines.

Commissioners briefly discussed an issue related to the Americans with Disabilities Act (ADA), which had been discussed at a commission meeting in 2000. Complying with the ADA had created a substantial financial burden for one of the institutions that participates in the Professional Student Exchange Program. Longanecker added that part of the problem is identifying what agency or organization within the states is expected to cover costs associated with complying with the act — the institutions, state departments of rehabilitative services, or other offices. He said federal regulations are unclear as to who is responsible. Crofts requested that there be follow up on the relationship of the rehabilitative services and higher education offices in relation to this issue.

Mock provided a status report on the American TeleEdCommunications Alliance (ATAlliance). The alliance was formed to promote and expand low-cost access to telecommunication products and services and to provide leadership in guiding technology policy and standards for public and private nonprofit colleges, universities, schools, organizations, agencies, and public entities within the United States. Founding members of the ATAlliance include the Midwestern Higher Education Commission, New England Board of Higher Education, Southern Regional Education Board, Western Interstate Commission for Higher Education, and MiCTA, a national telecommunications association comprised of nonprofit organizations. At the November 2000 meeting, commissioners endorsed WICHE’s joining this national effort. Since April 2001, a board of directors has been elected, bylaws have been approved, and the executive directors and staff of the regional organizations have developed founding documents for the alliance. Within the next couple of months, revenues from this effort should start flowing to the regionals. Each regional higher education organization will help promote membership, inform existing members of available products and services, and participate in negotiations for new products and services to be offered via the ATAlliance.

Suzanne Benally provided an update on the Compact for Faculty Diversity. She shared a brief history of the compact, results of the 2001 Institute on Teaching and Mentoring held in Atlanta, and future plans. WICHE is currently exploring funding from the Atlantic Philanthropic Service to build additional institutional capacity within the region to support minority doctoral students.

Mock presented some recent publications designed by WICHE’s communications staff, and she introduced Deborah Jang, WICHE’s Web site designer.

The meeting was adjourned.
WICHE Commissioners:
Chuck Ruch, Idaho, subcommittee chair and commission vice chair
Larry Isaak, North Dakota
Bill Kuepper, Colorado
George Mantes, Utah
Diane Vines, Oregon

WICHE Staff:
David Longanecker, executive director
Jere Mock, director, Programs and Services
Sandy Jackson, program coordinator, Student Exchange Programs

Chuck Ruch welcomed the subcommittee members to the call and described the committee’s purpose. He said it was formed to help determine if WICHE is positioned effectively to meet current and future needs of the Western region. The committee also will explore whether new academic fields and/or new models should be considered for our exchange mechanisms.

Jere Mock provided a brief overview of WICHE’s three Student Exchange Programs: the Professional Student Exchange Program (PSEP), the Western Regional Graduate Program (WRGP) and the Western Undergraduate Exchange. She described the programs’ histories, the participating states, and enrollment trends.

David Longanecker said he believes it’s an appropriate time to examine whether we are covering the right academic fields in our PSEP program and whether new fields should be added. He also wonders if we should consider new program rules to broaden access. He said some of our rules favor institutions at the expense of students’ interests. He also wants the commission to consider questions such as these:

- Should WICHE encourage states to provide state financial aid to assist students enrolled in the Western Undergraduate Exchange? Low-income students may be unable to participate today if they cannot afford the 150 percent of resident tuition rate.
- Should states support students enrolled in high-cost, high-demand undergraduate fields?
- Are there other program models to consider? There may be other exchange models that we should try to replicate; he mentioned the Washington, Wyoming, Alaska, Montana, and the Idaho medical program as examples.
- Should WICHE take a more active role in facilitating conversations around matching institutions that have excess capacity with states/institutions that have excess demand?
- Are WICHE’s programs administered effectively?

Diane Vines asked if the current economic downturn is impacting state participation in PSEP. Sandy Jackson said student enrollments are down in our physician assistant and occupational therapy programs, but she attributes this more to the current emphasis on health maintenance organizations (HMOs) and government cutbacks in Medicare funding – factors that are causing students to pursue other fields. Other declines occur when states begin new professional programs.
Vines mentioned that Oregon is considering cutting back on the number of Western Undergraduate Exchange students it will receive in the future as a result of increased enrollment demands for state residents and fiscal constraints.

Larry Isaak said North Dakota has fewer applicants in physical therapy. Sandy said this is occurring in other states as employment opportunities in the field continue to shrink. Isaak said North Dakota’s participation in the SEP programs is driven by the state budget. The state is focusing attention on recruiting dentists into its rural areas, the legislature is allocating funds to help rural communities attract dentists. Vines said all the rural health disciplines are experiencing shortages and there isn’t sufficient funding to address the problem; she added that every state is facing a nursing shortage. Isaak said North Dakota also is short on math and science teachers.

Ruch said that working conditions in the health care industry are driving many nurses from the profession. Vines said in Oregon the problem is a shortage of seats in nursing programs, particularly at the community college level.

Longanecker said WICHE needs to validate these workforce needs and not respond to needs that are artificially induced by institutional behaviors.

Isaak said North Dakota wants to attract more nonresident undergraduate students. He wants WICHE to consider strategies to match the needs of states that have excess capacity with those who can provide access to seats.

Vines said the fiscal problems in Oregon present an opportunity for WICHE to help facilitate meetings with states and institutions around strategies to meet future access needs.

Longanecker said WICHE could play an important role in helping to identify excess capacity in the region to address workforce shortages that are episodic. Systemic shortages will be tougher to address as state fiscal resources become tighter. He said WICHE could identify capacity mismatches and help to do something about them.

Bill Kuepper said forecasting workforce needs can be an imprecise science, and we need to fully research the identified needs. Ruch said universities have capacity to respond to the marketplace by developing programs in new fields.

Longanecker proposed that WICHE begin by exploring the nursing shortage and try to develop a process that would allow us to assess new needs every few years.

Vines said Oregon is developing an “early alert system” in partnership with industry councils for high-demand professions. She said it would be helpful to have a regional perspective on these issues.

Kuepper asked if WICHE’s mobility study will include information regarding where students are working once they graduate; Longanecker said it would. Kuepper also suggested that we should encourage a conversation at each WICHE Commission meeting about states’ plans in relation to Student Exchange Program participation to increase awareness of future plans.

Ruch asked staff what the next steps should be. Mock said she wants to contact governing and coordinating board academic affairs officers and WICHE certifying officers to get more input on some of these issues. She said she’d report back at the subcommittee’s next call, which is scheduled for Tuesday, Feb. 19.
ACTION ITEM

WICHE Student Exchange Program Subcommittee
Minutes – February 19, 2002, Teleconference

WICHE Commissioners:
Chuck Ruch, Idaho, subcommittee chair and commission vice chair
Dick Crofts, Montana
Larry Isaak, North Dakota
Bill Kuepper, Colorado
Louise Lynch for Linda Blessing, Arizona
Diane Vines, Oregon

WICHE Staff:
David Longanecker, executive director
Jere Mock, director, Programs and Services
Sandy Jackson, program coordinator, Student Exchange Programs

Subcommittee members unable to participate in the call:
Tad Perry, South Dakota
George Mantes, Utah

Subcommittee chair Chuck Ruch welcomed the participants and expressed his appreciation to staff for the information gathering that has occurred since the committee’s last conference call. Jere Mock reviewed the outcomes of interviews with academic affairs officers and certifying officers in the 14 states that participate in WICHE’s Student Exchange Programs (SEP). She summarized staff recommendations in three areas: the nursing shortage; collaborative academic planning; and Student Exchange Program administration and potential new approaches.

The Nursing Shortage: Mock said all states in the West report they are experiencing a shortage of nurses. Governors and/or legislatures are getting very involved in addressing the issue. Some states are expanding program capacity, others are providing more financial support to encourage students to enter or return to the profession. WICHE can provide information on the status of the shortage in the region and projections on future supply and demand, as well as policy approaches that states are using to address the problem. We could also convene deans of nursing schools, institutional leaders, governing and coordinating board leaders, policymakers, and health care providers to explore how WICHE can address this issue. And WICHE can provide information on the current availability of distance-delivered nursing programs and on institutions’ plans to expand these programs.

Diane Vines said she supports developing a regional approach. Oregon is trying to deal with the nursing shortage, but funding is so constrained right now that it’s difficult to expand nursing programs. She said WICHE could convene groups to help the states learn more about the shortages and to develop collaborative approaches. Dick Crofts asked how demand differs for baccalaureate vs. sub-baccalaureate-level programs and whether one approach is being stressed over the others. Mock said she doesn’t have that level of detail yet; however, a number of states are working to improve the articulation of their nursing programs from the community colleges to the baccalaureate programs, while others are trying to shorten time to degree. Vines mentioned that Oregon has a task force, led by the Oregon University System’s Center for Nursing, that is trying to develop a coordinated strategy to increase the number of faculty members in the community colleges – a major issue related to expanding the community college nursing programs.
Ruch said Idaho has learned that an assessment of what’s needed in nursing depends on whom you ask. If you ask the hospitals, they give you a different answer than the nursing programs’ deans. A hospital and university consortium has been created in the valley. He said when they went to the institutions’ program directors and deans to discuss what’s needed, they were told the programs should all be at the baccalaureate and master’s levels; when they went to the hospital CEOs, they wanted two-thirds LPNs with prescription authority and one-third RNs or they wouldn’t agree to help pay for the programs. The hospitals say they can’t afford to support a workforce of RNs. Mock said similar concerns were expressed in Colorado. Ruch said there is considerable merit in having WICHE convene a nursing advisory committee for a couple of years to explore this issue. Vines said the committee should include some people who are not commissioners. Longanecker said the disconnect between the higher education community and consumers is very evident: the institutions are emphasizing graduate nursing but the crisis relates to a shortage of practicing nurses. He said the nursing advisory committee could address cyclical demand needs; he recommended that it function over the next couple of years and not become a permanent fixture.

Crofts said Montana also has a task force that’s focused on the nursing shortage. One of the areas it is continuing to tackle is to develop efficiencies in laddering the programs as students progress through the certificate LPN level and ultimately to the baccalaureate degree. He suggests the rural dimension be represented on the advisory committee, as physicians and hospitals in small communities can’t afford to pay for nurses with B.A. degrees. Ruch asked if staff could develop an inventory of online nursing programs, and Mock said that one of the WICHE Ford Fellows is developing this information and that it will be available in a few weeks. Vines said we shouldn’t limit it to online programs; we should include all distance-delivered programs for nursing. Longanecker mentioned that the U.S. Open University has announced that it will close its operations this summer; he said it has had offered effective nursing and teacher education models. He will be talking with the British Open University leaders when they are in Boulder in March to learn more about their models. Vines said she would be eager to explore whether we could help rescue the U.S. Open U’s nursing and teaching programs by working together with the faculty that may remain or by buying the curriculum. Ruch said there is strong support from the subcommittee to move ahead with the next steps on the staff recommendations related to WICHE’s involvement in the nursing shortage.

High Demand Disciplines and Collaborative Academic Planning: Mock said three areas were consistently identified by the states as high demand disciplines: nursing, teaching, and engineering. Other areas include criminal justice, social work, and information science. She said it’s apparent that most of the academic planning in the West is initiated at the faculty and institutional levels, not at the state board level. New programs are faculty driven and put before the state boards for approval, but little activity is occurring on the state level to forecast what new disciplines are developing and to create statewide strategies on how higher ed should respond. Longanecker said the faculty driven academic planning approach is not always in tune with the states’ economic and social needs.

Vines said Oregon has a major statewide collaboration in engineering that’s developed over the past four years, at the request of industry leaders and the legislature. The goals of the initiative are to double the number of engineering students by 2005 and to build a top-tier engineering school at Oregon State University. Oregon also has a health care initiative at the state level that the governor is leading. It involves industry representatives, faculty, and deans and is focused on nursing and the other health care disciplines. Longanecker said he may want to invite the Oregon governor to attend the May commission meeting. Vines said Annette Talbott is directing the initiative in the governor’s office, and she would welcome an opportunity to talk about the task force’s progress during the WICHE commission meeting.

Ruch said collaborative academic planning is something the Northwest Academic Forum should address: provosts and vice presidents of academic affairs are where the leadership will be found on this issue. Mock agreed and said the NWAF members have been very interested over the last couple of years to address this issue using distance education strategies. NWAF is seeking funding for its Northwest
Educational Outreach Network (NEON) consortium to broker high demand academic programs throughout the NWAF’s nine-state region.

Larry Isaak said his board recently approved an $80,000 allocation for the North Dakota University System to do an in-depth, statewide needs assessment next year that will help create a process for new academic program planning and development. Opportunities may come out of this effort for WICHE to help broker academic resources in response to North Dakota’s needs.

Mock said several new opportunities exist for WICHE to play a brokering role in identifying which states are facing access issues and which states have excess capacity in certain programs. We can look at opportunities to use distance education in response to those needs, on a subregional, or state-by-state basis. WICHE could convene groups of provosts, deans, and others to look at opportunities for academic and programmatic collaborations. She said Tom Buchanan, provost at the University of Wyoming, is interested in having conversations with some of his peers at institutions along the Colorado Front Range about the possibility of academic collaborations. Vines said we should have industry representatives and institutional leaders work together; we need to set an example for the states to get the academics to listen to industry. Isaak said he is very pleased with what’s been proposed in terms of WICHE playing a brokering role to identify these kinds of issues and to bring the parties together to solve them; he commended staff for advancing that idea and he wants to encourage the full commission’s support.

Ruch said he strongly supports a role for WICHE in bringing together contingent states (or subgroups of states) with similar interests around academic planning; it’s something the Northwest Academic Forum members should jump on because they are where the action is and if we can cause that to happen it would be really helpful. Longanecker encouraged the subcommittee members to encourage their states’ institutional members in NWAF to attend the forum’s May 6-7 annual meeting in Bismarck. Mock added that the academic affairs officers expressed great interest in having WICHE convene annual forums to look at emerging workforce trends, involving labor economists and industry leaders. WICHE will pursue funding from the U.S. Dept. of Labor for this activity.

Student Exchange Program Management and New Approaches: Mock said strong appreciation was expressed by the states for the job that staff, particularly Sandy Jackson, has done over the years administering the SEP programs. Only a few suggestions were made regarding operational procedures or methods. The greatest concerns relate to declining fiscal resources and whether states are going to continue to be able to support the current numbers of students through the Professional Student Exchange Program. She said the commission needs to approve the support fee levels for the next biennium at its May meeting. A few states have suggested that we consider reducing the support fees in some professional fields so that they can allocate their funds to more students, placing a larger tuition burden on the participating students. Others want to hold the line on support fees. It will be a challenge to balance state needs across the region. Three states told us they may cut back on the numbers of PSEP students because of fiscal cutbacks. Crofts asked if these decisions could be made on a state-by-state basis in the future, since we need to make sure the support fees are consistent with the needs of the states and institutions that are offering the programs. He said a state could decide that it would pay 90 percent of the support fee and the student would have to pay the other 10 percent.

Longanecker said one of the dilemmas is that we need to make sure, to the extent it is possible, that students are being protected and that PSEP remains a student- as well as state-focused program – it should serve both purposes. He said a 10 percent surcharge wouldn’t necessarily violate that, but if it got to the point where the states were buying contract seats and the students were paying most of the support fees, it wouldn’t be appropriate. The other dilemma is for the participating institutions: it would become administratively complex if they were charging students differing amounts. Crofts said he isn’t too interested in going this direction, but if some states feel like they have to do it we could find ways to allow it, without forcing all states to do it. Jackson said Montana currently charges the students in medicine and osteopathic medicine a surcharge in its Rural Physician Incentive Program.
Isaak said it would be useful to have a discussion about these issues with either the Executive Committee or the full commission. He would like to hear from legislators serving on the commission because they appropriate the funds for the support fees. Isaak said he likes the idea of letting the states decide how much to pay, but perhaps it should be within a range of support, such as $15,000 to $22,000 for veterinary students. That would provide revenue assurance for the participating institutions, but the states could make the judgments about how many students they can support and at what levels.

Longanecker agreed that the discussion should take place, but he encourages the subcommittee to consider how WICHE could administer the PSEP program effectively if we move in this direction. A couple of states do something like this now with contracts, and it causes considerable work for staff. If all the states switch to this approach, the program might become less attractive because of the administrative burden; but he said staff will consider potential solutions.

Bill Kuepper said we already allow the states some options through the payback process. He supports allowing the states to have an option on the front end of the program to determine what the students pay. Substantial variations exist across the states in terms of the payback provisions. Longanecker said his concerns regarding student needs could also be addressed by setting some limits: we need to make sure we maintain the basic principles of the program so it continues to be affordable to students and broadens access.

Ruch suggested that staff should frame some of these policy options and put them in the support fee survey that staff will disseminate before the May meeting, so that we’ll know whether these options will make it more or less attractive for states to continue in the program.

Mock said strong support was expressed by the states to decentralize the Western Regional Graduate Program. Graduate programs are nominated for WRGP every two years and are reviewed by faculty in graduate schools throughout the region. The academic affairs officers have told us that we should let the institutions decide what programs they want to include – perhaps without a review process – and add new programs on an annual basis. There were only one or two suggestions related to changing the resident tuition approach for WRGP – one state proposed that we consider a tuition rate above resident tuition. Staff endorses making the WRGP program more flexible and decentralized.

Mock said comments from the academic affairs officers were mixed in terms of the Western Undergraduate Exchange. Some states want to recruit more WUE students and would appreciate help from WICHE to market their availability; others are feeling pressure around the 150 percent of resident tuition rate. They would like to have more flexibility, they would like to use 150 percent rate as a floor but would also want the option of setting the ceiling on the tuition rate. There might be a WUE tuition range across the region. Isaak said another approach that could be considered would be to set the WUE tuition as “up to a certain rate” or “no greater than.” The Midwestern Higher Education Commission uses this approach and sets tuition at no greater than 150 percent. He said with WICHE it could consider no greater than 200 percent of resident tuition, or something like that. Mock said the WICHE Commission considered raising the WUE tuition level to 200 percent a few years ago and did not approve the change. Isaak said a range, or a “no greater than” approach would give the states the ability to be at the high end if they need the extra revenues. Longanecker said he believes 150 percent is a good number; the marginal costs of new students are roughly in that range, although in states with low tuition the 150 percent may be too high. The program is designed to fill marginal spaces. WICHE isn’t expecting states to build capacity for students from other places. The higher we go with tuition, the farther we’ll get from having a reciprocally beneficial program.

Crofts said if you look at all of the SEP programs and all of the issues that have been raised, there is a philosophical shift that’s being proposed. It’s to move away from a single program to potentially as many as 15 different programs as states want to make individual decisions. He said we should be cautious about losing the focus on trying to put forward a regional program to benefit students versus changing
the focus to state or institutional programs to meet enrollment needs or financial shortfalls. We could use some broad, general discussion at the May meeting about the philosophy of these programs. Vines agreed and asked if we should look at the original WICHE Compact to see if any principles are spelled out there. Longanecker said we will review the compact to see if these issues are addressed. Isaak said we need to discuss the issues with the full commission because we have several new members and also because the times are changing and we need to be responsive. He said perhaps the best way we can serve students is to be more flexible so that the students who are getting cut out of programs due to limited capacity will have options in other states. Ruch said the discussion with the full commission is absolutely critical and should precede any suggestions the subcommittee is considering to modify the ground rules of the SEP programs. Ruch said we need to keep students’ interests in mind: kids that have financial resources don’t have problems with access but those with limited funds do. Longanecker said he would really like to see one or more states provide students who are mobile with financial aid.

Crofts said he would like the staff to develop a framework for the commission discussion in advance: a concept paper that summarizes the issues, addresses the changes that have occurred in PSEP, WRGP and WUE, and considers the advantages and disadvantages of providing more flexibility and decision-making authority to the states as opposed to continuing to provide more consistently administered programs. Kuepper urged staff to include a careful look at the enrollment patterns in WUE to give us a better sense of whether it gives students access to programs they can’t get into in their own states. He suspects that concept won’t be supported by the data. Crofts said there are similar kinds of questions related to WRGP, going back to how distinctive and high quality the programs are today. He thinks we’ve moved away from those original two criteria, but it would be useful to have some evidence of what’s occurred.

Ruch summarized: The first step in our strategy to revamp the three SEP programs is a thoughtful review of how we got in this business, what’s happened over the past decade, and what are the pressure points that are arguing for some subtle, or substantial, changes. Staff should present some questions for the commission to consider. Should WRGP be opened up? Should we set a range for states to use in relation to their support fees? The subcommittee agreed that full commission consideration of these issues is needed and that it’s not time to bring this discussion to closure at this stage. Staff will develop a draft of the concept paper and review it with the subcommittee via conference call in early April. Once the subcommittee’s suggestions have been incorporated, the paper will be included in the agenda book for the May commission meeting. Vines said she would appreciate having sufficient time to discuss some of the ideas from the paper with others in her state prior to the commission meeting.

Ruch and others closed the meeting by expressing appreciation to the staff for their work on this process.
WICHE Commissioners:
Chuck Ruch, Idaho, subcommittee chair and commission vice chair
Linda Blessing, Arizona
Bill Kuepper, Colorado
Tad Perry, South Dakota
Diane Vines, Oregon

WICHE Staff:
David Longanecker, executive director
Jere Mock, director, Programs and Services
Sandy Jackson, program coordinator, Student Exchange Programs

Chuck Ruch, chair of the subcommittee, convened the teleconference and reviewed the process for proposing the subcommittee’s recommendations to the full WICHE Commission. He said the subcommittee’s progress will be reported on during the May 20 meeting of the Programs & Services Committee to broaden the involvement of commissioners and to get their input, and a brief report will be made during the Committee of the Whole’s session on May 21. Final subcommittee recommendations will be presented to the full WICHE Commission in November. He asked Jere Mock to summarize the subcommittee’s draft paper WICHE’s Student Exchange Programs: A Glance Back and a Look Ahead.

Mock reviewed the contents of the paper and directed the subcommittee members to the draft recommendations related to the Professional Student Exchange Program (PSEP) and its support fees. The preliminary recommendation is to maintain the current regionwide approach to setting support fees, rather than having states set their own support fee levels. Linda Blessing said she does not want to lose the regional benefits that result from WICHE’s PSEP program and she asked that the paper be more direct in emphasizing the economic value of the program to states and students. Dick Crofts said he is opposed to any changes that would make the program less consistent; shifting away from a regional approach would compromise the SEP and WICHE’s future. Tad Perry agreed. Diane Vines said she also supports a regional approach. Chuck Ruch said the subcommittee should recommend that the full commission reaffirm the consortium-based, regionwide approach to setting support fees.

The subcommittee members also endorsed the proposed recommendations related to the Western Regional Graduate Program: to retain the regional biennial review process for WRGP programs and to trial some new marketing efforts to publicize the program’s availability.

In regard to the Western Undergraduate Exchange, the discussion focused on whether WUE’s 150 percent of resident tuition should become a base level, so that states could establish their own WUE tuition ceilings to generate more tuition revenues. The subcommittee members endorsed retaining the 150 percent tuition rate because it is generally sufficient to cover marginal costs and it helps reduce the financial burden on students. Dick Crofts said he wants to retain the 150 percent rate and suggested that institutions will determine whether it’s fiscally feasible for them to participate at that rate. Chuck Ruch said he also supports the 150 percent tuition rate.

Ruch directed staff to make a few changes in the text of the SEP paper and to include it in the agenda book for the May commission meeting.
The Professional Student Exchange Program
Support Fees for 2003-2004 and 2004-2005

Summary

Every two years, the WICHE Commission sets Professional Student Exchange Program (PSEP) support fees for the next biennium. This year, the commission is asked to set support fee levels for academic years 2003-2004 and 2004-2005.

Support fee increases of 4 percent in Group A and 3 percent in Group B fields are recommended for each year of the biennium. We also propose that the support fee base for physician assistant be increased by $1,000 in the first year of the biennium to allow the participation of additional public institutions in the WICHE region and to bring the support fee more in line with other fields. Physician assistant should also receive the inflationary increase of 4 percent for each year of the biennium.

Responses to the recommendations by sending states and receiving institutions will be reported at the Programs and Services Committee meeting.

Relationship to the WICHE Mission

Ensuring that states have access to professional education has been central to WICHE’s mission since its inception, as stated in the Western Regional Education Compact, the covenant that established WICHE in the early 1950s. WICHE states continue to depend on PSEP to meet several key objectives:

- To develop a professional workforce, especially in the health professions.
- To provide affordable access to a wide range of professional programs that otherwise might not be accessible to students in some states.
- To enhance the quality and prestige of participating programs by enabling them to attract exceptional students from throughout the West.
- To enable states to avoid the costs of establishing new professional schools.

PSEP programs are divided into two groups: Group A includes those PSEP fields in which WICHE students would have a difficult time gaining access to public professional schools without the financial incentive provided to schools by PSEP. The nine Group A fields include: medicine, dentistry, veterinary medicine, physical therapy, occupational therapy, optometry, podiatry, osteopathic medicine, and physician assistant.

Group B includes professional fields where access is not as significant a problem but where states wish to offset high nonresident and private institution tuition charges for their residents. The four Group B fields are: graduate library studies, pharmacy, public health, and architecture.
Balancing Diverse Needs

Setting support fees involves balancing the diverse needs of states, students, and institutions. States that support large numbers of students through PSEP face mounting fiscal pressures as they try to provide access to professional education for their residents. The receiving institutions’ costs of delivering professional education continue to rise, necessitating greater financial incentives to preserve slots for nonresidents. Students are bearing heavier financial burdens in the form of sizeable tuition and fee hikes (some in the double digits), which are becoming more prevalent at public and private institutions.

For a number of years, support fees were set to approximate the average cost of instruction for all schools in a given field. In recent years, the commission has based support fees on the differential between resident and nonresident tuition in order to reduce costs to the states; the fees exceeded nonresident tuition in all public institutions in each field to provide a sufficient incentive to the participating institutions. As tuition has increased at professional schools, with nonresident and private institution rates rising the most, the differential has decreased and PSEP no longer provides as significant an incentive to receiving institutions. In some cases there is no fiscal incentive: nonresident tuition exceeds WICHE support (the sum of the support fee and resident tuition paid by the student) in several PSEP receiving institutions.

These conditions have significantly increased the costs to students, particularly for those in private Group A and all Group B fields. Students enrolled in these categories pay the difference between the support fee and either regular tuition (private Group A and B) or nonresident tuition (public Group B). In private institutions, Group A students now pay a surcharge over the expected WICHE rate (one third of regular tuition) in every field but medicine. Further complicating this process is the challenge the WICHE Commission faces in making assumptions about the expected level of future increases in tuition. This is an imprecise science, as the support fees are set two and three years in advance to provide sufficient notice to all involved parties.

<table>
<thead>
<tr>
<th>Field</th>
<th>WICHE support* as a percentage of nonresident tuition (lowest)</th>
<th>WICHE support* as a percentage of nonresident tuition (highest)</th>
<th>Percentage of schools in which WICHE support is less than nonresident tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>58.3%</td>
<td>163.7%</td>
<td>8%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>81.8%</td>
<td>122.4%</td>
<td>40%</td>
</tr>
<tr>
<td>Veterinary Medicine</td>
<td>100.0%</td>
<td>150.6%</td>
<td>0%</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>59.3%</td>
<td>168.9%</td>
<td>50%</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>91.0%</td>
<td>180.8%</td>
<td>50%</td>
</tr>
<tr>
<td>Optometry</td>
<td>98.2%</td>
<td>N/A</td>
<td>100%</td>
</tr>
<tr>
<td>Physician Assistant</td>
<td>65.2%</td>
<td>102.5%</td>
<td>50%</td>
</tr>
</tbody>
</table>

*WICHE support includes the support fee and resident tuition and fees.
Proposed Support Fees for the Biennium 2003-2004 and 2004-2005

Table 2

Proposed Support Fees for the Biennium 2003-2004 and 2004-2005

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicine</td>
<td>$22,800</td>
<td>$23,700</td>
<td>$24,600</td>
</tr>
<tr>
<td>Dentistry</td>
<td>15,900</td>
<td>16,500</td>
<td>17,200</td>
</tr>
<tr>
<td>Veterinary Medicine</td>
<td>22,600</td>
<td>23,500</td>
<td>24,400</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>8,400</td>
<td>8,700</td>
<td>9,000</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>8,400</td>
<td>8,700</td>
<td>9,000</td>
</tr>
<tr>
<td>Optometry</td>
<td>10,300</td>
<td>10,700</td>
<td>11,100</td>
</tr>
<tr>
<td>Podiatry</td>
<td>10,600</td>
<td>11,000</td>
<td>11,400</td>
</tr>
<tr>
<td>Osteopathic Medicine</td>
<td>15,100</td>
<td>15,700</td>
<td>16,300</td>
</tr>
<tr>
<td>Physician Assistant</td>
<td>7,200</td>
<td>8,500</td>
<td>8,800</td>
</tr>
<tr>
<td><strong>Group B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate Library Studies</td>
<td>5,000</td>
<td>5,200</td>
<td>5,400</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>5,500</td>
<td>5,700</td>
<td>5,900</td>
</tr>
<tr>
<td>Public Health</td>
<td>5,800</td>
<td>6,000</td>
<td>6,200</td>
</tr>
<tr>
<td>Architecture</td>
<td>3,900</td>
<td>4,000</td>
<td>4,100</td>
</tr>
</tbody>
</table>

An analysis of the support fee recommendations for each of the fields, along with the projected fiscal impact by state, follows.

<table>
<thead>
<tr>
<th>Field</th>
<th>Page</th>
<th>State</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>104</td>
<td>Alaska</td>
<td>114</td>
</tr>
<tr>
<td>Dentistry</td>
<td>105</td>
<td>Arizona</td>
<td>114</td>
</tr>
<tr>
<td>Veterinary Medicine</td>
<td>106</td>
<td>Colorado</td>
<td>114</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>107</td>
<td>Hawaii</td>
<td>114</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>108</td>
<td>Idaho</td>
<td>115</td>
</tr>
<tr>
<td>Optometry</td>
<td>109</td>
<td>Montana</td>
<td>115</td>
</tr>
<tr>
<td>Podiatry</td>
<td>110</td>
<td>New Mexico</td>
<td>115</td>
</tr>
<tr>
<td>Osteopathic Medicine</td>
<td>110</td>
<td>Nevada</td>
<td>115</td>
</tr>
<tr>
<td>Physician Assistant</td>
<td>111</td>
<td>North Dakota</td>
<td>116</td>
</tr>
<tr>
<td>Architecture</td>
<td>112</td>
<td>Oregon</td>
<td>116</td>
</tr>
<tr>
<td>Graduate Library Studies</td>
<td>112</td>
<td>Utah</td>
<td>116</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>113</td>
<td>Washington</td>
<td>116</td>
</tr>
<tr>
<td>Public Health</td>
<td>113</td>
<td>Wyoming</td>
<td>117</td>
</tr>
</tbody>
</table>
MEDICINE

Montana currently supports 25 students in this field and Wyoming supports 20. The support fee rate for 2002-2003 is $22,800. The proposed fees are $23,700 for 2003-2004 and $24,600 for 2004-2005 (representing 4 percent increases each year). WICHE kept the support fee in medicine at $22,800 for the past several years. During this time, the support fee plus resident tuition significantly exceeded nonresident tuition in all but one public medical school (the University of Colorado Health Sciences Center). In 2001-2002, the gap between nonresident tuition and WICHE support narrowed at all of the public schools and may disappear next year at several institutions. The gap now ranges between 5 and 63 percent, as compared with a range of 15 and 75 percent two years ago, when support fees were last set, and a range of 21 to 96 percent four years ago.

The University of North Dakota, with six WICHE students enrolled this year, has the smallest differential between nonresident tuition and fees and WICHE support (105 percent), followed by the Oregon Health & Science University (114 percent, with 12 WICHE students). In the one school where WICHE support is less than nonresident tuition, the CU Health Sciences Center, nonresident tuition is significantly higher than all other public and private medical schools in the region but the school continues to accept WICHE students at the current support fee level. Loma Linda University’s Medical School, the only private institution with WICHE students this year, charges the minimum WICHE tuition rate (one third of the normal rate) and does not assess a surcharge. Access to medical schools is a continuing problem for WICHE states that do not operate their own medical schools or participate in a regional program. Only about 9 percent of medical students enrolled in the WICHE region are not supported by WICHE or are out-of-region nonresidents. Demand remains strong, and all medical schools in the region enroll fewer than 10 percent of their applicants.

Support Fee Analysis - Medicine
Comparison of tuition and fees to WICHE support levels – 2001-2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>$22,800</td>
<td>$22,800</td>
<td>$23,700</td>
<td>$24,600</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U. Arizona</td>
<td>0</td>
<td>N/A</td>
<td>$9,738</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>U.C. Berkeley/UCSF</td>
<td>0</td>
<td>$20,243</td>
<td>9,539</td>
<td>$32,339</td>
<td>159.75%</td>
</tr>
<tr>
<td>U.C. Davis</td>
<td>1</td>
<td>21,143</td>
<td>10,439</td>
<td>33,239</td>
<td>157.21%</td>
</tr>
<tr>
<td>U.C. Irvine</td>
<td>0</td>
<td>21,291</td>
<td>10,587</td>
<td>33,876</td>
<td>156.81%</td>
</tr>
<tr>
<td>U.C. Los Angeles</td>
<td>0</td>
<td>20,417</td>
<td>10,173</td>
<td>32,973</td>
<td>161.50%</td>
</tr>
<tr>
<td>U.C. San Diego</td>
<td>0</td>
<td>21,274</td>
<td>10,570</td>
<td>33,270</td>
<td>156.86%</td>
</tr>
<tr>
<td>U.C. San Francisco</td>
<td>0</td>
<td>21,044</td>
<td>10,340</td>
<td>33,040</td>
<td>157.48%</td>
</tr>
<tr>
<td>U. Colorado HSC</td>
<td>7</td>
<td>59,597</td>
<td>11,966</td>
<td>34,766</td>
<td>58.34%</td>
</tr>
<tr>
<td>U. Hawaii</td>
<td>0</td>
<td>27,458</td>
<td>13,754</td>
<td>36,554</td>
<td>133.13%</td>
</tr>
<tr>
<td>U. Nevada</td>
<td>4</td>
<td>24,669</td>
<td>8,413</td>
<td>31,213</td>
<td>126.53%</td>
</tr>
<tr>
<td>U. New Mexico</td>
<td>3</td>
<td>27,208</td>
<td>10,452</td>
<td>33,252</td>
<td>122.21%</td>
</tr>
<tr>
<td>U. North Dakota</td>
<td>6</td>
<td>34,307</td>
<td>13,371</td>
<td>36,171</td>
<td>105.43%</td>
</tr>
<tr>
<td>Oregon H&amp;SU</td>
<td>12</td>
<td>36,516</td>
<td>18,921</td>
<td>41,721</td>
<td>114.25%</td>
</tr>
<tr>
<td>U. Utah</td>
<td>9</td>
<td>20,788</td>
<td>11,235</td>
<td>34,035</td>
<td>163.72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIVATE</th>
<th>No. of WICHE Students</th>
<th>2001-2002</th>
<th>2001-2002</th>
<th>WICHE Rate (1/3 of Regular Paid by WICHE Students)</th>
<th>Actual Tuition &amp; Difference between Actual Tuition &amp; WICHE Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loma Linda U.</td>
<td>3</td>
<td>$29,250</td>
<td>$9,750</td>
<td>$9,750</td>
<td>0.00%</td>
</tr>
<tr>
<td>Stanford U.</td>
<td>0</td>
<td>32,304</td>
<td>10,768</td>
<td>10,768</td>
<td>0.00%</td>
</tr>
<tr>
<td>U. So. California</td>
<td>0</td>
<td>35,229</td>
<td>11,743</td>
<td>12,429</td>
<td>5.84%</td>
</tr>
</tbody>
</table>

| Total | 45 | | | | | |
DENTISTRY

Eight WICHE states are sending 109 students to eight dental schools in the region; four of those states (NV, NM, ND, WY) also support 50 students attending out-of-region schools. Arizona supports 48 students, followed by Nevada with 37; New Mexico and Wyoming each support 20; Hawaii supports 14; North Dakota, 9; Montana, 8; and Alaska, 3. The 2002-2003 support fee is $15,900. The proposed fees: $16,500 for 2003 – 2004 and $17,200 for 2004–2005 (representing 4 percent increases each year).

The support fee for 2002–2003 and resident tuition is less than nonresident tuition in two public institutions: it is 18 percent less at the University of Colorado Health Sciences Center and 1 percent less at the University of Washington. WICHE support exceeds nonresident tuition by 16 percent at the Oregon Health Sciences University (OHSU) and by 22 percent at the University of California Los Angeles and University of California San Francisco dental schools. In the three participating private institutions, students must pay surcharges over the normal WICHE tuition rate (one third of the normal rate), ranging from 71 to 88 percent.

Access to dental schools is a continuing problem for most WICHE states that do not operate their own schools. Only 8 percent of the enrolled students in public dental schools are out-of-region nonresidents or nonsupported WICHE students. Demand for dental education is very strong, and schools in the WICHE region enroll only 11 percent of their applicants. This picture will change with the opening of two new schools: the dental school at the University of Nevada Las Vegas will enroll students beginning in 2002 and the Arizona School of Health Sciences College of Dentistry and Oral Health is slated to open in 2003. Both schools must receive full accreditation before they will be eligible to participate in PSEP.

Support Fee Analysis - Dentistry
Comparison of tuition and fees to WICHE support levels – 2001-2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>SUPPORT FEE:</td>
<td>$15,300</td>
<td>$15,900</td>
<td>$16,500</td>
<td>$17,200</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students Nonresident Tuition &amp; Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.C. Los Angeles 1</td>
<td>$20,470</td>
<td>$9,766</td>
<td>$25,066</td>
<td>122.45%</td>
</tr>
<tr>
<td>U.C. San Francisco 4</td>
<td>20,664</td>
<td>9,980</td>
<td>25,260</td>
<td>122.24%</td>
</tr>
<tr>
<td>U. Colorado HSC 36</td>
<td>28,294</td>
<td>7,857</td>
<td>23,157</td>
<td>81.84%</td>
</tr>
<tr>
<td>Oregon H&amp;SU 31</td>
<td>24,239</td>
<td>12,612</td>
<td>28,112</td>
<td>115.98%</td>
</tr>
<tr>
<td>U. Washington 8</td>
<td>25,668</td>
<td>10,142</td>
<td>25,442</td>
<td>99.12%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of WICHE Students</th>
<th>2001-2002</th>
<th>WICHE Rate</th>
<th>Actual Tuition</th>
<th>Difference between Actual Tuition &amp; WICHE Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE</td>
<td></td>
<td>(1/3 of Regular Tuition &amp; Fees)</td>
<td>Paid by WICHE Students</td>
<td></td>
</tr>
<tr>
<td>Loma Linda U.</td>
<td>7</td>
<td>11,825</td>
<td>$20,176</td>
<td>70.62%</td>
</tr>
<tr>
<td>U. of the Pacific</td>
<td>16</td>
<td>17,180</td>
<td>31,141</td>
<td>81.26%</td>
</tr>
<tr>
<td>U. So. California</td>
<td>6</td>
<td>13,671</td>
<td>25,713</td>
<td>88.08%</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This is the largest PSEP field: 224 students are supported by seven states. The sending states and the number of students they support are: Arizona, 69; Montana, 33; New Mexico, 33; Wyoming, 27; Utah, 26; Hawaii, 15; and North Dakota, 5. The 2002 – 2003 support fee is $22,600. The proposed fees are $23,500 for 2003 – 2004 and $24,400 for 2004 – 2005 (4 percent annual increases).

Colorado State University’s College of Veterinary Medicine and Biomedical Sciences receives the most WICHE students (178), followed by Washington State University (WSU) with 42 and Oregon State University (OSU) with 4. In the past, CSU has set its nonresident tuition as the sum of resident tuition and the WICHE support fee. WICHE tuition exceeds nonresident tuition by a margin of 27 percent this year at WSU and 49 percent at OSU; these margins will decrease if tuitions increase substantially next year.

Access to veterinary schools is very tight; only 9 percent of students in the schools in the WICHE region are out-of-region nonresidents or nonsupported WICHE students. Collectively, veterinary schools enroll fewer than 6 percent of their applicants.

### Support Fee Analysis - Veterinary Medicine
Comparison of tuition and fees to WICHE support levels - 2001-2002

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>$21,700</td>
<td>$22,600</td>
<td>$23,500</td>
<td>$24,400</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC Public Tuition &amp; Fees</td>
<td>Resident T &amp; F</td>
<td>Nonresident T &amp; F</td>
<td></td>
</tr>
<tr>
<td>U.C. Davis 0</td>
<td>$21,706</td>
<td>$11,002</td>
<td>$32,702</td>
</tr>
<tr>
<td>Colorado State U. 178</td>
<td>31,140</td>
<td>9,440</td>
<td>31,140</td>
</tr>
<tr>
<td>Oregon State U. 4</td>
<td>22,395</td>
<td>11,580</td>
<td>33,280</td>
</tr>
<tr>
<td>Washington State U. 42</td>
<td>24,842</td>
<td>9,872</td>
<td>31,572</td>
</tr>
</tbody>
</table>

Total 224
PHYSICAL THERAPY

Five states support 61 students at 13 physical therapy programs in the region: Oregon sends 21; Wyoming, 17; Hawaii, 15; Alaska, 5; and Nevada, 3. The 2002–2003 support fee rate is $8,400. The proposed fees are $8,700 for 2003–2004 and $9,000 for 2004–2005 (4 percent annual increases).

The University of North Dakota’s PT program currently enrolls 20 students (these students, and some others on special contracts, are the only nonresidents in the program). WICHE support (the sum of the support fee and resident tuition) will exceed UND’s nonresident tuition during 2001-2002 by 69 percent (a margin of $8,100). The other programs enroll four or fewer WICHE students. This year WICHE support is below nonresident tuition in four schools (41 percent below at the University of Colorado Health Sciences Center; 21 percent below at the University of New Mexico; 12 percent below at the University of Washington; and 8 percent below at the Eastern Washington University), and anticipated tuition increases will further exacerbate this situation next year. In three other participating schools, WICHE support exceeds nonresident tuition by a range of 5 to 12 percent (University of Utah; California State University, Fresno; and the University of Montana). Physical therapy students attending six private institutions in the region are paying substantial surcharges over the normal (one third of regular tuition) WICHE rate.

Demand remains strong for access to physical therapy programs in the WICHE states. Only 16 percent of students enrolled in these programs in the West are out-of-region nonresidents or nonsupported WICHE students. The public and private schools participating in the WICHE PSEP program accepted 38 percent of their applicants last fall.

### Support Fee Analysis - Physical Therapy

Comparison of tuition and required fees to WICHE support levels - 2001-2002

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,100</td>
<td>$8,400</td>
<td>$8,700</td>
<td>$9,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Tuition &amp; Fees</td>
<td>Tuition &amp; Fees</td>
<td>Support Fee &amp; Resident T &amp; F</td>
<td>&quot;WICHE Support&quot; as Percent of Nonresident T &amp; F</td>
</tr>
<tr>
<td>Ca. St. U. Fresno</td>
<td>$9,220</td>
<td>$1,840</td>
<td>$9,400</td>
<td>107.81%</td>
</tr>
<tr>
<td>U. Colorado HSC</td>
<td>30,700</td>
<td>10,096</td>
<td>18,196</td>
<td>59.27%</td>
</tr>
<tr>
<td>U. Montana</td>
<td>13,754</td>
<td>7,369</td>
<td>15,469</td>
<td>112.47%</td>
</tr>
<tr>
<td>U. New Mexico</td>
<td>15,662</td>
<td>4,414</td>
<td>12,514</td>
<td>79.90%</td>
</tr>
<tr>
<td>U. North Dakota</td>
<td>8,523</td>
<td>6,301</td>
<td>14,401</td>
<td>168.97%</td>
</tr>
<tr>
<td>U. Utah</td>
<td>14,170</td>
<td>6,828</td>
<td>14,928</td>
<td>105.35%</td>
</tr>
<tr>
<td>E. Washington U.</td>
<td>14,031</td>
<td>4,758</td>
<td>12,858</td>
<td>91.64%</td>
</tr>
<tr>
<td>U. Washington</td>
<td>18,175</td>
<td>7,864</td>
<td>15,964</td>
<td>87.83%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of WICHE Students</th>
<th>2001-2002</th>
<th>2001-2002</th>
<th>WICHE Rate (1/3 of Regular Tuition &amp; Fees)</th>
<th>Actual Tuition Paid by WICHE Students</th>
<th>Difference between Actual Tuition &amp; WICHE Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>Tuition &amp; Fees</td>
<td>WICHE Rate</td>
<td>Actual Tuition Paid by WICHE Students</td>
<td>Difference between Actual Tuition &amp; WICHE Rate (%)</td>
<td></td>
</tr>
<tr>
<td>Az. School of Health Sci.</td>
<td>$18,200</td>
<td>$6,067</td>
<td>$10,100</td>
<td>66.47%</td>
<td></td>
</tr>
<tr>
<td>Chapman Univ.</td>
<td>24,900</td>
<td>8,300</td>
<td>12,750</td>
<td>53.61%</td>
<td></td>
</tr>
<tr>
<td>Loma Linda U.</td>
<td>23,520</td>
<td>7,840</td>
<td>15,420</td>
<td>96.68%</td>
<td></td>
</tr>
<tr>
<td>Mt. St. Mary's Col.</td>
<td>26,332</td>
<td>8,777</td>
<td>14,182</td>
<td>61.58%</td>
<td></td>
</tr>
<tr>
<td>Samuel Merritt Col.</td>
<td>24,906</td>
<td>8,302</td>
<td>12,756</td>
<td>53.65%</td>
<td></td>
</tr>
<tr>
<td>U. So. California</td>
<td>25,060</td>
<td>8,553</td>
<td>16,500</td>
<td>103.04%</td>
<td></td>
</tr>
<tr>
<td>U. of the Pacific</td>
<td>21,150</td>
<td>7,050</td>
<td>13,050</td>
<td>85.11%</td>
<td></td>
</tr>
<tr>
<td>Western U.</td>
<td>26,415</td>
<td>8,805</td>
<td>17,510</td>
<td>108.01%</td>
<td></td>
</tr>
<tr>
<td>Pacific U.</td>
<td>18,140</td>
<td>6,047</td>
<td>10,040</td>
<td>66.03%</td>
<td></td>
</tr>
<tr>
<td>U. Puget Sound</td>
<td>22,560</td>
<td>7,520</td>
<td>14,460</td>
<td>92.29%</td>
<td></td>
</tr>
</tbody>
</table>

Total 61
OCCUPATIONAL THERAPY

Seven WICHE states are supporting 20 students in this field: Arizona, 6; Oregon, 5; Hawaii, 3; Montana, 2; Wyoming, 2; Alaska, 1; and Nevada, 1. The 2002–2003 support fee rate is $8,400. Proposed rates are $8,700 for 2003–2004 and $9,000 for 2004–2005 (4 percent annual increases).

The number of enrollments in PSEP occupational therapy (OT) programs continues to decline. Only six of the 20 OT students are enrolled at public institutions. WICHE support is 5 percent below nonresident tuition at the University of Washington, but it exceeds the nonresident rate by 81 percent at the University of North Dakota. Students from WICHE states attending five private institutions pay large tuition surcharges ranging from 38 to 106 percent of the institutions’ regular tuition and fees.

Changes brought about by managed care and cuts in the federal reimbursement for OT services continue to have dramatic affects on this profession. More than 60 percent of all applicants were accepted into public and private OT programs last fall; 30 percent of the schools’ students are out-of-region nonresidents or nonsupported WICHE students.

<table>
<thead>
<tr>
<th>Support Fee Analysis - Occupational Therapy</th>
<th>Comparison of tuition and required fees to WICHE support levels - 2001-2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,100  $8,400  $8,700  $9,000</td>
<td></td>
</tr>
<tr>
<td>PUBLIC</td>
<td>Tuition &amp; Fees  Tuition &amp; Fees  Resident T &amp; F  Nonresident T &amp; F</td>
</tr>
<tr>
<td>U. New Mexico</td>
<td>0  $11,737  $3,301  $11,401  97.14%</td>
</tr>
<tr>
<td>U. North Dakota</td>
<td>2  7,404  5,288  13,388  180.82%</td>
</tr>
<tr>
<td>U. Utah</td>
<td>0  17,614  7,940  16,040  91.06%</td>
</tr>
<tr>
<td>U. Washington</td>
<td>4  14,766  5,929  14,029  95.01%</td>
</tr>
<tr>
<td>No. of WICHE Students Regular WICHE Rate Actual tuition Difference between</td>
<td></td>
</tr>
<tr>
<td>PRIVATE</td>
<td>2001-2002  2001-2002  (1/3 of Regular  Actual tuition  Actual Tuition &amp;</td>
</tr>
<tr>
<td>Students</td>
<td>Tuition &amp; Fees  Tuition &amp; Fees  Paid by  Actual Tuition &amp;</td>
</tr>
<tr>
<td>Az. School of Health Sci.</td>
<td>0  $18,200  $6,067  $10,100  66.47%</td>
</tr>
<tr>
<td>Loma Linda U.</td>
<td>1  22,260  7,420  14,160  90.84%</td>
</tr>
<tr>
<td>Midwestern U.</td>
<td>2  14,960  4,987  6,860  37.56%</td>
</tr>
<tr>
<td>Samuel Merritt Col.</td>
<td>0  24,906  8,302  16,806  102.43%</td>
</tr>
<tr>
<td>U. So. California</td>
<td>6  25,874  8,625  17,774  106.08%</td>
</tr>
<tr>
<td>Pacific U.</td>
<td>2  17,330  5,777  9,230  59.77%</td>
</tr>
<tr>
<td>U. Puget Sound</td>
<td>3  22,350  7,450  14,250  91.28%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>
Twelve states are supporting 157 students at three programs in the region: North Dakota supports 33; Arizona, 21; Colorado, 21; Wyoming, 17; Utah, 16; Hawaii, 10; Nevada, 10; Washington, 10; Idaho, 8; Montana, 5; Oregon, 5; and New Mexico, 1. The 2002–2003 support fee rate is $10,300. The proposed rates are $10,700 for 2003–2004 and $11,100 for 2004–2005 (4 percent annual increases).

WICHE support (support fee and resident tuition) is 98 percent of nonresident tuition and fees at the University of California, Berkeley, the only public institution where PSEP optometry students are enrolled (six students). In the two private institutions that participate, the 135 students pay surcharges over the WICHE rate (one third of regular tuition and fees) of 55 percent at the South California College of Optometry and 67 percent at Pacific University.

Access to optometry schools is somewhat limited; only 13 percent of students in the schools in the WICHE region are out-of-region nonresidents are nonsupported WICHE students. Collectively, the three schools in the region enroll 30 percent of their applicants.

<table>
<thead>
<tr>
<th>Support Fee Analysis - Optometry</th>
<th>Comparison of tuition and required fees to WICHE support levels - 2001-2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLIC</strong></td>
<td></td>
</tr>
<tr>
<td>2001-2002</td>
<td>$9,900</td>
</tr>
<tr>
<td><strong>No. of WICHE Students:</strong></td>
<td><strong>2001-2002</strong></td>
</tr>
<tr>
<td><strong>Nonresident Tuition &amp; Fees:</strong></td>
<td><strong>$18,650</strong></td>
</tr>
<tr>
<td><strong>Resident Tuition &amp; Fees:</strong></td>
<td><strong>$20,415</strong></td>
</tr>
<tr>
<td><strong>Support Fee &amp; Resident T &amp; F:</strong></td>
<td><strong>$10,700</strong></td>
</tr>
<tr>
<td><strong>WICHE Support as Percent of Nonresident T &amp; F:</strong></td>
<td><strong>98.16%</strong></td>
</tr>
<tr>
<td><strong>No. of WICHE Students:</strong></td>
<td><strong>51</strong></td>
</tr>
<tr>
<td><strong>Regular Tuition &amp; Fees:</strong></td>
<td><strong>$20,415</strong></td>
</tr>
<tr>
<td><strong>Actual Tuition Paid by WICHE Students:</strong></td>
<td><strong>$20,415</strong></td>
</tr>
<tr>
<td><strong>Difference between Actual Tuition &amp; WICHE Rate:</strong></td>
<td><strong>54.52%</strong></td>
</tr>
<tr>
<td>Total</td>
<td><strong>141</strong></td>
</tr>
</tbody>
</table>
PODIATRY

Three states support eight students in this field: Utah, 5; Wyoming, 2; and New Mexico, 1. The 2002–2003 support fee is $10,600. The proposed fees are $11,000 for 2003–2004 and $11,400 for 2004–2005.

No public institutions in the WICHE region offer this program. The California College of Podiatric Medicine currently charges students a 65 percent surcharge over the WICHE rate (one third of regular tuition and fees).

<table>
<thead>
<tr>
<th>Support Fee Analysis - Podiatry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison of tuition and required fees to WICHE support levels - 2001-2002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,200</td>
<td>$10,600</td>
<td>$11,000</td>
<td>$11,400</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIVATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of WICHE Students 2001-2002</td>
</tr>
<tr>
<td>Calif. Col. of PM 8</td>
</tr>
<tr>
<td>Total 8</td>
</tr>
</tbody>
</table>

OSTEOPATHIC MEDICINE

Five states support 23 students in this field: Arizona 11 (including seven in out-of-region programs); Wyoming, 4; Montana, 3; Washington, 3; and Oregon, 2. The 2002–2003 support fee is $15,100. The proposed fees are $15,700 for 2003–2004 and $16,300 for 2004–2005.

The PSEP students are enrolled in three private institutions. Touro University in California currently charges a 37 percent surcharge over the WICHE rate (regular tuition and fees); Western University, also in California, assesses a 44 percent surcharge; and the Arizona College of Osteopathic Medicine levies a 45 percent surcharge.

<table>
<thead>
<tr>
<th>Support Fee Analysis - Osteopathic Medicine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison of tuition and required fees to WICHE support levels - 2001-2002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,600</td>
<td>$15,100</td>
<td>$15,700</td>
<td>$16,300</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIVATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of WICHE Students 2001-2002</td>
</tr>
<tr>
<td>Az. Col. of Osteo Med. 10</td>
</tr>
<tr>
<td>Touro U. 1</td>
</tr>
<tr>
<td>Western U. 12</td>
</tr>
<tr>
<td>Total 23</td>
</tr>
</tbody>
</table>
PHYSICIAN ASSISTANT

Two states support 21 students in five institutions: Arizona assists 16 students and Nevada sends 5. The 2002–2003 support fee of $7,200 is the lowest in Group A by a wide margin and is not sufficient to allow four public institutions in the region to enroll PSEP students in their programs. A $1,000 increase in the PA support fee is recommended, along with a 4 percent inflationary adjustment for 2003–2004 that would bring the support fee to $8,500. Another 4 percent increase is recommended for 2004–2005, to bring the fee to $8,800.

Only two students are enrolled in the only participating public institution, the University of Washington. Students in the private institutions pay surcharges of 58 percent to more than 130 percent.

### Support Fee Analysis - Physician Assistant

Comparison of tuition and required fees to WICHE support levels - 2001-2002

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,700</td>
<td>$7,200</td>
<td>$8,500</td>
<td>$8,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PUBLIC</th>
<th>No. of WICHE Students</th>
<th>2001-2002 Nonresident Tuition &amp; Fees</th>
<th>2001-2002 Resident Tuition &amp; Fees</th>
<th>Support Fee and WICHE Support as Percent of Resident T &amp; F</th>
<th>WICHE Support as Percent of Nonresident T &amp; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. C. Davis</td>
<td>0</td>
<td>$16,415</td>
<td>$5,915</td>
<td>$11,615</td>
<td>70.76%</td>
</tr>
<tr>
<td>U. Colorado HSC</td>
<td>0</td>
<td>21,609</td>
<td>8,379</td>
<td>14,079</td>
<td>65.15%</td>
</tr>
<tr>
<td>Oregon HS&amp;U</td>
<td>0</td>
<td>22,100</td>
<td>16,948</td>
<td>22,648</td>
<td>102.48%</td>
</tr>
<tr>
<td>U. Utah HSC</td>
<td>0</td>
<td>16,980</td>
<td>11,532</td>
<td>17,232</td>
<td>101.48%</td>
</tr>
<tr>
<td>U. Washington</td>
<td>2</td>
<td>14,122</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIVATE</th>
<th>No. of WICHE Students</th>
<th>2001-2002 Regular Tuition &amp; Fees</th>
<th>WICHE Rate (1/3 of Regular Tuition &amp; Fees)</th>
<th>Actual Tuition Paid by WICHE Students</th>
<th>Difference between Actual Tuition &amp; WICHE Students</th>
<th>WICHE Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Az. School of Health Sci.</td>
<td>7</td>
<td>$18,200</td>
<td>$6,067</td>
<td>$10,600</td>
<td>74.72%</td>
<td></td>
</tr>
<tr>
<td>Midwestern U.</td>
<td>9</td>
<td>16,070</td>
<td>5,357</td>
<td>8,740</td>
<td>58.11%</td>
<td></td>
</tr>
<tr>
<td>U. So. California</td>
<td>1</td>
<td>25,060</td>
<td>8,353</td>
<td>19,360</td>
<td>131.77%</td>
<td></td>
</tr>
<tr>
<td>Western U.</td>
<td>0</td>
<td>19,135</td>
<td>6,378</td>
<td>13,435</td>
<td>110.65%</td>
<td></td>
</tr>
<tr>
<td>Pacific U.</td>
<td>2</td>
<td>18,900</td>
<td>6,300</td>
<td>13,200</td>
<td>109.52%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GROUP B FIELDS: GRADUATE LIBRARY STUDIES, PHARMACY, PUBLIC HEALTH, ARCHITECTURE

The four fields in Group B represent only 5 percent of all PSEP students. With few exceptions, students pay significant tuition surcharges in the Group B fields, although there is still usually a significant savings to the student over nonresident or private institution tuition. Increases of 3 percent in each year of the biennium are proposed for each of the four fields for 2003-2004 and 2004-2005.

- Architecture: Wyoming is supporting two students at Montana State University.
- Graduate library studies: New Mexico sends one student to the University of Arizona.
- Pharmacy: 23 students from Hawaii, and 12 students from Nevada are attending eight institutions in the region.
- Public health: One student from Montana is attending the University of Washington.

Support Fee Analysis - Architecture
Comparison of tuition and required fees to WICHE support levels - 2001-2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORT FEE:</td>
<td>$3,700</td>
<td>$3,900</td>
<td>$4,000</td>
<td>$4,100</td>
</tr>
<tr>
<td>Students Nonresident Resident Actual Tuition Paid by WICHE Student &amp; Resident Tuition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arizona St. U.</td>
<td>0</td>
<td>10,278</td>
<td>2,412</td>
<td>6,578</td>
</tr>
<tr>
<td>U.C. Berkeley</td>
<td>0</td>
<td>15,243</td>
<td>4,349</td>
<td>11,543</td>
</tr>
<tr>
<td>U. Colorado Denver</td>
<td>0</td>
<td>14,620</td>
<td>3,896</td>
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<td>0</td>
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<td>0</td>
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<td>U. Washington</td>
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Support Fee Analysis - Graduate Library Studies
Comparison of tuition and required fees to WICHE support levels - 2001-2002

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<td>1</td>
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### Support Fee Analysis - Pharmacy

Comparison of tuition and required fees to WICHE support levels - 2001-2002

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<td>$5,300</td>
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<th></th>
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<tr>
<td>No. of WICHE Students</td>
<td>Nonresident</td>
<td>Resident</td>
<td>Actual Tuition Paid by WICHE Student &amp; Resident Tuition</td>
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<td>U. Montana</td>
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<td>4,694</td>
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<td>U. Utah</td>
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### Support Fee Analysis - Public Health

Comparison of tuition and required fees to WICHE support levels - 2001-2002

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<tr>
<td>$5,600</td>
<td>$5,800</td>
<td>$6,000</td>
<td>$6,200</td>
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<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>No. of WICHE Students</td>
<td>Nonresident</td>
<td>Resident</td>
<td>Support Fee &amp; as Percent of Resident Tuition</td>
<td></td>
</tr>
<tr>
<td>San Diego St. U.</td>
<td>0</td>
<td>$7,758</td>
<td>$1,854</td>
<td>$2,158</td>
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<tr>
<td>U.C. Berkeley</td>
<td>0</td>
<td>15,243</td>
<td>4,349</td>
<td>9,643</td>
</tr>
<tr>
<td>U.C. Los Angeles</td>
<td>0</td>
<td>15,444</td>
<td>4,550</td>
<td>9,846</td>
</tr>
<tr>
<td>U. Colorado HSC</td>
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<td>4,728</td>
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### PRIVATE

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<tbody>
<tr>
<td>Midwestern U.</td>
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<td>$22,198</td>
<td>$7,399</td>
<td>$15,131</td>
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<td>11</td>
<td>34,140</td>
<td>11,380</td>
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<td>U. So. California</td>
<td>7</td>
<td>26,918</td>
<td>8,973</td>
<td>15,302</td>
<td>170.53%</td>
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Total 35
### Fiscal Impact of the Proposed PSEP Support Fees by State

**Alaska**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Dentistry</td>
<td>3</td>
<td>47,700</td>
<td>49,500</td>
<td>1,800</td>
<td>51,600</td>
<td>2,100</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>5</td>
<td>42,000</td>
<td>43,500</td>
<td>1,500</td>
<td>45,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>1</td>
<td>8,400</td>
<td>8,700</td>
<td>300</td>
<td>9,000</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
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<td>98,100</td>
<td>101,700</td>
<td>3,600</td>
<td>105,600</td>
<td>3,900</td>
</tr>
<tr>
<td>Percent Change</td>
<td></td>
<td></td>
<td></td>
<td>3.7%</td>
<td></td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

**Arizona**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
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<td>763,200</td>
<td>792,000</td>
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<td>1,621,500</td>
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<td>1,800</td>
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<td>224,700</td>
<td>8,400</td>
<td>233,100</td>
<td>8,400</td>
</tr>
<tr>
<td>Osteopathic Medicine</td>
<td>18</td>
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<td>282,600</td>
<td>10,800</td>
<td>293,400</td>
<td>10,800</td>
</tr>
<tr>
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<td>16</td>
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<td>146,800</td>
<td>10,800</td>
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<td>3,109,000</td>
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<td>3,230,500</td>
<td>121,500</td>
</tr>
<tr>
<td>Percent Change</td>
<td></td>
<td></td>
<td></td>
<td>3.9%</td>
<td></td>
<td>3.9%</td>
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</tbody>
</table>

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

**Colorado**

<table>
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<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Optometry</td>
<td>21</td>
<td>216,300</td>
<td>224,700</td>
<td>8,400</td>
<td>233,100</td>
<td>8,400</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>216,300</td>
<td>224,700</td>
<td>8,400</td>
<td>233,100</td>
<td>8,400</td>
</tr>
<tr>
<td>Percent Change</td>
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<td></td>
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<td>3.9%</td>
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<td>3.7%</td>
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</table>

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

**Hawaii**

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<tr>
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</tr>
</thead>
<tbody>
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<td>231,000</td>
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<tr>
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<td>366,000</td>
<td>13,500</td>
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<tr>
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<td>130,500</td>
<td>4,500</td>
<td>135,000</td>
<td>4,500</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>3</td>
<td>25,200</td>
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<td>900</td>
<td>27,000</td>
<td>900</td>
</tr>
<tr>
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<td>111,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Pharmacy</td>
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<td>131,100</td>
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<td>4,600</td>
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Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.
### Idaho

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<tr>
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<td>88,800</td>
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<td>82,400</td>
<td>85,600</td>
<td>3,200</td>
<td>88,800</td>
<td>3,200</td>
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</table>

Percent Change: 3.9%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

### Montana

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<thead>
<tr>
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<td>592,500</td>
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<td>615,000</td>
<td>22,500</td>
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<tr>
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<td>132,000</td>
<td>4,800</td>
<td>137,600</td>
<td>5,600</td>
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<tr>
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<td>775,500</td>
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<td>805,200</td>
<td>29,700</td>
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<td>55,500</td>
<td>2,000</td>
</tr>
<tr>
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<td>6,200</td>
<td>200</td>
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<td>1,624,000</td>
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<td>1,686,400</td>
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</table>

Percent Change: 3.9%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

### New Mexico

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<tr>
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<th></th>
<th></th>
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</tr>
</thead>
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<td>344,000</td>
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<td>29,700</td>
<td>805,200</td>
<td>29,700</td>
</tr>
<tr>
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<td>1,177,100</td>
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</tr>
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</table>

Percent Change: 3.9%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

### Nevada

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
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<td>588,300</td>
<td>610,500</td>
<td>22,200</td>
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<td>25,900</td>
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<tr>
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<td>376,000</td>
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<td>390,400</td>
<td>14,400</td>
</tr>
<tr>
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<td>25,200</td>
<td>26,100</td>
<td>900</td>
<td>27,000</td>
<td>900</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>1</td>
<td>8,400</td>
<td>8,700</td>
<td>300</td>
<td>9,000</td>
<td>300</td>
</tr>
<tr>
<td>Optometry</td>
<td>10</td>
<td>103,000</td>
<td>107,000</td>
<td>4,000</td>
<td>111,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Physician Assistant</td>
<td>5</td>
<td>36,000</td>
<td>42,500</td>
<td>6,500</td>
<td>44,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>12</td>
<td>66,000</td>
<td>68,400</td>
<td>2,400</td>
<td>70,800</td>
<td>2,400</td>
</tr>
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<td>50,700</td>
<td>1,288,600</td>
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</table>

Percent Change: 4.3%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.
## Oregon

<table>
<thead>
<tr>
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<td>Physical Therapy</td>
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<tr>
<td>Osteopathic Medicine</td>
<td>2</td>
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<td>31,400</td>
<td>1,200</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>11,000</strong></td>
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<td>Percent Change</td>
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<td></td>
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Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

## Utah

<table>
<thead>
<tr>
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<tbody>
<tr>
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<td><strong>869,000</strong></td>
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<tr>
<td>Percent Change</td>
<td></td>
<td></td>
<td></td>
<td>3.9%</td>
<td></td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

## Washington

<table>
<thead>
<tr>
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<td><strong>159,900</strong></td>
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</tr>
<tr>
<td>Percent Change</td>
<td></td>
<td></td>
<td></td>
<td>3.9%</td>
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<td>3.8%</td>
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</tbody>
</table>

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.
### Wyoming

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
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<td>474,000</td>
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<td>Podiatry</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>1,878,500</strong></td>
<td><strong>70,200</strong></td>
<td><strong>1,950,700</strong></td>
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</table>

**Percent Change** 3.9% 3.8%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.

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### Totals by Academic Field

<table>
<thead>
<tr>
<th></th>
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<td>171,000</td>
<td>5,700</td>
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<tr>
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<td>200</td>
<td>8,200</td>
<td>200</td>
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<tr>
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<td>200</td>
<td>6,200</td>
<td>200</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>12,193,100</strong></td>
<td><strong>477,100</strong></td>
<td><strong>12,664,800</strong></td>
<td><strong>471,700</strong></td>
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</tr>
</tbody>
</table>

**Percent Change** 4.1% 3.9%

Note: This table shows the fiscal impact of the proposed PSEP support fees based on current year enrollments. Actual funding levels will vary based on changes in enrollment and other factors.
## ACTION ITEM
### WICHE FY 2002 – 2003 Work Plan: Priority Themes & Activities

### Existing Activities
*(GF = general fund)*

<table>
<thead>
<tr>
<th>Finance</th>
<th>Access</th>
<th>Innovation &amp; Info-technology</th>
<th>Workforce</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Tuition and Fees report (GF)</td>
<td>Student Exchange Programs:</td>
<td>Support of the NorthWest Academic Forum’s</td>
<td>Workforce Briefs (GF)</td>
<td>Regional Factbook: Policy Indicators for Higher Education (GF)</td>
</tr>
<tr>
<td>WCET’s Technology Costing Methodology project handbook (FIPSE)</td>
<td>Professional Student Exchange Program (PSEP), Western Regional Graduate Program (WRGP), Western Undergraduate Exchange (WUE)</td>
<td>regional initiatives (NWAf)</td>
<td>Building partnerships for competency: Public mental health workforce development — presentation and discussion between the commission and state mental health directors in the West</td>
<td>Policy Insights on a range of higher education issues (GF)</td>
</tr>
<tr>
<td>Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)</td>
<td>Accelerated Learning Initiatives (U.S. Dept. of Education)</td>
<td>Western Cooperative for Educational Telecommunications initiatives</td>
<td>Project on workforce issues and higher ed: nursing, teacher education, information technology, and faculty (Ford)</td>
<td>Development of guidelines in distance-delivered education for the regional accrediting agencies</td>
</tr>
<tr>
<td>Performance measurement improvement in the Western states public mental health programs</td>
<td>Pathways to College Network (GE Fund, James Irvine Foundation, FIPSE and others)</td>
<td>Building regional participation in the American TeEd Communications Alliance (self-funding)</td>
<td>North American higher education portal expansion (FIPSE)</td>
<td>Project on higher ed quality and accountability in a time of stable or declining enrollments (Ford)</td>
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<tr>
<td>North American Student Exchange Program (FIPSE)</td>
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<tr>
<td>U.S./U.K. Project (Mellon, British Funding Council)</td>
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<tr>
<td>Project on the collision between demand, access, and financial constraints (Ford)</td>
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</tr>
<tr>
<td>Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)</td>
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</table>

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

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<th>Innovation &amp; Info-technology</th>
<th>Workforce</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding the Technology Costing Methodology project (FIPSE)</td>
<td>PSEP revitalization</td>
<td>Developing the Northwest Educational Outreach Network for NWAf</td>
<td>Expanding professional advisory councils (health professions, veterinary medicine)</td>
<td>Collaboration with NCHEMS, SHEEO and WICHE on database maintenance and exchanges</td>
</tr>
<tr>
<td>Examination of the impact of revenue constraints on future viability of higher ed in the West</td>
<td>faculty diversity initiatives</td>
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<tr>
<td></td>
<td>High school graduates projections by state, race/ethnicity, and income</td>
<td>WCET work to improve information on electronic learning resources (Hewlett)</td>
<td></td>
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</tr>
<tr>
<td>Finance</td>
<td>Access</td>
<td>Innovation &amp; Info-technology</td>
<td>Workforce</td>
<td>Accountability</td>
</tr>
<tr>
<td>---------------------------------------------</td>
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<td>---------------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Policy work on resident and nonresident tuition policies</td>
<td>Policy work and technical assistance strategies to expand access for students with disabilities</td>
<td>Exploring the development of portal technologies</td>
<td>Developing Student Exchange Program responses to critical workforce shortages</td>
<td>Institute for legislators and trustees on higher ed issues</td>
</tr>
</tbody>
</table>
WICHE’s Student Exchange Programs: A Glance Back and a Look Ahead

Student exchange was the principal reason for the creation of WICHE, according to the original Western Regional Education Compact, the covenant that established our organization in the early 1950s. While the mission of WICHE has expanded over the last 50 years, student exchange remains one of our core functions and an essential element of our current goal “to expand educational access and excellence for all citizens of the West.”

The desire for improved access is just one of the driving forces behind WICHE’s Student Exchange Programs (SEP), and students are just one of the beneficiaries. In fact, our programs serve a trio of constituents:

• Students see our Student Exchange Programs as a vehicle for expanding their educational opportunities, making it possible for them to enroll in a wide range of programs throughout the West, including programs that aren’t available in their home state.

• Institutions envision our Student Exchange Programs as a means of reaching a critical mass in undersubscribed programs, thus achieving greater cost effectiveness. Institutions also see student exchange as a way to enhance program quality by attracting a greater diversity of students of exceptional academic ability from throughout the region.

• States view our Student Exchange Programs as a tool for filling critical workforce needs in a cost effective manner and as a way of assuring their citizens access to a broad array of educational programs and institutions. Further, by including certain fields of study in the exchanges, the programs may create incentives for students to enter specific careers.

Thus, for these three groups of stakeholders, our programs serve the following purposes:

• Expanding affordable educational opportunity.

• Assuring access to important programs that are unavailable in some states.

• Ensuring a workforce in areas of critical need.

• Reducing the financial burden on state residents.

• Increasing the cost effectiveness of offering low-volume, or otherwise underscribed, programs.

• Increasing program and institutional quality by attracting a diverse student body.

How do our Student Exchange Programs measure up in terms of fulfilling these purposes and meeting the needs of our stakeholders? This year, we’re taking a close look at each of our three programs to see where we’re succeeding – and how we could be doing better.

The Professional Student Exchange Program

The Professional Student Exchange Program (PSEP) offers an exceptional benefit to students, providing them with the opportunity to participate in a wide range of professional programs that otherwise might
not be accessible to them. In most of the program’s 13 fields, demand for the seats available is so high that, without PSEP, states might fail to secure places for their students – and could end up with a shortage of doctors, vets, physical therapists, or other professionals as a result. The resident tuition rate offered to most PSEP students also provides an extremely attractive benefit, given the high cost of delivering education in professional fields of study and the substantial financial gain realized by participants after graduation.

PSEP offers students a good deal, even in those states where participation comes with strings attached (some require that participants return to their home state to practice, for instance). Yet students sometimes have options that are even more attractive. For example, some states, such as Washington, allow all graduate and professional students to become Washington residents for tuition purposes after one year of residency. That eliminates most of the financial benefit of PSEP, though the assured availability of places still is of substantial value.

From an institutional perspective, PSEP has some excellent qualities – and some annoying ones as well. One substantial benefit: PSEP can enhance the quality and prestige of participating programs/institutions as it allows them to attract exceptional students from the entire region rather than just from their state and it gives them a price-competitive edge in doing so. A great example of this is the veterinary medicine program at Colorado State University, recognized as one of the best vet med programs in the nation. PSEP, which supports nearly 40 percent of those enrolled in this program, has helped CSU attract many of the region’s best and brightest students.

Financially, PSEP has both pluses and minuses. In recent years, support fees have generally been sufficient to cover the differential between resident and nonresident tuition in each of the PSEP fields; since this is more than the marginal cost of each new student, programs face no liability for enrolling PSEP students. On the other hand, they generally don’t make money with PSEP participants, as they would with other out-of-state students. What’s more, those institutions that operate at costs above PSEP’s negotiated average reimbursement level don’t cover their full average costs per student.

In general, the program is perceived as reasonably fair in its reimbursement scheme. But this has not always been the case. In the past, support fees have sometimes failed to keep pace with the costs of instruction, placing a financial burden on institutions and states for educating PSEP students. This piece of our history continues to influence the ways in which the program is perceived by providing institutions: they aren’t sure they can trust WICHE to assure reasonable compensation for their services. Institutions occasionally complain about other aspects of the PSEP program: having to dovetail the institutions’ admissions processes with PSEP’s certification process requires additional work, for instance.

From a state’s perspective, PSEP is mostly positive. The program helps fill workforce needs in highly valued fields by putting students in programs that states may not be able to offer themselves; supporting a few students studying in another state is much less expensive than sustaining a full-scale professional school in every program in every state. Furthermore, state participation in PSEP can ebb and flow in response to workforce demands and fiscal realities. The payback for states is substantial: over 70 percent of PSEP students return to the states that supported them to practice in the fields in which they were educated.

Despite the substantial savings described above, some states feel that the unit cost for each seat secured via PSEP is high – and that these high levels of subsidy are difficult to defend and sustain in tough fiscal times. Furthermore, in some fields institutions outside the region are willing to make more attractive deals with Western states: Iowa State University, for example, sells deeply discounted seats in its vet med program to other states. Such deals may look very attractive to a financially strapped state, even though the existence of these seats may prove ephemeral (they’re here one year and gone the next). Nevertheless, if the cheap seats do disappear in the future, the state can always return to PSEP.

Periodically, the financial advantages of participating in a regional exchange are trumped by the prestige
that comes to institutions and states that decide to develop their own high-profile professional programs (regardless of the costs to create and operate new programs and the impacts on similar programs in other states).

In sum, PSEP is generally attractive to all participants – students, institutions, and states. It’s a great deal for almost all student participants; a good deal (with a few drawbacks) for institutions; and it’s a better deal for most states than they realize.

For Commission Consideration: Some states have suggested that they’d like the authority to set state-specific support fees in various professional fields, enabling them to either reduce their overall level of support per student or to spread the current allocation among more students. For example, a state could decide to pay 90 percent of the support fees and the students would shoulder the remaining 10 percent. Other states want to maintain the current regionwide approach to setting support fees.

The commission’s SEP Subcommittee has both philosophical and administrative concerns about moving away from regionwide support fees. Abandoning the regional approach to setting support fees would diminish the economic benefits that result from the regional PSEP program and would increase, over time, the financial burdens on states and students. The PSEP program provides economic value to the region and should continue to be administered as a consortium. In addition, allowing states to set their own support fee levels would dramatically increase the administrative complexity of the PSEP program for WICHE, the participating institutions, and the state certifying offices that facilitate program participation.

The Western Regional Graduate Program

The Western Regional Graduate Program (WRGP) provides residents of the West with access to 117 graduate programs in a variety of fields at resident tuition rates. To be included in WRGP, graduate programs must meet the criteria of quality and distinctiveness (no more than four institutions in the WICHE region can offer an academic program that’s included in WRGP, excluding graduate programs in California). Programs are nominated biannually by their institutions, peer reviewed by other graduate institutions in the region, and approved by the Student Exchange Program Advisory Council, whose members include the state-level academic affairs officers from each of the WICHE states.

To receive WRGP/resident tuition status, students apply directly to the participating institutions. In most cases student tuition revenue is the total financial resource flowing to the institution because there are no interstate support fees for students in this program. WRGP is a wonderfully synergistic program that attracts students into graduate programs with excess capacity, thus providing greater academic choices for students and an enlarged student pool for institutions.

Currently, only 400 students are enrolled in WRGP. If this program is so attractive, why are participation rates so low? While we don’t know the answer to this question, we can speculate.

Most WRGP academic programs are offered at the master’s degree level, and it may be that students pursuing master’s degrees are less mobile because of family and job ties to their home communities. It may also be that many graduate students find the programs available through WRGP to be relatively unattractive. Or it may be that our marketing of these programs is less effective than for the other two student exchange programs. Whatever the reason, WRGP has not caught on with students as the other two exchange programs have.

From the institutions’ perspective, WRGP is really a niche program. Institutions don’t include their popular, fully subscribed graduate programs in WRGP (if they did, they’d forgo substantial in-state subsidies or nonresident tuition revenues); it only makes sense for them to nominate undersubscribed, obscure, and/or subspeciality programs, or programs in emerging fields, because they can fill empty seats and garner marginal tuition dollars at virtually no cost. And WRGP provides no incentive for institutions to develop
new programs to meet regional workforce needs because the marginal tuition revenues would be insufficient to offset program development costs.

From the states’ perspective, WRGP has limited utility. It may offer an alternative to proposed “niche” graduate programs – if similar programs already exist in other states. It fosters modest improvements in institutional effectiveness, allowing underenrolled graduate programs to sustain their mission. It is not, however – for the reasons just described – a program that’s designed to address emerging workforce development issues.

In sum, for reasons that aren’t clear, WRGP is only moderately attractive to the region’s students. The program provides real utility to the region’s institutions, attracting students to undersubscribed programs and gaining regional visibility for those programs. States have only a small stake in WRGP, which they can use as rationale for rejecting program proposals if fields of study available through WICHE; they don’t see WRGP as an economic development tool or as a way of enhancing the prestige of their higher education system.

For Commission Consideration: Some states want WRGP to be decentralized to allow institutions full discretion in determining which programs to include. This strategy would eliminate the need for a regional review process.

The commission’s SEP Subcommittee believes the regional review process is important and recommends that it be continued. While the peer reviews are not exhaustive, they do serve their intended purpose – and they increase awareness of the nominated programs throughout the region. The subcommittee supports the staff’s plan to market the available WRGP programs more aggressively via the WICHE Web site in an effort to increase future WRGP enrollments.

The Western Undergraduate Exchange Program

The Western Undergraduate Exchange Program (WUE) is WICHE’s most rapidly expanding student exchange program. Students from 13 WICHE states are eligible to enroll in any of the participating programs (Hawaii residents are eligible to enroll in any four-year participating program and California residents are eligible to enroll in selected programs in Alaska, Hawaii, New Mexico, North Dakota, South Dakota, Washington, and Wyoming). WUE students pay 150 percent of resident tuition at the institution they choose to attend.

Students clearly like WUE. Participation has been increasing at rates of 10-20 percent annually, with more than 16,000 students currently in the program. These students saved more than $70 million this year in reduced tuition charges.

The program serves students in three ways. First, it gives them access to programs that simply aren’t available in their home state or that don’t have sufficient capacity. The hospitality and hotel management program at the University of Nevada at Las Vegas and the teacher education programs at the University of Northern Colorado attract large numbers of WUE students for this reason. Second, it provides students with a more diverse array of institutions in which to enroll. The California Maritime Academy and the University of Hawaii offer examples along this line. And third, WUE makes attending participating institutions much more affordable for students. The only disadvantage from the students’ perspective: the lack of portability of state financial aid across state lines. For all practical purposes WUE is a great program – but mostly for students without substantial financial need. (Some WUE institutions do take students’ financial needs into account by supplementing the WUE tuition rate with other support, but this practice is not widespread.)

How institutions view WUE depends on their unique circumstances. Institutions that attract few out-of-state students, that have excess capacity in particular programs or in general, or that border other states
and feel an obligation to serve the citizens of the nearby communities really value the WUE program. The 150 percent tuition is not as much as they receive in total resources for state-supported resident students or from nonresidents paying high out-of-state tuition rates; but it is generally sufficient to cover the marginal costs of these students. WUE allows institutions to fill excess capacity and benefit from critical mass. It also builds institutional prestige: the excellent reputation of the previously mentioned programs at UNLV and UNC has come about in part because of the strength that WUE students bring to those programs. Eastern Washington University explicitly uses WUE to attract high-achieving students from other Western states, which increases the academic tenor of the EWU campus.

On the other hand, WUE is not attractive to institutions that recruit many nonresidents willing to pay higher out-of-state tuition and fees. The University of Colorado, Arizona State University, the University of California, and the University of Washington have found no reason to participate in WUE; indeed, they’d forgo substantial tuition revenue if they were to do so.

This economic reality suggests one of the difficulties WUE may face in the future, given the demographics of the West. In a number of our states, the demand for educational opportunity will likely exceed the supply of services; there simply won’t be enough spaces for new students. As a result, more students will be forced to look out of state, no matter what it costs. Institutions that become more attractive to these students will be less likely to remain active in WUE because doing so would result in reduced tuition revenues.

As is true with WRGP, WUE’s tuition rate isn’t enough of a financial incentive to motivate institutions to create new programs in areas of regional workforce needs (except, perhaps if the state has already identified a specific field shortage as a state priority).

States benefit from WUE in a number of ways. First, through WUE, many of their residents are able to attend affordable institutions in other Western states at no expense to the state. Truth be told, this actually saves money for most states because if those students had attended in-state institutions the states would have been obligated to provide the associated FTE funding to their institutions. Second, participating states can use the program, as either an interim or longterm strategy, to keep up with the growing demand for increased capacity in postsecondary education. Third, students are more likely to remain after graduation, helping to build an educated workforce for our burgeoning knowledge-based economy. That’s a boon for receiving states – but it’s also the downside of the program for sending states.

There are, then, clearly some tradeoffs from the states’ perspective. Still, the program enhances educational opportunity and affordability for the state’s residents, and does so quite cost-effectively for the state, which experiences no cost for educating these students. Even if states provided financial aid for WUE students, it would be more cost effective than if the students stayed in state.

In considering whether to receive students from beyond their borders, states should realize that WUE attracts well-educated folks, many of whom will stay on to contribute to the future economic vitality of the state. Yet this is true whether they participate in WUE or come and pay full out-of-state tuition. In any case, institutions, not states, generally control participation in WUE. Furthermore, as attractive as these out-of-state students are, they’re not as important to states (or shouldn’t be) as the state’s own residents. Faced with mounting pressures caused by limited resources and increasing access demands, some states may determine that they will limit the number of nonresidents their institutions accept, whether they’re WUE students or not, in order to sustain as much access as possible for their own students.

In sum, in most ways WUE is a very attractive program for all three stakeholders: students, institutions, and states. That, no doubt, accounts for the rapid recent growth in the program. But the unique demographic and economic circumstances facing most of the West will likely change the perspective on this program for some institutions and some states.
For Commission Consideration: Some states have proposed that WUE’s 150-percent-of-resident tuition rate become a base level, so that states could establish their own WUE tuition ceilings to generate more tuition revenues. Increasing the WUE rate to 200 percent was considered a few years ago by the WICHE Commission and rejected.

The commission’s SEP Subcommittee supports retaining the 150 percent tuition rate because it is sufficient to cover marginal costs and its helps reduce the financial burden on students.

Staff will develop strategies to use the WICHE Web site to more aggressively promote the participating WUE institutions and their programs. Efforts are underway to streamline the reporting of annual WUE enrollment data by providing electronic reporting capabilities via the Web site. Staff are also exploring whether states want to collaborate in the development of high-demand undergraduate academic programs. This can be accomplished via distance-delivered programs or on-campus programs. Participating states could share program development costs. Commissioner input on this issue is encouraged.
Issue Analysis and Research Committee

Monday, 10.00 – 11.30 am
Kiva A

Issue Analysis and Research Committee Agenda

Issue Analysis and Research Committee Minutes - November 2001

FY 2002-03 Workplan Chart

Report — Status of Current Grants
Monday, May 20, 2002

10.00 - 11.30 am
Kiva A

Issue Analysis and Research Committee

Committee Members

Cece Foxley (UT), Chair
Pauline Gubbels (NM), Vice Chair
Tad Perry (SD), Ex Officio
Chuck Ruch (ID), Ex Officio

Johnny Ellis (AK)
Lawrence Gudis (AZ)
Francisco Hernandez (CA)
Tim Foster (CO)
Doris Ching (HI)
Jack Riggs (ID)
Frank Kerins (MT)
Jane Nichols (NV)
Everett Frost (NM)
Richard Kunkel (ND)
Ryan Deckert (OR)
Robert Burns (SD)
Marcus Gaspard (WA)
John Barrasso (WY)

Agenda

Call to Order: Cecelia Foxley, Chair

Minutes of the November 13, 2001, Meeting for the Committee’s Approval

FY 2003 Workplan. The draft FY 2003 workplan for the Policy Analysis and Research unit and the Western Cooperative for Educational Telecommunications are included for the committee’s review and approval. Possible new directions will be explored, and committee members are encouraged to share ideas for future directions.

Discussion Item - Revenue Project

In April 2001 the committee gave approval to the Policy Analysis and Research unit to seek funding for a project, “Finding the Will and the Way: Managing Higher Education within Revenue and Expenditure
Constraints”, to examine the impact of revenue constraints on the future viability of higher education in the West. With the deterioration of fiscal conditions in most states, the committee is asked to discuss the proposed project and provide comments to staff.

Information Item - Unit Updates

Staff will provide an update and respond to the committee’s questions concerning ongoing activities:

1. Western Cooperative for Educational Telecommunications – Sally Johnstone
   a) Update on Hewlett Foundation-funded projects
   b) Pending proposals and action items
   c) SREB/WCET Costing and Financing Instructional Technologies in Higher Education: Practical Lessons and Policy Implications
   d) Other

2. Policy Analysis and Research – Cheryl Blanco
   b) Update on unfunded projects: Mobility, Fiscal Constraints and State Tax Structures
   c) Publications
Chair Chuck Ruch convened the Issue Analysis and Research Committee on Nov. 13, 2001, asking participants to introduce themselves. The minutes of the May 21, 2001, committee meeting were approved without revisions.

The first agenda topic was an action item: WCET Proposal for a Web-based Course-Rating Tool. Chair Ruch asked Sally Johnstone, director of the Western Cooperative for Educational Telecommunications, to provide information on the item. Johnstone summarized the agenda book item, noting that the goal of the project is to serve the needs of institutions seeking to license or buy courses from vendors or other institutions. The objective here is to create an easy-to-use Web-based tool for institutions to use in evaluating courses they are considering using with their students. A secondary objective is to begin setting benchmarks for good quality online courses. This proposal is being written for the William and Flora Hewlett Foundation; it is designed as a three-year project at about $2 million to begin February 2002. After discussion and questions by commissioners, the item was approved.

The chairman asked Cheryl Blanco, director of the Policy Analysis and Research unit, to provide a brief overview of the discussion item on the Lumina Foundation grant. She distributed a one-page abstract of the project, highlighting the overall goal and some of the activities planned. WICHE has received funding of $400,000 for Phase 1 (Nov. 2001 to May 2003). Staff plan to return to the Foundation for the Phase 2 portion once Phase 1 is well underway. Committee members expressed strong interest in the project and made several suggestions, including incorporating student input, examining different kinds of state financial aid (merit- and need-based), and looking at federal financial aid. When asked how states will be selected to participate in the roundtables or case studies, Blanco responded that she will look to the Executive Committee representative from each state as the primary point of contact to determine each state’s level of interest in participating. It was suggested that the information be sent to all three state commissioners as well.
Chair Ruch directed the members to the discussion item titled “Expanding Engagement: Public Policy to Meet State and Regional Needs.” Blanco distributed a one-page abstract of this new grant from the Ford Foundation. She explained that the previous two grants from the Ford Foundation end on December 31, 2001. This award will continue some of the work initiated with the prior grants and introduce new areas. The topics to be covered in this three-year grant include:

- The collision between demand, access, and financial constraints.
- Higher education quality and accountability in a time of stable or declining enrollments.
- Financing of information technology.
- Workforce issues and higher education: Nursing, college faculty, information technology, and teacher education.
- Emerging, undefined issues.

Commissioners discussed the value of this grant in addressing issues around the nursing shortage. All states indicated that this was an important issue for them – in some states it is a critical concern.

The chairman asked the unit directors to briefly update the committee on their units’ activities. Johnstone gave an overview of the Western Cooperative for Educational Telecommunications (WCET) membership, organizational structure, and funding configurations. The current WCET projects include providing technical assistance to the Arizona Board of Regents, the New Mexico Higher Education Commission, and the University of Alaska. Additionally, WCET is working with PriceWaterhouse Cooper’s “e-Army” project, the Hispanic Education Telecommunications System, and the U.S. Office for the Advancement of Tele Health. Through the Ford Foundation grant referenced by Blanco, WCET will be able to fill a three-year post-doc position to assist with policy analysis of issues related to information technology and educational telecommunications. Johnstone encouraged commissioners to visit WCET’s Web pages for more information on the unit’s projects.

Blanco provided a handout with bulleted highlights of activities related to the five major issue areas on the work plan (access and K-16, accountability, financing, innovation and info-technology, and workforce). She noted how the various grants from the federal government and several private foundations support one or more of these five issue areas. She encouraged states to indicate their interest in participating in any of these activities, which may include state roundtables, case studies, policy forums, or other initiatives. She also mentioned three additional projects that may be getting underway this year: student mobility, managing higher education within revenue and expenditure constraints, and projections of high school graduates.

The committee had no further business and adjourned.
## WICHE FY 2002 - 2003 Work Plan: Priority Themes & Activities

### Existing Activities

**Finance**
- Annual Tuition and Fees report (GF)
- WCET’s Technology Costing Methodology project handbook (FIPSE)
- Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)
- Performance measurement improvement in the Western states public mental health programs

**Access**
- Student Exchange Programs:  
  - Professional Student Exchange Program (PSEP), Western Regional Graduate Program (WRGP), Western Undergraduate Exchange (WUE)
  - Accelerated Learning Initiatives (U.S. Dept. of Education)
- Pathways to College Network (GE Fund, James Irvine Foundation, FIPSE and others)
- North American Student Exchange Program (FIPSE)
- U.S./U.K. Project (Mellon, British Funding Council)
- Project on the collision between demand, access, and financial constraints (Ford)
- Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)

**Innovation & Info-technology**
- Support of the NorthWest Academic Forum’s regional initiatives (NWAFA)
- Western Cooperative for Educational Telecommunications initiatives
- Building regional participation in the American TelEd Communications Alliance (self-funding)
- North American higher education portal expansion (FIPSE)

**Workforce**
- Workforce Briefs (GF)
- Building partnerships for competency: Public mental health workforce development — presentation and discussion between the commission and state mental health directors in the West
- Project on workforce issues and higher ed: nursing, teacher education, information technology, and faculty (Ford)

**Accountability**
- Regional Factbook: Policy Indicators for Higher Education (GF)
- Policy Insights on a range of higher education issues (GF)
- Development of guidelines in distance-delivered education for the regional accrediting agencies
- Project on higher ed quality and accountability in a time of stable or declining enrollments (Ford)

### New Directions

**Finance**
- Expanding the Technology Costing Methodology project (FIPSE)
- Examination of the impact of revenue constraints on future viability of higher ed in the West

**Access**
- PSEP revitalization
- Faculty diversity initiatives
- High school graduates projections by state, race/ethnicity, and income

**Innovation & Info-technology**
- Developing the Northwest Educational Outreach Network for NWAFA
- WCET work to improve information on electronic learning resources (Hewlett)

**Workforce**
- Expanding professional advisory councils (health professions, veterinary medicine)

**Accountability**
- 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)

<table>
<thead>
<tr>
<th>Finance</th>
<th>Access</th>
<th>Innovation &amp; Info-technology</th>
<th>Workforce</th>
<th>Accountability</th>
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<tbody>
<tr>
<td>Policy work on resident and nonresident tuition policies</td>
<td>Policy work and technical assistance strategies to expand access for students with disabilities</td>
<td>Exploring the development of portal technologies</td>
<td>Developing Student Exchange Program responses to critical workforce shortages</td>
<td>Institute for legislators and trustees on higher ed issues</td>
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<td>Convening regional forums on emerging workforce needs</td>
<td>Follow-up initiatives responding to the National Center on Public Policy and Higher Education’s report cards</td>
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ACTION ITEM APPROVED APRIL 2001
Finding the Will and the Way:
Managing Higher Education Within Revenue and Expenditure Constraints

Summary
Staff request approval for WICHE to seek, receive and expend funds to support a project that will examine the impact of revenue and expenditure constraints on the future viability of higher education in the West. The project will engage policymakers and higher education leaders in key policy issues around the ability of states to sustain their investment in higher education. The purpose of this project will be to assist states in evaluating their individual context for generating and sustaining revenues for higher education and the related effects on issues such as access, delivery, and quality. Target states will develop alternative scenarios to guide and shape the state’s course of action and design a fiscal plan to sustain the state’s investment in higher education through a period of constrained resources and expenditures.

Relationship to WICHE Mission
This project directly supports WICHE’s mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The policy emphasis of this project will focus its activities and outcomes on dealing with the state-level issues surrounding revenues and expenditures for higher education.

Background
The robust economy that characterized the 1990s translated into additional dollars for higher education. As Donald Boyd, director of fiscal studies at the Nelson A. Rockefeller Institute of Government said, “The post-recession 1990s were the best of times for most states.” State taxes grew and the percentage growth in state tax revenue between 1990 and 1998 increased by 59 percent in the Western states, slightly more than the 58 percent nationally. Influenced by strong financial markets, personal income taxes rose considerably, and sales tax revenues escalated in the ‘90s.

On the other side of the coin, state government increased real per-capita spending by 20 percent across the nation and 17 percent on average among CSG-West states between 1990 and 1998. While Alaska and Wyoming decreased per-capita spending by 12 percent and 1 percent respectively, the remaining states’ increases ranged from 2.2 percent in Arizona to 36 percent in Oregon. Several states exceeded the regional as well as the national averages. Real per-capita spending for higher education between 1990 and 1998 averaged 15 percent in CSG-West states, compared to nearly 14 percent nationally, but those averages mask significant variation among the states. Four states – Alaska, Arizona, California, and Wyoming – decreased per-capita spending on higher education over that period, while Montana increased spending by 62.5 percent, Utah by 28.1 percent, and Oregon by 24.4 percent.

During this period, states also cut taxes. Boyd reports that 2000 was the seventh straight year of net tax cuts, with 14 states cutting taxes significantly. More than half of the legislated tax cuts total $5.8 billion – $3.4 billion – was from rebates and temporary tax cuts.

As we have seen in recent months, however, the bloom is off the rose. The National Council for State Legislatures’ State Fiscal Outlook for 2001: February Update found that state revenue growth has slowed, and 31 states report that spending is exceeding budgeted levels. Tax cuts will be considered in several states, although most will be minor. Preliminary FY 2002 revenue forecasts reflect concerns about the strength of the economy, with most states expecting slower revenue growth in FY 2002 compared with FY 2001. Several states expect to revise their forecasts down over the next few months. Compounding this, a new nemesis has arisen, an energy crisis that threatens both to increase the costs of providing higher education services and to reduce the revenues available to support the enterprise.

In addition to reduced revenues, limitations on revenues and expenditures also create unstable fiscal conditions.
Among WICHE states, 11 currently have restrictions on revenues or expenditures that impact higher education, including constitutional and statutory limits tied to such indices as population growth, inflation, personal income growth, prior year spending, and voter-approved tax increases.

In his analysis of state revenues and fiscal projections, Harold Hovey (1999) warned that projected state revenues will not be sufficient to maintain current service levels. “Even without a major economic downturn, 39 states will experience gaps between the cost of maintaining public services now in place and the revenues they can expect under current tax policy.” Hovey suggested that state spending for higher education would have to increase faster than state spending in other areas in order to maintain current services. Yet the share of state revenues devoted to higher education has decreased. Nationally and in the WICHE region, state appropriations to higher education as a proportion of tax revenue ran at about 12 percent in 1992; that figure had dropped to approximately 10 percent by 1998.

Project Description
Clearly, the Western states face very different fiscal futures. The uncertainty of revenue shortfalls, the potential for cutbacks, and the impact of revenue and expenditure restrictions means that the dilemmas for the states are many and they are varied. What do these conditions and projections bode for higher education? What is the most effective way of developing an individual state’s options both with respect to increases of revenues and constraining expenditures? Who should be part of the coalition of state partners to develop a course of action for the state? What do constrained revenues and expenditures mean for higher education and issues such as access, delivery, and quality? What is the role of boards and institutions in resolving revenue and expenditure problems? What are the regional implications of new limitations on resources? How does one state’s fiscal problems impact neighboring states? Do revenue reductions in one state create conditions in institutions and systems that result in higher student migration, brain drain of both students and faculty, or lower quality of education? How will new developments such as e-commerce and the energy crisis affect revenues and what can states do about it?

Finding the Will and the Way will address those and other policy questions raised by these uncertain fiscal times. Significant change in public policy that is well conceived and built on consensus is a long process. Over a three-year period, Finding the Will and the Way will engage policy, business, board, and educational leaders in a series of multistep activities—both in their individual states and in concert with other states—that will assist them in assessing their state’s capacity to finance higher education at the level that is needed in the state.

Through a variety of activities—including state roundtables, technical assistance, regional forums, institutes for legislators and board members, analytical briefs, consensus building, and policy formulation—this project will allow a state the time, expertise, and commitment of resources to conduct an in-depth examination of its situation. By the end of the project, at least five states will have produced short- and long-term plans with specific strategies to meet the higher education needs of their citizens. The experiences of these states will be shared nationally through publications, electronic media, and forums with the expectation that the lessons learned and the models developed will guide others.

Throughout the project, we will collaborate with key organizations, such as the State Higher Education Executive Officers (SHEEO), National Conference of State Legislatures (NCSL), Association of Governing Boards of Universities and Colleges (AGB) and its Center for Public Higher Education Trusteeship and Governance, Council of State Governments-WEST, and the National Governors’ Association. We will also consult with key professional associations, including the National Association of State Budget Officers, National Association of Legislative Fiscal Officers, and the National Association of College and University Business Officers. WICHE’s Western Policy Exchange will serve as a conceptual umbrella for the project.

Action Requested
Approval to seek, receive, and expend funds to support a project to examine the impact of revenue and expenditure constraints on the future viability of higher education in the West.

Staff and Fiscal Impact
This project will be supported primarily by grant funds. Staff estimate that the project will require approximately $500,000 each year in external funding.
INITIATIVES & ACTIVITIES

Pathways to College Network: An alliance of major foundations, nonprofit organizations, educational institutions, and the U.S. Dept. of Education to improve college access and success for large numbers of underserved youth. WICHE is the lead organization – working with SHEEO, ECS, and the College Board – in developing and implementing the public policy component of Pathways. We have conducted case studies in Rhode Island, Maryland, California, Louisiana, and North Carolina and sponsored roundtables on P-16 in Washington and Tennessee, with Indiana, Montana, and South Dakota in line for roundtables this year. This Fall SHEEO and Pathways will issue five strategy briefs that draw on the case study and roundtable information; the briefs will be on different topics. WICHE has created the free Searchable Policy Inventory Database Online (SPIDO) that contains selected policies from the 50 states related to: teacher quality, financial aid, articulation and alignment, early outreach programs, remediation, data and accountability, equity, and governance. The database will be updated regularly. With Pathways, we’ll be sponsoring a regional policy forum September 17-18, 2002, in Albuquerque, NM; additional regional meetings will be held in Pennsylvania, Chicago, and Kentucky.

Western Consortium for Accelerated Learning Opportunities (WCALO): A grant from the U.S. Dept. of Education, which supports a nine-state consortium (Arizona, Colorado, Hawaii, Idaho, Montana, New Mexico, Oregon, South Dakota, and Utah). Our focus is on increasing the numbers of students from underrepresented populations that participate in accelerated-learning options (for example, AP, dual enrollment, etc.). This year, nearly $1,000,000 has been allocated to the nine states through WCALO to assist with accelerated learning. Additionally, we have working groups addressing regionwide concerns on issues such as students’ experiences with online AP; serving American Indian students, tribal schools, and colleges with accelerated options; developing preservice teacher educational models for AP; identifying good practices with counselor training models; and monitoring students’ progress after they have taken accelerated programs.

STATE SERVICES & BENEFITS

- Collaboration on state case studies
- Hosting of state roundtables
- Tailored technical assistance around P-16 issues
- Participation in the Western Policy Forum
- Access to SPIDO (State Policy Inventory Database Online)
- Access to strategy briefs

- Funding for online AP courses, teacher and counselor professional development, pre-AP activities with programs like GEAR-UP, and other activities
- Participation in the consortium network of K-12/SHEEO representatives
- Participation in special interest working groups on issues around online AP, serving American Indian students with accelerated learning, teacher preservice AP models, counselor training, and student progress
- State roundtables on accelerated learning
Initiatives & Activities

Expanding Engagement: Public Policy to Meet State and Regional Needs: A grant from the Ford Foundation to work with states on concerns around quality and accountability in a time of stable or declining enrollments. Our emphasis here is on helping states that don’t anticipate enrollment increases to examine different strategies that respond to their specific demographic issues.

Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity: The next report is planned for Fall 2003. This 6th edition will expand the projections from 2012 to 2018 and add socioeconomic data to our model, enabling us to project high school graduates not only by race/ethnicity but also by income for the 50 states.

Following the Sun: Trends, Issues, and Policy Implications of Student Mobility: Staff have been seeking funding for a project on student mobility, but have not been successful to date. The purpose of this project would be to assist states in building their capacity to measure and understand the impact of student mobility and to effectively address related public policy issues. This project would engage policymakers and higher education leaders in key policy issues around the ability of states to manage mobility and provide better-informed public policies on mobility issues as they relate to higher education.

Other Publications: Ongoing work that informs the access conversation in the West includes our regional fact book, an annual report on tuition and fees in public institutions, our Policy Alerts e-mail notices, state-specific pages on our Web site to show census data, our short report series titled Policy Insights, and an informational bulletin titled Exchanges.

State Services & Benefits

- Roundtables for states with stable or declining enrollments
- Small, state-focused group of carefully selected top-level policymakers to define the issues
- Subregional policy forum
- Access to high school projections data by race/ethnicity and income for 50 states
- Technical assistance
- State roundtable on mobility issues
- Tailored technical assistance to examine student mobility in the state
- Subregional forums on student mobility
- Analytical information on student mobility
- Current demographic information and other data on higher education issues
- Reports, studies, and related information from an array of sources to support informed policy making
## Initiatives & Activities

### Changing Direction: Integrating Higher Education Financial Aid and Financing Policy

A grant from the Lumina Foundation for Education to work with a small number of states on integrating financial aid, tuition, and appropriations policies. We are currently in Phase 1 of this initiative and will begin technical assistance with at least four states soon. Our Research Advisory Board has helped us identify information gaps, and we’ll commission papers on some of these areas. We also began an expansion of SPIDO, our online searchable policy database, to include information from all 50 states on tuition and appropriations. Through this project, we will survey state policymakers on their perceptions of effective financial aid, tuition, and appropriations policies and practices and examine the efficacy of these perceptions. One of our partner organizations – SHEEO – is developing a data inventory and audit to identify existing and unmet data needs.

### Finding the Will and the Way: Managing Higher Education Within Revenue and Expenditures Constraints

A project to look at the impact of revenue and expenditure constraints on the future viability of higher education in the West. This project will assist states in evaluating their individual context for generating and sustaining revenues for higher education and the related effects on issues such as access, delivery, and quality. We would like to work with a few states to develop alternative scenarios that will guide and shape their course of action and help them design a fiscal plan to sustain their investment in higher education through a period of constrained resources and expenditures. We’re still looking for funding for this initiative.

## State Services & Benefits

- Participation in a case study group of states to explore integrating financial aid, tuition, and appropriations decision making
- Access to commissioned papers and other products from the Research Advisory Board
- Access to SPIDO (State Policy Inventory Database Online)
- Participation in a regional and national dialogue on innovative ways to bring financial aid and financing policy together
- Access to state-specific technical assistance
- Convening state roundtables
- Engaging in dialogue at regional forums
- Participating in policy institutes for legislators and board members
- Access to analytical information related to state tax structures, revenues, and expenditures
**ACCOUNTABILITY**

**INITIATIVES & ACTIVITIES**

*Expanding Engagement: Public Policy to Meet State and Regional Needs*: The Ford grant also supports our work on accountability. We sponsored a Western regional policy forum last November near Denver – with collaboration from several regional and national organizations. This project has enabled us to assist Colorado, North Dakota, Nevada, Oregon, and South Dakota with roundtables and technical assistance.

*U.S./U.K. Postsecondary Education Policy Dialogue:* Accountability was also one of two themes for our U.S./U.K. 2001 Policy Dialogue Conference. This has been an annual invitational event that we hold with SHEEO, the Higher Education Funding Council for England, and the British Council.

**STATE SERVICES & BENEFITS**

- Participation in the regional forum *The Changing Face of Accountability*
- Access to state-specific technical assistance
- Convening state roundtables
- Access to consultants, facilitators, and other external expertise
- Access to analytical papers on accountability issues in the U.S. and the U.K.

**WORKFORCE**

**INITIATIVES**

*Expanding Engagement: Public Policy to Meet State and Regional Needs*: Our efforts on workforce issues are supported by a grant from the Ford Foundation and center on four areas: nursing, college faculty, information technology workforce, and teacher education. We commissioned the Mid-continent Regional Education Laboratory (McREL) to conduct a literature review on alternative teacher education and to survey several large school districts about their experiences with teachers who had gone through an alternative education route. Both reports will be available on our Web site soon. Some of the WICHE fellows under the Ford grant are conducting small research projects related to workforce, including a supply and demand study of nursing and an examination of online nursing education.

**STATE SERVICES**

- Access to analytical information on workforce issues
- Participation in regional workforce forums
- Access to technical assistance, consultants, and facilitators
- Small, state-focused group of carefully selected top-level policymakers to define the issues
Luncheon
Speaker: Gail Hutchings
Monday, 11.30 am – 12.45 pm
Hacienda (new hotel building via covered walkway)

“Promoting Access, Quality, and Accountability in Behavioral Healthcare: A Federal Perspective”
Monday, May 20, 2002

11.30 am - 12.45 pm
Hacienda
(new hotel building via covered walkway)

Luncheon

“Promoting Access, Quality, and Accountability in Behavioral Healthcare: A Federal Perspective”

Speaker: Gail Hutchings, senior advisor, Substance Abuse and Mental Health Services Administration (SAMHSA), will provide an overview of SAMHSA’s areas of priority for behavioral healthcare, with a focus upon opportunities for collaboration and partnership in the West.

Gail P. Hutchings is senior advisor to the administrator of the federal Substance Abuse and Mental Health Services Administration, Charles Curie. At SAMHSA, she has lead responsibility for coordinating the agency’s work on responding to homelessness and terrorism/bioterrorism. She recently led the development and implementation of SAMHSA’s successful national summit “When Terror Strikes: Responding to the Nation’s Mental Health and Substance Abuse Needs - Strengthening the Homeland through Recovery, Resilience, and Response.” Prior to joining SAMHSA, Gail was the founding president and chief executive officer of the Behavioral Health Policy Collaborative in Alexandria, VA. She is the past deputy executive director of the National Association of State Mental Health Program Directors; directed the federally funded National Technical Assistance Center for State Mental Health Planning; and was associate director of the National Resource Center on Homelessness and Mental Illness. She has authored or coauthored several articles and chapters on mental health/behavioral health issues and is a nationally recognized technical assistance expert and meeting facilitator. She earned her master’s degree in public administration from the State University of New York at Albany and is a member of the American College of Mental Health Administration.
Policy Discussion:

Healthcare workforce development — a focus on mental health

Monday, 12.45 – 4.00 pm
Kiva B-C
Policy Discussion: Healthcare workforce development – a focus on mental health

“21st Century Behavioral Healthcare: Closing the Gap between What We Know and What We Do in the Delivery of Quality Care”

In its landmark series of reports *Crossing the Quality Chasm*, the Institute of Medicine (2001) argues that we must improve the capacity of our clinical education and training programs to prepare health care professionals and allied staff to operate in today’s rapidly changing environment. There is a significant gap between the skill sets many training programs develop in their students/trainees and the demands of the workplace and practice environment. What’s more, in terms of time, the gap between the development of exemplary practices and their adoption by academia and the practice field is over a decade.

According to the Institute of Medicine, a more responsive, state-of-the-art educational system is needed, one that would train health professionals to handle a number of essential tasks: to synthesize the growing knowledge base, communicate with patients, combine knowledge and patient preferences in selecting and tailoring treatments, use decision support tools to minimize overuse and underuse of care, employ a broad variety of treatment approaches, identify errors and hazards in care, continually measure quality in terms of process and outcome, and work collaboratively in treatment teams. This will mandate a fundamental shift in our current system of graduate and continuing professional education for both behavioral health and other healthcare professionals.

The formal panel presentation at the WICHE Commission meeting in Santa Fe in May 2002 brings together a distinguished group of behavioral health professionals experienced in higher education, policy, and practice to discuss this issue. Panel members – who have recently completed a comprehensive review of what is necessary for public mental health systems to succeed in addressing the “quality chasm” – will provide an overview of the issues and specific recommendations for the WICHE Commission’s consideration.

The meeting also will offer a unique joint meeting with the WICHE Mental Health Oversight Council, made up of the state mental health program directors from the WICHE states, and afford the opportunity for dialogue and focused response to the presentations from both public mental health and higher education leaders.
Moderator: Michael A. Hoge, associate professor of psychology, Yale University School of Medicine

Michael Hoge is an associate professor of psychology in the Psychiatry Dept. of the Yale University School of Medicine. He is the director of Managed Behavioral Health Care at Yale and the chief executive officer of Yale Behavioral Health, the university’s managed behavioral health care program. In January 2002, he was appointed director of Behavioral Health Services for the Connecticut Mental Health Center and executive director of the Managed Service System, a network of 14 public mental health agencies. His responsibilities for mental health and substance abuse services in the Greater New Haven area include strategic planning, program development, and program management. He is the author of numerous articles and chapters on professional education and training, mental health service delivery, the treatment of severe mental illness, and managed care. He is currently vice-president of the Academic Behavioral Health Consortium and a member of the Board of Directors of the American College of Mental Health Administration.

Neal Adams currently serves as medical director for the California Dept. of Mental Health. He is board certified in general psychiatry and holds subspecialty certification in addiction psychiatry. He is currently the president of the American College of Mental Health Administration and served for two years as the chair of the college’s Accreditation Organization Workgroup. He received his M.D. from Northwestern University in 1978 and his M.P.H. from Harvard University that same year.

Allen Daniels is a professor of clinical psychiatry at the University of Cincinnati, chief executive officer for Alliance Behavioral Care, and executive director for University Psychiatric Services. He is the president of the Academic Behavioral Health Consortium.

John A. Morris is a professor of clinical neuropsychiatry and behavioral sciences at the University of South Carolina School of Medicine and the founding director of the SC Center for Innovation in Public Mental Health, a partnership between the
School of Medicine and the South Carolina Dept. of Mental Health. In addition, Morris is a visiting professor of mental health policy at the George Warren Brown School of Social Work at Washington University in St. Louis, where he was named a distinguished alumnus in 1996. He serves as the principal investigator or co-investigator on several federal grants. Morris is immediate past president of the American College of Mental Health Administration and is a former state mental health executive. He serves on the National Advisory Council to the Georgetown Technical Assistance Center for Children’s Mental Health as well as the Kentucky Center for Mental Health Studies and is serving a three-year term on the Standing Review Committee on Knowledge Application for the Center for Mental Health Services.
The Training Gap: An Acute Crisis in Behavioral Health Education

By Michael A. Hoge
Yale University School of Medicine

Author Note. This work was supported in part by grant number R13 HS10965 from the Agency for Healthcare Research and Quality. An earlier version of this article was presented at the Annapolis Conference on Behavioral Health Workforce Education and Training, Sept. 10, 2001. Correspondence concerning this article should be addressed to Michael Hoge, Ph.D., Yale Dept. of Psychiatry, 25 Park Street, Room 604, New Haven, CN, 06519. Electronic mail may be sent via Internet to michael.hoge@yale.edu.

In press, Administration and Policy in Mental Health. Do not circulate.

Abstract. Changes in health care have outpaced changes in the educational programs offered to the behavioral health workforce. The result is a training gap that leaves graduate students, working professionals, and other direct care providers inadequately prepared for practice in the current health care environment. This article is based on a keynote address delivered at the Annapolis Conference on Behavioral Health Workforce Education and Training. Major changes in health care are reviewed, followed by a description of the training gap as an acute crisis that impedes the delivery of effective and efficient mental health and addictions services. The author describes a national initiative to narrow the training gap and calls for collective action by the varied groups and organizations that have a stake in this agenda.

The Changing Face of Health Care
What an extraordinary time in the history of health care. The revolution seemed to begin a decade and a half ago with the introduction of managed care. This has had enormous impact on the provision of mental health and substance abuse services, producing changes that appear to be far greater than in any other health care specialty. Managed care has challenged traditional assumptions and changed traditional practices regarding the location, intensity, and length of treatment. It has dramatically controlled or reduced expenditures on behavioral health care in both the private and public sector and constrained provider autonomy in selecting and delivering treatments (Hay Group, 1999; Ross, 2001). Managed care may be losing what one unnamed observer called “the war of anecdotes,” but it continues to expand its reach, covering an ever-increasing percentage of the American population (Fox, 2000).

The changes in health care, however, have involved much more than managed care. The debates between advocates of traditional “quality” and advocates of cost containment have fostered a growing awareness of the need to turn to research findings to determine the appropriateness, effectiveness, and cost benefit of different services. Practicing evidence-based treatment has been proposed as the new gold standard in service delivery when a relevant evidence base exists (Institute of Medicine, Committee on Quality of Health Care in America, 2001; Drake, Goldman, et al., 2001). Delivering care in accord with practice guidelines and identified best practices is the standard being promoted in the absence of an adequate evidence base (Glazer, 1998; Zarin, Seigle, Pincus, & MacIntyre, 1997). This has placed a growing burden on providers to digest a rapidly expanding and increasingly complex body of knowledge about mental and addictive disorders and their treatments.

The clamor is for providers to offer treatments that are not only effective but also safe. The Institute of Medicine’s (IOM) report, To Err is Human, brought to the nation’s attention the staggering rate of medical errors, which cause up to 98,000 deaths in America annually (Kohn, Corrigan, & Donaldson,
In the field of mental health, the death of a young boy, restrained by an inadequately trained aide led to a series of investigative newspaper reports on the injuries and deaths that result from seclusion and restraint (Busch & Shore, 2000; Weiss, 1998). This sparked new safety standards regarding these practices and a resurgence of interest in alternative techniques to prevent and manage aggressive and self-destructive behavior. The IOM report has called on providers to incorporate safety principles, programs, and reporting throughout their work (Kohn, et al.).

Consumerism has emerged as another enormous force of change that now pervades many aspects of behavioral health care (Robinson, 2001). The recipients of services and their families are demanding information about treatment options, treatment effectiveness, and side effects. They are insisting on meaningful participation in or control over treatment decisions. They are seeking and obtaining powerful roles on governing boards, jobs within provider and managed care organizations, and the resources to run consumer-operated services in which they can promote their philosophy of recovery and empowerment. And as consumers have gained a stronger voice, they have clamored for treatments that are relevant to them – to their gender, to their race, to their culture, and to their age (U.S. Dept. of Health and Human Services, 2001).

There have been other changes in health care as well. There are increasing demands on providers by accrediting bodies and health care purchasers to demonstrate the quality of care through the assessment of patient satisfaction and treatment outcomes (Daniels & Stukenberg, 2001). There is a press to improve the detection and treatment of addictive disorders and to integrate mental health and substance abuse treatment for those individuals who are dually diagnosed (Drake, Essock, et al., 2001; Karam-Hage, Nerenberg, & Brower, 2001). Recognition of the enormous unmet need for treatment has led to pressure to expand access to care through outreach and through collaboration with primary care providers (American College of Mental Health Administration, 1998; Katon et al., 2001; Nickels & McIntyre, 1996; Rosenheck et al., 2001).

**The Training Gap**

The Critical Role of Education. The Institute of Medicine, in a second report titled *Crossing the Quality Chasm*, has argued that clinical education and training must prepare providers for the changing environment (Institute of Medicine, 2001). Provider education is portrayed as an essential tool for improving what the IOM deems to be the poor quality of the U.S. health care system – a system that has significant negative effects on Americans’ health, functioning, dignity, and comfort.

The authors of the IOM report outlined key tasks for a state-of-the-art educational system. It must teach health professionals to synthesize the growing knowledge base, communicate with patients, combine knowledge and patient preferences in selecting and tailoring treatments, use decision support tools to minimize overuse and under-use of care, employ a broad variety of treatment approaches, identify errors and hazards in care, continually measure quality in terms of process and outcome, and work collaboratively in treatment teams (Institute of Medicine, 2001).

Graduate Education. Unfortunately, while health care has changed dramatically over the past decade and a half, our educational systems have not. Graduate education and training programs are a first concern, with over a 100,000 students enrolled in such programs annually. Table 1, which is abstracted from *Mental Health, United States, 2000*, details the distribution of those students across disciplines (Peterson et al., 2001).
Graduate programs are imbedded in universities and health systems, which are often tradition-bound, highly bureaucratized, and slow to evolve. Faculty members are typically promoted for their research and compensated for their clinical work. Teaching activities are seldom the basis for advancement or compensation. Thus, there is little incentive within faculties to excel or innovate in the education arena (Himelein & Putnam, 2001).

To some extent, faculty members and the programs that they manage have been buffered from recent changes by the large systems in which they work. Driven by faculty interests and independence, academic clinical programs may be maintained and subsidized even after losing their competitiveness in the marketplace. Thus, students may train in programs that fail to mirror those in which they will be employed after graduation and frequently are exposed to faculty mentors modeling negative and demoralized attitudes toward the practice of health care. Too seldom, students are educated about the complex and competing demands that shape behavioral health care and the intriguing challenges and dilemmas that face our field. Too often, they are given simplistic explanations that portray the forces of “good,” represented as traditional approaches, battling the forces of “evil,” usually represented as managed care.

There are a host of other concerns about our graduate education systems. Evidence-based and guideline-based practice is not emphasized in many programs. Essential skills required for working in managed care environments are not taught or learned, in part because of the exclusion of students from the ambulatory networks of managed care organizations. Training continues to occur in silos by discipline, despite the trend toward multi-disciplinary and multi-specialty collaboration in practice, and in the face of compelling evidence that team approaches, such as PACT, are optimal for some consumers.

Continuing Education. There are troubling concerns not only about graduate education, but also about continuing professional education of the existing workforce. Table 2 outlines the size of the workforce by discipline, which in total is over a half million strong (Peterson et al., 2001).
Most continuing education consists of attendance at lectures or conferences. There is little evidence that this activity changes professionals’ practice, let alone influences patient outcomes (Davis et al., 1999). As in all aspects of behavioral health education, participants in continuing education receive credit for “doing time” in an educational program. They are neither asked to demonstrate nor rewarded for demonstrating competence in patient care. Similarly, license and credentialing renewal are tied predominantly to the number of hours spent in educational activities. Concern about these issues is heightened because practice patterns appear to be set early in a professional’s career and to change slowly, if at all.

Direct Care Staff, Consumers, and Family Members. A third area of focus calling for attention is the training of those who may not hold professional degrees, but who comprise a major segment of the front-line workforce in behavioral health. This includes non-degreed, paid caregivers as well as consumers and their family members.

Direct care staff members without advanced professional degrees are often referred to as paraprofessionals, psychiatric technicians, aides, or mental health workers, depending on the service setting. It is estimated that this segment of the workforce comprises nearly 40% of active patient care staff in behavioral health organizations and over 60% of patient care staff in state and county psychiatric hospitals (Manderscheid et al., 2001). The orientation and training programs for these providers are often minimal, despite the size of this group and their direct care role in mental health and addictions services. The training that does occur appears limited to topics required by accreditation bodies, such as fire safety and the management of violent behavior. Training efforts for this segment of the workforce are eroding quickly as current budget pressures cause reductions in training personnel and resources, as well as tighter limits on the time available for new recruits to participate in training. The frequency of staff turnover at the front lines of our behavioral health systems makes the training of these providers a particularly pressing concern.

While not traditionally considered part of the workforce, consumers and family members have been a silent army, increasingly recognized for the role that they play in caring for those who are ill. They have their own, unique needs for timely and accurate information and skill development. There are innovative, but still scattered efforts to educate consumers and family members for the purposes of aiding their personal recovery, enhancing their capacities to help other consumers and families, and developing their abilities to teach providers about illness, recovery, and collaborative approaches to treatment (Amenson & Liberman, 2001; Burland, 1995, 1998).

Table 2. Clinically Trained Workforce Size by Discipline

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Number^a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychiatry</td>
<td>41,731</td>
</tr>
<tr>
<td>Psychology</td>
<td>77,456</td>
</tr>
<tr>
<td>Social Work</td>
<td>192,814</td>
</tr>
<tr>
<td>Psychiatric Nursing (C.S.)</td>
<td>15,330</td>
</tr>
<tr>
<td>Counseling</td>
<td>108,104</td>
</tr>
<tr>
<td>Marriage &amp; Family</td>
<td>44,225</td>
</tr>
<tr>
<td>Psychosocial Rehab</td>
<td>100,000</td>
</tr>
<tr>
<td>School Psychology</td>
<td>31,278</td>
</tr>
</tbody>
</table>

Note. Adapted from Peterson, West, Tanielian, et al., (2001). Refer to that publication for definitions and interpretation of data.

^aIncludes full & part-time personnel. Estimates are for a single year between 1996-2000 and the year varies by discipline.
Characteristics of the Training Gap
This assessment of health care reform and workforce needs leads to the conclusion that there is a “training gap” in behavioral health education. It is the gap between that which is being taught and the realities that providers, consumers, and family members encounter in today’s health care systems. It is a gap between the theories and practices being taught and the theories and practices that the progressive leaders in our professional, consumer, and family organizations consider cutting edge. It is the gap between the settings in which we train and the settings in which we expect providers to practice. It is the gap between teaching students to lament the past and teaching them to embrace the future – with curiosity and with conviction about the importance of the work they will do and the enormous contributions they can make to the quality of life for persons they serve. It is the gap between the dollars we spend on human resources, generally estimated as 75% of all behavioral health expenditures, and the minimal funds expended to educate and train this workforce. Most important, it is the gap between the norm in our educational systems and a vision of what a state-of-the-art, or perhaps state-of-the-science, education could be.

The training gap is not new. Medical education, for example, was revamped in the early 1900s following the release of the Flexner (1910) report. There have been at least 20 subsequent reports calling for the reform of medical education, citing the types of weaknesses described above (Christakis, 1995; Enarson & Burg, 1992; Institute of Medicine, 2001). The existence of the training gap in the mental health field was lamented by Feldman (1978) over two decades ago.

But what was a chronic problem in behavioral health care education is now an acute crisis. The gap has become glaring because the pace of change in the field has accelerated dramatically and is not expected to slow in the foreseeable future. The perception of a crisis grows as time passes and we see so little change in either the process or the content of clinical education.

Many naively thought that our education programs would be forced to “turn on a dime,” teaching students practical skills for surviving and thriving in health care systems that were dramatically altered by managed care. As time wore on, it seemed certain that our educational programs would at least “turn on a decade,” responding, albeit slowly, to the many faces of health care reform. Paul McHugh, the former Chairman of Psychiatry at Johns Hopkins University, has argued that our field actually “turns on a generation,” with changes in philosophy, practice, and education occurring only in 25-30 year cycles (McHugh, 2001). In a science-driven and cost-driven society, we cannot accept this pace of change in our educational systems and hope to remain relevant as a field.

At a broad conceptual level we have two main challenges. One is to update our educational programs, making them more current and relevant. But more daunting is the task of rethinking our approach to education. Just as the drive for productivity, efficiency, accountability, and demonstrated outcomes has swept business, industry, and health care, so too will it undoubtedly sweep the field of education.

Selected universities and organizations are experimenting with educational innovation, such as web-based learning (National Council for Community Behavioral Healthcare, 2002; University of Phoenix, 2002). However, many institutions of higher learning strongly oppose such approaches, viewing them as departures from tradition that violate basic educational principles. What seems certain is that we will need to find more efficient and effective strategies for disseminating the growing knowledge base and developing core competencies in the workforce. As our field becomes more complex, we cannot simply keep adding to a growing list of mandatory requirements that burden training directors and faculties, unless we simultaneously provide fresh strategies for achieving educational goals.

Obstacles to Change
The process of change is always complex. Educational systems are linked to and partially driven by their host universities and health systems, applicable accreditation standards, licensing requirements, and the systems for financing education. Each of these elements of the educational landscape restricts the
degrees of freedom in efforts to revamp training approaches, even for those who are interested in change.

Further obstacles to achieving progress on this agenda are the many differences amongst those who work in this field. There are competing views of illness, treatment, and recovery, and discipline-specific differences over “scope of practice” issues. Many even disagree over what nomenclature to use when referring to those who provide and those who receive behavioral health services.

The old adage that “where you stand depends on where you sit” clearly applies to this agenda. Your view on the relevance of current education programs and the need for reform is undoubtedly influenced by your role as educator, student, provider, consumer, family member, accreditor, or representative of a professional association. Making progress on this agenda will require finding some common ground among these diverse constituencies (Adams & Daniels, 2002).

Unfortunately, a “call to action” is too often viewed as a “call to arms.” It is taken as a criticism or as a threat to those responsible for the status quo. It seems impossible to claim that we can and should do better, without offending those who are working diligently to train the workforce. Exasperated by the slow pace of change, those calling for reform may overstate the magnitude of the problem, further polarizing the debate. The challenge is to find the appropriate language and a constructive tone, recognizing the need for change and respecting the long and strong traditions in our educational systems.

A National Initiative on Behavioral Health Education and Training

Concerns about the training gap have been of interest to numerous groups and organizations. These include the American College of Mental Health Administration (ACMHA), a national interdisciplinary organization with a 20-year history of working to improve the quality of behavioral health care, and the Academic Behavioral Heath Consortium (or ABHC), a relatively new organization comprised of departments of psychiatry seeking innovative responses to recent changes in clinical care, the management of care, and education.

These two organizations had begun to focus independently on the workforce education agenda. Recognizing the benefits of joint action, they entered into a collaboration on a national initiative to address the training gap. That collaborative process led to the concept of a multi-phase, interdisciplinary initiative that would begin with a national meeting of stakeholders to build consensus and develop an agenda for change.

The proposal to launch a national education initiative was given an unexpected boost with the release in 2001 of the IOM’s report, Crossing the Quality Chasm (Institute of Medicine, 2001). Recommendation #12 from that report stated:

A multidisciplinary summit of leaders within the health professions should be held to discuss and develop strategies for (1) restructuring clinical education to be consistent with the principles of the 21st century health system throughout the continuum of undergraduate, graduate, and continuing education for medical, nursing, and other professional training programs; and (2) assessing the implications of these changes for provider credentialing programs, funding, and sponsorship of education programs for health professionals. (p. 208)

This recommendation bolstered efforts to convene a national meeting on behavioral health education. It also clarified that the educational crisis in our field is part of a larger crisis that permeates health care education in general.

Key federal support for the behavioral health initiative was obtained from the Center for Mental Health Services and the Office of Managed Care within the Substance Abuse and Mental Health Services Administration, as well as from the Agency for Healthcare Research and Quality. With this support, this
A national initiative was launched and a group of stakeholders were convened at the Annapolis Conference on Behavioral Health Workforce Education and Training on September 10-11, 2001. The focus in Annapolis was on three workforce groups: (a) students in graduate programs, (b) working professionals, and (c) consumers, families, and front-line staff. The IOM’s recommendations regarding the six aims of 21st century health care were offered as a context for the discussions about improving the relevance of behavioral health education and training. Those six aims highlight the need for a workforce capable of delivering care that is safe, effective, patient-centered, timely, efficient, and equitable (Institute of Medicine, 2001).

**Initiative and Conference Goals**

The first goal of this national initiative and conference on behavioral health education and training was to develop specific recommendations regarding the optimal knowledge base and skill sets required by the various workforce groups to survive and thrive in the current health care environment. A variety of recommendations regarding these topics were outlined in position papers, which were distributed to conference participants in advance of the Annapolis meeting. These papers were reviewed by participants during structured dialogue sessions in Annapolis and revised based on the feedback and recommendations that emerged from those discussions. Those recommendations are published in the position papers that appear in this issue of the journal (Daniels & Walter, 2002; Hoge, Jacobs, Belitsky, & Migdole, 2002; Morris & Stuart, 2002).

The second goal was to identify “educational best practices” that appear to be effective for each of these workforce groups in transmitting knowledge, building skills, and improving treatment outcomes. Numerous such practices were identified and reported in the position papers (Daniels & Walter, 2002; Hoge, Jacobs, Belitsky, & Migdole, 2002; Morris & Stuart, 2002). In addition, four innovative initiatives were presented in Annapolis to highlight diverse educational strategies. These are showcased in the accompanying article on best practices (Stuart, Burland, Ganju, Levounis, & Kiosk, 2002). The topic is also addressed in an article in this issue of the journal that conveys the perspective of graduate students on the education agenda (O’Connell, Gill, Artar, Jones, & Vargas, 2002).

A third goal of the initiative and the conference was to identify practical strategies for overcoming the barriers to improving the relevance of our educational programs. This topic is addressed in two articles in this journal issue: a call to action (Adams & Daniels, 2002) and an analysis of strategies for catalyzing change (Huey, 2002).

**Conclusion**

Launching this initiative has, itself, been an educational experience. Each step in the process has revealed new complexities and nuances in the issues, and has highlighted the daunting obstacles to accomplishing substantive change. We have been reminded repeatedly of how difficult it is to change a system, an organization, or even a single individual.

However, this initiative has also illuminated the vast reservoir of talent, creativity, and commitment within our field. There are many individuals who care passionately about the state of mental health and substance abuse care and who are concerned about the current preparedness of the workforce. There are individuals and organizations working hard in various ways to address the gap between education and practice, although they are often working in isolation, unaware of each other’s efforts.

We must narrow the training gap despite the obstacles. For meaningful change to occur, the organizers of this initiative believe that it is essential to pursue collective action. We must make an effort to learn more about the perspectives and the initiatives of others. We must then move forward quickly on a coherent, common agenda that will result in transformed learning environments: environments informed by a scientific evidence base; environments enriched by consumer and family wisdom; and environments that are in tune with and responsive to the dynamic realities of the constantly changing health care arena.
Surely, individuals in the workforce, as well as those who rely on the skills of the workforce, deserve no less.

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Policy Discussion:
Healthcare workforce development — a focus on policy
Tuesday, 8.00 – 10.00 am
Kiva B-C
Policy Discussion: Healthcare workforce development – a focus on policy

“Caring for our Future”

It may seem like deja vu all over again: critical shortages of available workers in many health care occupations are affecting many Western states. In some fields, nursing in particular, the shortage of health care workers is at crisis levels. States are also facing shortages of medical aides, dental hygienists, billers and coders, laboratory personnel, pharmacists, physicians in some specialty areas and in many rural communities, and radiology technologists. And workforce projections in some fields indicate that the full brunt of the shortage has yet to occur. This session will address the factors that have led to the current crisis and will provide models of what some states and institutions are doing to solve health care labor shortages.

Moderator: Bruce D. Hamlett, executive director of the Commission on Higher Education in New Mexico and WICHE commissioner.

Bruce Hamlett was appointed executive director of the New Mexico Commission on Higher Education in 1993. He spent 18 years of his career with the California Postsecondary Education Commission and was a faculty member at the University of Santa Clara for eight years. He received his Ph.D. in international relations and government from the Claremont Graduate School. Appointed to the WICHE Commission in 1993, his term ends on December 31, 2004.

R. Philip Eaton became the interim vice president for health sciences at the University of New Mexico in 1998. He served as chief of the Division of Endocrinology and Metabolism from 1975 to 1998 and was associate dean for research in the School of Medicine from 1996 to 1998. From 1990 to 1997, he served as the director of the Clinical Research Center. Eaton joined the University of New Mexico in 1968 and is currently a professor of medicine and professor of mathematics and statistics. He is a nationally recognized researcher in endocrinology, with particular interest in diabetes; his work with Sandia National Labs led to the invention of the first implantable, programmable insulin pump. He is a member of the Association of American Physicians and has authored more than 200 articles, book chapters, and books. Eaton received his B.A. in chemistry from the College of Wooster and his M.D. from the University of Chicago Medical School and completed an internship at Barnes Hospital, Washington University. Following his internship, Eaton held the rank of
lieutenant commander in the Public Health Service, serving at the National Heart Institute. After returning to Barnes Hospital to complete his medical residency, he completed a fellowship at Washington University.

Patricia Moritz is an associate professor and interim dean at the University of Colorado Health Sciences Center, School of Nursing. In addition, she is director of the National Center for Children, Families and Communities, an evidence-based practice research center for community/public health. She served as the associate dean for research from 1996-2001. She has been active in the assessment of intervention strategies and models of care and their outcomes for over 10 years. Prior to going to C.U., she was a scientist administrator at the National Institute of Nursing Research at NIH. She is currently conducting a statewide evaluation of the Oklahoma Children First Program, a legislatively mandated prenatal care program for first-time mothers with follow-up until the infant is 24 months of age. In addition, she has begun to examine factors related to self care and satisfaction with care among those with chronic conditions to determine effective processes of care and potential outcome measures for self-care strategies.

Annette E. Talbott has been the governor’s workforce policy coordinator in Oregon since 1999. She oversees the development and coordination of the state’s workforce policy and staffs the Oregon Workforce Investment Board. She is also leading the state board’s Health Care Sector Employment Initiative. Prior to taking her current position, she was the legislative coordinator for the Oregon Employment Dept. She also worked as an employment and labor lawyer in private practice and as committee counsel for numerous Oregon legislative committees, including the Senate Labor Committee. She is a graduate of Northwestern School of Law of Lewis & Clark College.
Policy Discussion: Healthcare workforce development:
a focus on policy

“Oregon’s Health Care Sector Employment Initiative”

What is the initiative: The Oregon Workforce Investment Board (OWIB) is undertaking an employment initiative to alleviate skills and staffing shortages in the health care sector. This is an intensive approach to serving the workforce needs of a specific industry or group of related occupations. It involves building relationships, expertise, and understanding of the challenges of the industry. This sector has been selected as it is faced with high growth in jobs, high turnover and an aging workforce. The goal is to identify the demands of the industry that are not being met and to develop strategies to assure an adequate supply of skilled workers and job seekers who can be successful in these jobs and careers.

The Oregon Workforce Investment Board (OWIB), a state-level board (with a private sector majority) that advises the governor on workforce issues, is undertaking the initiative in response to the increasing shortages in the health care industry. Some of the seven local workforce investment boards have begun initiatives to assist the health care industry; these efforts range in size and scope across the state.

The initiative is being undertaken by OWIB to assist and support the work of the workforce investment boards, workforce partners, and educators in helping to resolve issues that are commonly raised as barriers across the entire state (e.g., research and analysis, regulatory issues, curriculum development and articulation). This includes providing assistance to occupation specific initiatives, which are already underway, such as the Oregon Nursing Leadership Council’s Strategic Plan.

Which occupations are being targeted: Preliminary research indicates that the occupations listed below are in demand and will be difficult to fill unless innovative strategies are adopted by workforce partners, educators and employers to address: recruitment, retention, working conditions, wage and benefits issues, capacity expansion, and professional development opportunities. The sector initiative will select occupations along the wage continuum – from entry-level opportunities with mobility to jobs with self-sufficient wages. The initial list of targeted occupations includes: medical records clerk/office assistant, medical transcriptionists, medical interpreters, certified nursing assistants, certified medical assistants, radiologic technologists, licensed practical nurses, and registered nurses.

Who will be invited to be involved: Several stakeholder teams will be assembled to build high performance partnerships to coordinate this initiative including:

- K-12
- Community colleges
- Oregon univ. system
- Private colleges
- Private career schools
- Workforce boards
- Workforce partners
- State agencies
- Labor market economists
- Community based orgs.
- Industry employers
- Labor organizations
- Professional assoc.
- Health associations
- Regulatory boards

How will it be organized: There will be a state steering committee made up of key stakeholders to help direct the initiative and review the work of three strategy teams. Three teams will be formed: (1) statewide employers, health care organizations, and labor organizations; (2) workforce professionals; and (3) educators. The first team will describe the needs of the industry, list factors contributing to the difficulties in meeting their needs and propose ways employers and others can minimize or address these factors. The other two teams will evaluate the current labor market; assess the employment and training
capacity (types, locations, cost, length, eligibility); identify target populations; look at promising practices – building career ladders and developing core curriculum and competencies; and list barriers to increasing the pool of skilled applicants.

When will the activities occur: Phase I, Fall 2001-Spring 2002. (a) Performing Sector Research and Analysis, including identifying overly restrictive regulatory requirements unnecessarily impeding the expansion of the applicant pool, exploring best practices, and convening stakeholder teams. (b) Drafting a Health Care Sector Strategic Action Plan developed by the Steering Committee and teams and holding a summit to get public comments on the plan. Phase II (implementation phase) will involve short-term and long-term goals from six months to one year and longer as necessary. This will include developing curriculum, designing programs, and building resource plans.

What are the anticipated outcomes: The overall goal is to increase the number of health care workers in the targeted occupations while providing these workers with increased training and career opportunities. Improvements are likely to occur in these areas:

Education/Workforce:
- Use of industry developed skill sets and standards
- Enhanced career advancement advice
- Compressed employment integrated training

Employers:
- Lower turnover
- Reduced overtime or use of temporaries
- Lower hiring costs
- Access to higher skilled workers
- Higher productivity

Workers/Students
- Health Care Employment Guide with career ladders to aid in selecting career opportunities
- Increased self-sufficiency
- More professional development opportunities

To achieve these results, the stakeholders must:
- Support state and local employer consortia committed to providing career paths and professional development opportunities for their workers and those in the sector.
- Leverage funds by building public-private sector partnerships.
- Re-engineer curriculum to meet industry needs and set core competencies.
- Modify unnecessarily restrictive regulations to increase capacity/expedite training.

How do I find out more about this initiative: If you are interested in this initiative, please contact Annette Talbott, the governor’s workforce policy coordinator in the Governor’s Office of Education and Workforce Policy at 503-378-3921, x 24.

(Issued 9/11/01)
Policy Discussion:

State finance and political issues —
what’s up in the WICHE states?

Tuesday, 10.15 – 11.45 am
Kiva B-C
Policy Discussion: State finance and political issues – what’s up in the WICHE states?

This year, the states of the West – like the rest of the country – are feeling the combined effects of the current economic showdown and the fallout from Sept. 11. Many states are facing big-time financial difficulties. At least 36 states have implemented or are considering budget cuts or holdbacks to address fiscal problems. Funding for higher education is at risk at a time when enrollments are up in many of our states – and when financial aid is more important than ever, if we’re to meet our goal of guaranteeing higher ed access to all of our students. Other issues of note: anticipated changes to the political landscape with the November elections.

Speakers: David Longanecker, executive director, and Cheryl Blanco, director of Policy Analysis and Research
Committee of the Whole

Business session/working lunch

Tuesday, 11.45 am – 2.00 pm
Kiva B-C

Agenda

FY 2002-03 Workplan

50th Anniversary Plans for WICHE

Evaluation Form

Description of Santa Fe Institute
Tuesday, May 21, 2002

11.45 am - 2.00 pm  Committee of the Whole, business session/working lunch
Kiva B-C

Agenda

Call to Order: Tad Perry, Chair

Report of the Executive Committee [Tab 1]

1. Recommended Action: Salary and Benefits for FY 2003
2. Recommended Action: General Fund Budget for FY 2003
   and review of FY 2002
3. Recommended Action: WICHE Dues for FY 2004 and 2005

Report of the Programs and Services Committee [Tab 3]

1. Recommended Action: Professional Student Exchange
   Program Support Fees for FY 2003-2004 and FY 2004-2005

Report of the Issue Analysis and Research Committee [Tab 4]

      FY 2002-03 Workplan
      50th Anniversary Plans for WICHE

Report on the status of WICHE’s office facility

Meeting evaluation (form)

Other business

Adjournment

2.15 pm  Meet in the hotel lobby

2.30 - 3.30 pm  Santa Fe Institute – Tour and presentation
This year marks the 50th anniversary of the founding of the Western Interstate Commission for Higher Education. While WICHE celebrates its accomplishments over the last half century, we also plan to use 2002-03 to examine how we've evolved – and to shape a vision for our future.

In 1952, WICHE was launched as a compact committed, first and foremost, to access: specifically, to putting students seeking to become doctors, dentists or veterinarians in touch with professional programs beyond the borders of their states. PSEP, our Professional Student Exchange Program, now enrolls students in 13 fields and has spawned two other regional exchange programs as well. Over the last five decades, our mission has expanded to include research and policy analysis in areas as diverse as distance education, global higher ed issues, and mental health. We’ve also earned a strong reputation for our work with all the stakeholders in higher education, from educators themselves to legislators and business people. On the eve of our 50th anniversary, the question we find ourselves asking is: Where do we go from here?

Using our past work as our foundation, WICHE intends to focus on a quintet of issues in the coming year: higher ed finance, access, innovation and information technology, workforce development, and accountability. In our meetings with WICHE commissioners and with other constituents, these have emerged as the most critical issues facing our region today.
Each of our priority issues begs a question, usually several questions. For example:

- **Finance:** In an era of constrained resources, how do we allocate funds to best support our priorities (and what exactly are our priorities)? Who should be in the coalition of state partners to develop a fiscal plan for the state’s investment in higher education? What do financial pressures mean for higher education and issues such as access, delivery, and quality? How does one state’s fiscal problems impact neighboring states? How affordable is higher ed for students and their families?

- **Access:** With a burgeoning student population, how can we create a system that truly serves all? How can a unified K-16 approach enhance student access? Why haven’t we been more successful in widening the participation of underrepresented students? Is there a strong public will to continue advancing equal access? Do students make progress toward and complete their degrees in a timely manner? How can higher ed’s persistence rates be improved?

- **Innovation & Information Technology:** What’s the best way to use distance education technologies to serve students and expand the reach of institutions? Can we achieve cost savings through multi-institutional collaborations?

- **Workforce & Society:** What is the role of the West’s higher ed institutions in preparing students to contribute to the region’s economy and society? How do we identify workforce needs and make the right adjustments in postsecondary education quickly enough to make a difference? How do we ensure that postsecondary education’s mission of providing a well-rounded educational opportunity is not lost in the interests of pursuing vocational interests? What is the appropriate mix of input from the business/industry sector and postsecondary education in responding to workforce needs?

- **Accountability:** How can we design accountability measures that genuinely improve performance? How do we effectively and efficiently collect information on institutional and student performance? Are we willing to provide the human and fiscal resources to support the data systems we need? How do we ensure that data and analyses are used to support improvement as well as better public policy?

This workplan looks at each of these issues in turn, detailing the ways in which WICHE is investigating the key questions that surround them.

### Finance

A recent legislative forecast from *The Chronicle of Higher Education* put it plainly: in state after state, slow growth (or no growth) was expected to spell significant appropriations cuts for higher ed. Just one example: California, which posted a whopping 17 percent increase in its higher ed budget two years ago, is today facing down a projected $17.5 billion shortfall.

In a recession, that’s no surprise. But this year’s cuts will be all the more painful because, in some states, they come on top of a higher ed appropriations history that has been erratic at best: too often, higher ed has benefited only a little in the good times and has been hit extra-hard by economic downturns.

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**Policy Analysis & Research**

The goal of the Policy Analysis & Research unit is to offer analysis, support and data to constituents on a number of issues, including access, finance, accountability, and information technology. Current projects include:

- Pathways to College Network
- Western Consortium for Accelerated Learning Opportunities (WCALO)
- Western Policy Exchange forums and roundtables
- Tuition & Fees in Public Education in the West
- The WICHE Factbook: Policy Indicators for Higher Education
- Policy Insights – short reports on major policy issues
- Knocking at the College Door: Projections of High School Graduates by State, Race/Ethnicity, and Income Level
- Changing Direction: Integrating Higher Education Financial Aid and Financing Policy
- Expanding Engagement: Public Policy to Meet State and Regional Needs
WICHE has several projects in the works that focus on finance issues. One example: Changing Direction: Integrating Higher Education Financial Aid and Financing Policy, an initiative of the Policy Analysis & Research unit that focuses on coordinating policy dealing with financial aid, financing, and appropriations. Funded by the Lumina Foundation for Education, this multiyear project supports the restructuring of these policies and practices to maximize participation, access, and success for all students.

Policy is also shaping an initiative that will examine the impact of revenue and expenditure constraints on the future viability of higher education in the West. The project will engage policymakers and higher education leaders in key policy issues around the ability of states to sustain their investment in higher education. This project will assist states in evaluating their individual context for generating and sustaining revenues for higher education and the related effects on issues such as access, delivery, and quality. Target states will develop alternative scenarios that will guide and shape their course of action and help them design a fiscal plan to sustain their investment in higher education through a period of constrained resources and expenditures.

Another project for which Policy is seeking funding involves student mobility. The goal of the project is to build states’ capacity to measure and understand the impact of student mobility and thus more effectively address related public policy issues. The project will examine student mobility at various points in the college experience, including the mobility of recent high school graduates as they enter college, the “swirling effect” produced as college students move in and out of higher education institutions, and the movement of recent college graduates from their institutions to their state of employment. It will analyze mobility data and explore the factors that contribute to students’ decisions. The implications for public policy are many and the issues are varied, including residency requirements, tuition, financial aid, transfer, articulation, financing, determining competency and student outcomes, efficiency, and linkages with K-12.

WCET, the Western Cooperative for Educational Telecommunications, is involved in several projects that focus on finance. One current project involves implementing standard analytical principles to assess the costs of higher ed’s use of

WCET

WCET, the Western Cooperative for Educational Telecommunications, is a national leader in helping states and institutions use new technologies to improve education. U.S. states and four continents cooperate in sharing information, identifying barriers to the use of telecommunications in education, evaluating technological approaches to education, and facilitating multistate approaches to technology-based learning. Current projects include:

- Research on effective online student services
- E-Learning Technologies: Web Resource for Comparisons
- Technology Costing Methodology project
- MDE Institutes (July 21-25, 2002; July 26-27, 2002)
- 2002 Annual Conference (November 6-9, 2002)
- Student Services Webcast Series
- Consulting on statewide and campus e-learning projects

Programs & Services

WICHE’s three Student Exchange Programs — the Professional Student Exchange, Western Regional Graduate Program, and Western Undergraduate Exchange — currently enroll some 17,000 students and saved students and their families some $70 million last year. Other Programs & Services initiatives include:

- Northwest Academic Forum
- NEON, the Northwest Educational Outreach Network
- American TelEdCommunications Alliance
- Faculty Diversity Initiative
- Regional Legislative Advisory Committee
- Communications activities: NewsCap, factsheets, Web site, annual reports, state briefings, commission meeting support
- 50th anniversary activities
- Workforce Briefs
technology; the project was developed by WCET and NCHEMS with support from the Fund for the Improvement of Postsecondary Education (FIPSE). In partnership with the Southern Regional Education Board, WCET will cohost a conference in Washington, D.C., on May 14-15, 2002, to explore the policy implications of costing and financing educational technologies. A second project, E-Learning Technologies: Web Resource for Comparisons, addresses the needs of institutions developing online education by giving administrators a single place to go for product and policy comparisons; the project is supported by the William and Flora Hewlett Foundation.

WICHE’s Student Exchange Programs (SEP) provide financial assistance to students in the West and opportunities for resource sharing to the region’s institutions. This year, students and their families saved almost $70 million in reduced tuition costs by participating in the three programs: the Professional Student Exchange Program, the Western Regional Graduate Program and the Western Undergraduate Exchange. Over 17,000 students participated in the three programs in 2001-02.

In addition to continuing to administer PSEP, WRGP, and WUE, WICHE’s Programs & Services unit will seek opportunities to broaden student participation in each program. The Professional Student Exchange Program currently enrolls close to 800 students in 13 disciplines. This year several new master’s and doctoral-level programs will be added to the Western Regional Graduate Program’s current 101 offerings (18 additional nominations are now under review). The WRGP makes high-quality, distinctive graduate programs available to students at a reasonable cost. More institutions and programs continue to join our Western Undergraduate Exchange, which had a record 16,006 students participating this fall. We’re streamlining the administrative tasks associated with annual WUE enrollment reporting by providing electronic access for institutions to input data and creating a regionwide database for states to use as a strategic enrollment and academic planning tool via the WICHE Web site.

**Access**

This year marks WICHE’s 50th anniversary. We’ll be staging a year-long celebration of both our own accomplishments and the West’s higher ed milestones, with special events in each of the WICHE states. We’ll also investigate the state of higher education today, with a special focus on access. In the face of rising costs and growing constraints on public support for higher ed, the idea of broad access is at risk. We’ll use our anniversary year to advance the debate about access into the future. The celebration of our anniversary will run from November 2002 to November 2003 and will begin with a day-long symposium focused on the issue of access as it relates to WICHE’s past and to the West’s future. During the year, each of the WICHE states will host an event to commemorate its participation in the commission, designed to highlight higher ed issues of importance. The Programs & Services unit will oversee the anniversary symposium (and the production of a monograph based on it) and other events.

**CONAHEC**

The Consortium for North American Higher Education Collaboration (CONAHEC), based at the University of Arizona, helps institutions and states explore initiatives involving education in Canada, Mexico, and the U.S. WICHE was a founding partner of this unique consortium and will continue to be represented on its board of directors when that body is elected in Spring 2002. CONAHEC’s 100 members are drawn from higher education institutions and organizations. CONAHEC’s media are three: conferences that address higher ed issues in North America and foster trilateral collaborations; research papers on cross-border higher ed issues; and its North American higher education portal. Current projects include:

- North American higher ed portal
- BORDER PACT (U.S.-Mexico) Network
- North American Student Exchange Program
The goal of the Policy Analysis & Research unit is to offer analysis, support, and data to constituents on a number of issues, including access. One of its major endeavors for 2003: Its work with the Pathways to College Network, an alliance of private and corporate foundations, nonprofits, educational institutions, and the U.S. Dept. of Education. Pathways’ goal is to improve access to higher education for disadvantaged students, and to help prepare them to take advantage of what higher ed has to offer. The Pathways Network – which includes researchers, policy analysts, educators, K-12 administrators, government, business, foundations, and community organizations – seeks to identify the best ways of putting disadvantaged students on the path to college. The Pathways Network’s 16 educational and community organizations are working together to create new programs that open college doors for low-income students. To support this effort, WICHE has developed an online searchable policy inventory and has been assisting with case studies, roundtables, and strategy briefs. Also this year, WICHE is hosting, with New Mexico, a Western Policy Forum for Pathways. In addition, WICHE’s role in the Pathways Network involves overseeing the project’s five major components and directing the project’s policy component.

Ensuring that higher education is affordable for all students is central to meeting the West’s current and future access challenges. Our Changing Direction: Integrating Higher Education Financial Aid and Financing Policy project, described earlier, will examine how to structure financing policy and financial aid to maximize access and participation.

Another continuing Policy project related to WICHE’s ongoing efforts to promote access to higher education for all students is the Western Consortium for Accelerated Learning Opportunities (WCALO) – a project funded by a grant from the U.S. Dept. of Education’s Advanced Placement Incentive Program. A partnership whose nine members are Arizona, Colorado, Hawaii, Idaho, Montana, New Mexico, Oregon, South Dakota, and Utah, WCALO’s goal is to increase the number of low-income and rural students succeeding in accelerated-learning courses. States participate in the consortium in a variety of ways, including: supporting students from low-income families with fee reimbursement for Advanced Placement (AP) exams; providing professional development for teachers, administrators, and counselors; subsidizing online accelerated-learning courses; and participating in the consortium’s network of state education agency and state higher education executive office representatives.

As part of Policy’s continuing work on high school graduates, it is shaping a new research initiative to project high school grads by income level, powerfully supplementing its extensive databases on race and ethnicity. By combining income-level and racial/ethnic data for elementary and secondary school students, WICHE will be able to add another dimension to its projections of high school graduates,

**Mental Health**

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:

- Western States Decision Support Group
- Project to Improve Mental Health Program Performance Measurement
- Public Mental Health Workforce Development Project
providing policymakers and educators with the hard data they'll need to make informed decisions about the effect of changing demographics on higher education.

**Innovation & Information Technology**

WICHE supports a number of initiatives focused on innovation and information technology as they relate to higher education. As part of its global outreach, WCET has begun work with the United Nations Educational, Scientific, and Cultural Organization (UNESCO) to explore issues of use for copyrighted information and other information technology issues related to developing nations. WCET will be a cosponsoring organization for the 2003 International Council of Distance Education conference, working with U.S.-based members on presentations in this forum.

WCET continues to work with institutions and state agencies as they develop and expand their distance-learning plans. In 2002, it will also host two major professional development events, its annual conference and the Institutes for Managing and Developing E-learning (MDE). With support from the Ford Foundation, WCET will host a post-doctoral intern who will be developing his or her own policy-based research agenda.

Another WCET project, supported by the Hewlett Foundation, is allowing WCET to study new IT developments, such as the policy implications of the open courseware movement and the need for a Web-based decision tool to allow institutions to evaluate online courses for purchase or licensing. WCET is also continuing its work with Web-based student services for online learners, with support from the U.S. Dept. for Education’s Learning Anywhere Anytime Partnership.

Another technology-focused project is the American TeLEDCommunications Alliance, an initiative created by the four regional higher education compacts (the Midwestern Higher Education Commission, the New England Board of Higher Education, the Southern Regional Education Board, and WICHE) and MiCTA, a nonprofit telecommunications association, to promote the joint procurement of educational telecommunications and advanced technology. As one of the lead organizations, WICHE, via its Programs & Services unit, is working to inform colleges and universities, the K-12 sector, and other nonprofit organizations in the 15 Western states about opportunities to become members and purchase telecommunications services at lower costs, as well as to gain access to information about state-of-the-art telecommunications services.

WICHE is the secretariat for the Northwest Academic Forum (NWAF), a nine-state group of institutions and state policymakers which fosters regional resource sharing and promotes innovative and collaborative efforts among its member institutions. WICHE works with the forum’s executive committee to plan an annual meeting each spring that is attended by provosts, academic vice presidents, and chief academic officers of the member institutions and states. In partnership with NWAF, WICHE is continuing its efforts to develop the NEON (Northwest Educational Outreach Network) consortium by working with institutions in nine WICHE states. NEON’s goals: To assist institutions in sharing resources and collaboratively developing distance-delivered degree programs in several disciplines. We continue to seek external funding to develop this important regional resource.

**WICHE’s 50th Anniversary**

The Western Regional Education Compact was signed into law by the president of the U.S. in August 1953, following congressional approval. Here are the dates when the 15 WICHE states joined the commission:

- Alaska: May 19, 1955
- Arizona: January 6, 1953
- California: December 15, 1955
- Colorado: April 20, 1953
- Hawaii: June 23, 1959
- Idaho: May 13, 1953
- Montana: December 24, 1952
- Nevada: June 2, 1959
- New Mexico: December 19, 1952
- North Dakota: July 1, 1984
- Oregon: January 31, 1953
- South Dakota: July 1, 1988
- Utah: January 14, 1953
- Washington: June 9, 1955
- Wyoming: April 28, 1953
**Workforce & Society**

The West’s higher education institutions play an essential role in preparing students to meet the economic, social and cultural needs of the region. Our Student Exchange Programs will continue to offer options to export and import students based on current needs and provide students with access to high demand/high cost disciplines, particularly in health care professions, some of which are seriously understaffed in a number of states.

Over the next few months staff and a subcommittee of WICHE commissioners will review our SEP programs to determine if we’re positioned effectively to meet current and future regional needs. Expanding our programs to include new models of exchange or new academic fields is a potential outcome. We plan to create a regional process to identify emerging workforce needs in high demand areas and to work with states and institutions to assess institutional capacity within the region to meet those needs. A regional advisory council will be convened to explore how Western states are addressing the nursing shortage and to examine potential regional responses to state needs in this area. Last year, we produced a series of state Workforce Briefs with projections on workforce needs over a decade; we’ll continue to publicize and disseminate reports for each of the WICHE states.

WICHE’s Mental Health program will continue its support of the Western States Decision Support Group (WSDSG), which enables interstate collaboration for improving data infrastructure and performance measurement in the public mental health systems. The WSDSG will conduct three regional conferences focused upon collaborative activities and professional peer knowledge exchange among state mental health program evaluators and system planners. Major program activities will focus upon the areas of assessing the prevalence of mental illness in the West, workforce development to ensure the deployment of competent mental health professionals, and the development of technical assistance activities in the area of evidence-based practice.

The Mental Health program is seeking funding for a number of other initiatives that are in development or under grant review in the areas of corrections (National Institute of Justice); curriculum development and creation of a WICHE Academy for Child and Adolescent Best Practices (State of Wyoming); evaluation of the state ombuds program (State of Colorado); supported education (Anne E. Casey Foundation); and evidence-based mental health practice (HHS), as well as for a Western U.S. Rural Mental Health Research Center (NIMH).

Our Faculty Diversity Initiative is seeking funding to develop a regional program to build institutional capacity and leadership for faculty diversity. Grant proposals have been submitted to several foundations to support an effort to strengthen minority graduate education and successful doctoral degree attainment of minority scholars. WICHE will continue to partner with the Southern Regional Education Board to host the Compact for Faculty Diversity’s Annual Institute on Teaching and Mentoring.

The Consortium for North American Higher Education Collaboration (CONAHEC) focuses on a number of higher ed, workforce, and social issues. It assists North American higher ed institutions to connect with one another; helps to internationalize member campuses; provides access to international education within North America; and works to globalize tomorrow’s workforce. In October 2002, CONAHEC will host its Eighth North American Higher Education Conference in Calgary, Alberta, in partnership with Mount Royal College.
CONAHEC will continue to expand its portal, which will be officially launched in late Spring 2002; concentrate on building its membership; and publish a new comparative research paper that will look back over the past 10 years of regional collaboration and look ahead to emerging issues for the coming decade.

CONAHEC’s U.S.-Mexico borderlands network called BORDER PACT will award a third round of seed money grants to academic institutions and nongovernmental organizations (NGOs) working on projects to improve life in the borderlands. Projects typically focus on the environment, health, immigration, sustainable development, and education.

In partnership with WICHE, CONAHEC has developed a pilot program to facilitate student exchange in North America. The program uses tuition swaps among CONAHEC member institutions; the students pay tuition only to their home institution and not to the host institution. Exchanges will begin in Fall 2002. CONAHEC is accepting applications from institutions that wish to participate and is designing an online database of participating institutions and their available programs.

The Policy Analysis and Research unit has received funding from the Ford Foundation to look at four workforce areas in depth: nursing, information technology, teacher education, and faculty. The grant supports activities such as roundtables, policy forums, and research, as well as the WICHE Fellows and a post-doc WCET position.

During 2002 - 2003 we’ll continue to communicate with several key constituencies to broaden their understanding of WICHE’s programs and services. Our Legislative Advisory Committee will convene on July 18, 2002, in conjunction with the annual meeting of the Council of State Governments-WEST to discuss the fiscal challenges states are facing throughout the region and other important higher ed issues. We will monitor the 2002 gubernatorial races in the West and acquaint the candidates with WICHE’s work. Orientation sessions, held in conjunction with WICHE commission meetings, will help new appointees understand their roles as commissioners. We will continue to collaborate with other higher ed organizations and policy organizations to expand the reach of our work and share resources.

**Accountability**

WICHE is assisting some Western states as they develop new strategic plans that are designed to provide greater accountability in relation to the states’ higher education investments.

Our multiyear project, Expanding Engagement: Public Policy to Meet State and Regional Needs, supported by the Ford Foundation, provides an opportunity for policymakers, institutional leaders, and others in the higher ed community to better understand the relationships between finance and accountability issues. We’ll examine effective performance funding models in an effort to help Western states achieve desired outcomes as they grapple with tightening fiscal resources. The next release of the National Center for Public Policy and Higher Education’s Measuring Up, a state-by-state report card for higher education, will also allow WICHE opportunities to provide technical assistance to Western states on accountability issues.

A number of continuing Policy Analysis & Research unit projects relate to accountability and other higher ed issues. Its short report series, *Policy Insights*, covers a wide range of higher ed topics, including accountability, while *Policy Alert*
provides a weekly e-mail notice on new policy-related reports. We also publish an annual *Tuition and Fees* report with detailed data on all public institutions in the West as well as a regional fact book that provides a wealth of data on access, affordability, finance, faculty, technology and workforce issues.

The Policy unit is also involved in a project with the State Higher Education Executive Officers, the British Council, and the Higher Education Funding Council for England, funded in part by the Mellon Foundation. In late September 2002, the organizations will convene an invitational forum to examine where each country is in their efforts to widen participation.

Action requested.
Approval of WICHE’s workplan for FY 2002-03.
# WICHE FY 2002 - 2003 Work Plan: Priority Themes & Activities

## Existing Activities

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<th>Innovation &amp; Info-technology</th>
<th>Workforce</th>
<th>Accountability</th>
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<tr>
<td>Annual Tuition and Fees report (GF)</td>
<td>Student Exchange Programs:</td>
<td>Support of the NorthWest Academic Forum’s regional initiatives (NWAF)</td>
<td>Workforce Briefs (GF)</td>
<td>Regional Factbook: Policy Indicators for Higher Education (GF)</td>
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<td>WCET’s Technology Costing Methodology project handbook (FIPSE)</td>
<td>Professional Student Exchange Program (PSEP), Western Regional Graduate Program (WRGP), Western Undergraduate Exchange (WUE)</td>
<td>Western Cooperative for Educational Telecommunications initiatives</td>
<td>Building partnerships for competency: Public mental health workforce development — presentation and discussion between the commission and state mental health directors in the West</td>
<td>Policy Insights on a range of higher education issues (GF)</td>
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<td>Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)</td>
<td>Accelerated Learning Initiatives (U.S. Dept. of Education)</td>
<td>Building regional participation in the American TelEd Communications Alliance (self-funding)</td>
<td>Project on workforce issues and higher ed: nursing, teacher education, information technology, and faculty (Ford)</td>
<td>Development of guidelines in distance-delivered education for the regional accrediting agencies</td>
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<td>Performance measurement improvement in the Western states public mental health programs</td>
<td>Pathways to College Network (GE Fund, James Irvine Foundation, FIPSE and others)</td>
<td>North American higher education portal expansion (FIPSE)</td>
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<td>Project on higher ed quality and accountability in a time of stable or declining enrollments (Ford)</td>
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<td>North American Student Exchange Program (FIPSE)</td>
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<td>U.S./U.K. Project (Mellon, British Funding Council)</td>
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<td>Project on the collision between demand, access, and financial constraints (Ford)</td>
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<td>Multi-year policy projects on higher ed finance and financial aid (Lumina Foundation)</td>
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## New Directions

(proposals have been approved by the commission and submitted)

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<td>Expanding the Technology Costing Methodology project (FIPSE)</td>
<td>PSEP revitalization</td>
<td>Developing the Northwest Educational Outreach Network for NWAF</td>
<td>Expanding professional advisory councils (health professions, veterinary medicine)</td>
<td>Collaboration with NCHEMS, SHEEO and WICHE on database maintenance and exchanges</td>
</tr>
<tr>
<td>Examination of the impact of revenue constraints on future viability of higher ed in the West</td>
<td>Faculty diversity initiatives</td>
<td>WCET work to improve information on electronic learning resources (Hewlett)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High school graduates projections by state, race/ethnicity, and income</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## On the Horizon
(proposals not yet submitted to the commission or past proposals that are being recast)

<table>
<thead>
<tr>
<th>Finance</th>
<th>Access</th>
<th>Innovation &amp; Info-technology</th>
<th>Workforce</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy work on resident and nonresident tuition policies</td>
<td>Policy work and technical assistance strategies to expand access for students with disabilities</td>
<td>Exploring the development of portal technologies</td>
<td>Developing Student Exchange Program responses to critical workforce shortages</td>
<td>Institute for legislators and trustees on higher ed issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Convening regional forums on emerging workforce needs</td>
<td>Follow-up initiatives responding to the National Center on Public Policy and Higher Education’s report cards</td>
</tr>
</tbody>
</table>
Partner Organizations

WICHE projects are often supported via grants, contracts, or in-kind support from foundations, corporations, institutions, government agencies, and other organizations. Supporting our recent projects:

Association of Governing Boards
Atlantic Philanthropies
Boston University Medical School
Colorado Department of Education
Colorado Mental Health Institute
Council of Regional Accrediting Commissions
Council of State Governments-WEST
Education Commission of the States
The Ford Foundation
The William and Flora Hewlett Foundation
Lumina Foundation
Andrew Mellon Foundation
Mexico – ANUIES
Midwestern Higher Education Commission —
American TelEdCommunications Alliance
National Conference of State Legislatures
National Institutes of Health
Nebraska Dept. of Health and Human Services
Northland Healthcare Alliance (North Dakota)
Pathways to College Network (with funding from the Daniels Fund, the GE Fund, the James Irvine Foundation, the Ford Foundation, Lucent Technologies Foundation, Lumina Foundation, KnowledgeWorks Foundation, the Bill & Melinda Gates Foundation, and the U.S. Dept. of Education’s Fund for the Improvement of Postsecondary Education)
Sloan Foundation
South Dakota Department of Human Services
South Dakota Division of Mental Health
Southwest Counseling Service (Wyoming)
U.S. Department of Education
U.S. Department of Education: FIPSE
U.S. Department of Health & Human Services
Wyoming Division of Behavioral Health
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Herbert Medina, associate professor, Mathematics Dept., Loyola Marymount University, Los Angeles

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Anthony J. Rechlitz, lawyer, Aurora

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Clyde T. Kodani, president, Kodani & Associates, Inc., Lihue
Raymond S. Ono, senior vice president, University Banking Center, First Hawaiian Bank, Honolulu

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Raymond D. Rawson, state senator, Las Vegas
Carl Shoff, educational consultant, Nevada State Dept. of Education, Reno

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Pauline Gubbels, state representative, Albuquerque
Bruce D. Hamlett, executive director, Commission on Higher Education, Santa Fe

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Larry Isaak, chancellor, North Dakota University System, Bismarck
Richard Kunkel, member, North Dakota Board of Higher Education, Devils Lake
David Nething, state senator, Jamestown

Oregon
Ryan Deckert, state senator, Portland
Camille Preus-Braly, commissioner, Oregon Dept. of Community Colleges and Workforce Development, Salem
Diane Vines (WICHE chair, 1997), vice chancellor for corporate and public affairs and board secretary, Oregon University System, Portland

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E. George Mantes, member, Utah State Board of Regents, Salt Lake City

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Don Carlson, state senator, Vancouver
Marcus S. Gaspard, executive director, Washington State Higher Education Coordinating Board, Olympia
Ken Jacobsen, state senator, Seattle

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ACTION ITEM

WICHE’s 50TH Anniversary – Setting Our Sights on a New Century

Summary

WICHE’s 50th anniversary will be a year-long celebration of our own accomplishments and the West’s higher ed milestones. The celebration of our anniversary will run from November 2002 to November 2003. During the year, WICHE and its member states will host several events that demonstrate the importance of higher education to the West – both in the past and in the future. Depending on the scope of the project, approximately $83,000 to $118,000 is needed the agency’s dedicated reserves to cover the costs of our 50th anniversary activities. Staff request approval to expend $100,000 from WICHE’s dedicated reserves to support state-level and regional activities honoring our 50th year.

Relationship to WICHE Mission

The history of the Western Interstate Commission for Higher Education parallels the modern history of higher education in the West. In just over half a century, Western higher ed has evolved from a small clutch of liberal arts institutions and teachers colleges, along with a smattering of agricultural and land-grant colleges, to a vast aggregation of colleges and universities educating students in thousands of disciplines and programs. WICHE has played an active role in this change. Our primary mission – expanding educational access – has also, arguably, been the issue of greatest importance to higher education over the last half century. WICHE’s 50th anniversary provides another platform for us to champion the importance of preserving broad educational access.

Honoring WICHE’s Anniversary

State Activities
Each of the WICHE states will host an event – such as a legislative breakfast, luncheon, or a roundtable discussion - to commemorate its participation in the commission. These events will be prospective as well as retrospective, designed to honor the past (we might, for example, give each governor a framed, formal proclamation commemorating the day the state came into the commission) as well as to highlight the critical higher ed issues each state is facing. The exact nature of the activities will be planned in collaboration with the WICHE commissioners.

Governors, legislators, higher ed leaders, the media, and other key constituencies will be invited to participate. Montana and New Mexico, which joined WICHE early on, in 1952, will lead the way with events in December of 2002. New Mexico will have a newly elected governor, whom we’ll want to acquaint with our work and past accomplishments. Early in 2003 we’ll focus our attention on the Western states that have newly elected governors (at least eight states will, including AK, AZ, HI, NM, OR, SD, UT, WY), working with the new governors and their staffs.
Symposium
We’ll host a symposium convened in conjunction with the November 2002 commission meeting (in Colorado) that will celebrate our past and advance the debate about several crucial issues facing higher education today and in the future. A half-day symposium will examine the history and future of higher ed access, exploring higher ed’s promise for students and how policymakers can help shape a better tomorrow.

The symposium will open right after the commission meeting with a lunch and remarks by WICHE Chair Tad Perry and Executive Director David Longanecker, focusing on WICHE’s history and concluding with an introduction of the broader theme of education in the West over the last half century. After lunch, participants will hear from one or two keynote speakers: former commissioner Blenda Wilson, president and CEO of the Nellie Mae Education Foundation; Augie Gallegos, chancellor of the San Diego Community College District; or the Mellon Foundation’s William Bowen, coauthor of the groundbreaking work *The Shape of the River: Long-term Consequences of Considering Race in College and University Admissions*, might be possibilities. We’ll also host one or two panel discussions: one might bring together four generations of WICHE executive directors – David Longanecker, Dick Jonsen, Phil Sirotkin, and Harold Enarson – to discuss how higher ed in the West has changed over the last half century, with particular emphasis on the evolution of the meaning of access and WICHE’s role. Other panels might focus on how institutions are handling the access challenge, how high tech’s promise of improved access is playing out, why business wants higher ed to focus on access, or other issues.

Gala
A gala celebrating WICHE’s 50 years could follow the symposium. It will honor the commissioners (active and retired), executive directors and staff, current and past, distinguished alumni of our Student Exchange and intern programs, and other friends of WICHE. We’d invite an acclaimed Western historian, such as Patricia Limerick (MacArthur Fellow and one of the founders of the Center for the American West), to join forces with an acclaimed higher educationist, such as Harold Enarson, to provide perspectives on WICHE’s accomplishments and challenges facing the West – higher ed in particular – in the years ahead. We’d also premier the WICHE documentary (see below) as part of the evening’s activities. Some of the costs of the gala could be offset by charging some of our guests for the meal.

Monograph and Film
We’ll create a 50th anniversary monograph, which will include the panel discussions and keynote speeches, along with a short WICHE history. The monograph will be published to coincide with the close of the anniversary year in November 2003 and will be disseminated to current WICHE constituents, alumni of our Student Exchange Programs, and others who’ve contributed to WICHE’s success.

We also could capture our essence and accomplishments on film, in print, and/or virtually. Richard Bynny, CU-Boulder chancellor, recently offered his campus services to WICHE to help us create a documentary that will chronicle the agency’s contributions to the West.

Collateral Materials
Commemorative materials might include stationery, mementos for current and former commissioners and staff, and an attractive WICHE annual report/anniversary pictorial.

Advisory Committee
We’ll recruit an honorary advisory committee – composed of current and former WICHE commissioners, institutional leaders, policymakers, and alumni of our Student Exchange Program – to help us promote these activities.

Development Options
We could use the occasion of WICHE’s 50th anniversary as a chance to raise funds from the alumni of our Professional Student Exchange Program. Through PSEP, some 11,000 professionals, most in health
care, have received home-state support when enrolled in programs in another Western state. Over 90 percent of them remain in the region to practice their careers. This activity would require substantial staff support and would increase the project’s budget by approximately $70,000 - $80,000 above the amount allocated from reserves for the activities described above, just to cover staffing and administrative costs. We’d need to raise $250,000 - $300,000 so that 75 percent of the fundraising proceeds (with the balance covering the administrative overhead) would support one or more WICHE programs or be used toward the costs of a new WICHE facility.

If we’re reluctant to aggressively pursue a fundraising strategy, we could also use the anniversary as an excellent opportunity to reconnect with SEP alumns to let them know of WICHE’s 50th anniversary, our recent progress, and future plans – and we could solicit their political advocacy.

**Budget**

Depending on the scope of the project, approximately $83,000 to $118,000 is needed to cover the costs of our 50th Anniversary activities.

**Project Budget**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits*</td>
<td>$23,400 – 58,500</td>
</tr>
<tr>
<td>Statewide activities</td>
<td>37,500</td>
</tr>
<tr>
<td>– 15 states @ $2,500</td>
<td></td>
</tr>
<tr>
<td>Symposium</td>
<td>14,750</td>
</tr>
<tr>
<td>– speaker travel, honorariums, meals</td>
<td></td>
</tr>
<tr>
<td>– printing: program, monograph</td>
<td></td>
</tr>
<tr>
<td>Collateral materials: stationery, mementos</td>
<td>4,000</td>
</tr>
<tr>
<td>Communications/office support</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$82,600-117,750</strong></td>
</tr>
</tbody>
</table>

* Salary and benefits: 1.0 FTE would be $58,500; .60 FTE - $35,100; .40 FTE, $23,400

**Action Requested.**

Approval to expend $83,000-$118,000, depending on the scope of the project, from WICHE’s dedicated reserves to support state-level and regional activities honoring WICHE’s 50th year.
Meeting Evaluation
WICHE Commission Meeting
May 20-21, 2002
Santa Fe, New Mexico

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: Marla Williams, WICHE, PO Box 9752, Boulder, CO 80301
Fax: 303.541.0291; email: mwilliams@wiche.edu or dlonganecker@wiche.edu

Use the other side of the form or additional paper, if necessary. Thanks.
The Santa Fe Institute

The Santa Fe Institute (SFI) is a private, nonprofit, multidisciplinary research and education center, founded in 1984. Since its founding SFI has devoted itself to creating a new kind of scientific research community, pursuing emerging science.

Operating as a small, visiting institution, SFI seeks to catalyze new collaborative, multidisciplinary projects that break down the barriers between the traditional disciplines; to spread the word about its ideas and methodologies; and to encourage practical applications of its results.

Current Research Focus Areas
SFI is a visiting institution with no tenured faculty that draws renowned scientists and researchers from academic institutions, government agencies, research institutes, and private industry from around the world. The institute’s research is integrative, and there are no formal programs or departments. The two dominant characteristics of the SFI research style are commitment to an interdisciplinary approach and an emphasis on the study of problems that involve complex interactions among their constituent parts.

The Santa Fe Institute is dedicated to basic research. The institute is not engaged in directed or applied research and does not perform research for hire. For those projects requiring massive computer processing power, the institute has relationships with both Los Alamos National Laboratory and the University of New Mexico. In addition, SFI has a parallel-processing machine powered with 64 Intel microprocessors on site.

SFI can accommodate up to 50 scientists and researchers – a mix of residential research professors (up to three-year appointments), postdoctoral fellows, graduate students, visitors, and external faculty members. SFI considers itself an “institute without walls”: although people come to visit, attend workshops, and collaborate, they return to their home institutions, and research among scholars in different places continues in via e-mail, fax, and phone.

Below, several current research themes are described – but any “snapshot” of Santa Fe Institute researchers and activities is by definition fuzzy. Topics frequently overlap, making a project’s assignment to a single theme area more or less arbitrary. As part of SFI’s metabolism, loosely organized research groups are constantly forming and reforming as topics mature. Furthermore, individuals are often involved in multiple projects. Finally, although the SFI campus definitely plays a central role in the life of its far-flung community, much work also takes place off-site as collaborators participate from their home institutions. The projects noted on these pages can at best be considered a representative sample.

Computation in Physical and Biological Systems: Extrapolating current technology trends 10 to 20 years ahead suggests perhaps insurmountable limits on computing speed and device density. What new forms of information processing will be available to continue the advance of computing technology? One approach is to rethink what it means to compute and to ask what other systems in nature could be substrates for information processing.

Economic and Social Interactions: Cognition and economics continues to be a major research theme at SFI. Major areas of interest include the evolution of social norms, state and market formation, persistent inequalities, and market efficiency. Related to work on social interactions is research on evolutionary game theory and population games. The goal is to understand the evolution of strategic interaction in populations of players with a variety of structures of interaction, including both global random matching and local interaction.
Evolutionary Dynamics: SFI’s approach emphasizes the interplay between dynamics and organization in the evolution of natural and social phenomena. How do entities with complex organizational structure and function arise and develop, and what organizations are attainable given specific kinds of lower-level constituent entities? What are the dynamical features characteristic of populations of mutating entities capable of replication and subject to selection?

Network Dynamics: The ubiquity of networks in the social, biological, and physical sciences and in technology leads naturally to a set of common problems. How do social networks mediate the transmission of a disease or the emergence of a new political order? How do cascading failures propagate throughout a large power transmission grid or a global financial network? What is the most efficient and robust architecture for an organization in an uncertain environment or for a distributed computer?

Exploratory Project: Robustness: The recovery of ecosystems from natural disasters, the ability of cells to tolerate insult, the ability of a computer to compute reliably in the presence of noise or defective components, the viability of an economic organization – in all these processes, it is robustness that plays the central role. This work builds on previous SFI research, including the dynamics of networks of adaptive agents; the dynamics of co-evolutionary systems; the computational capabilities of systems subject to selective pressures; and the emergence of stable cooperative strategies.

To learn more about the Santa Fe Institute, please visit their Web site at: www.santafe.edu.
Reference

The WICHE Commissioners

2002 Committee Assignments

WICHE Staff

Higher Education Acronyms
Reference

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Wyoming
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Jenne Lee Twiford, principal, Douglas Middle School, Douglas
2002 Committee Assignments

**Executive**

Tad Perry (SD), Chair  
Chuck Ruch (ID), Vice Chair  
Emily Stonington (MT), immediate past Chair  

Diane Barrans (AK)  
Linda Blessing (AZ)  
Warren Fox (CA)  
Bill Kuepper (CO)  
Clyde Kodani (HI)  
Gary Stivers (ID)  
Richard Crofts (MT)  
Ray Rawson (NV)  
Bruce Hamlett (NM)  
David Nething (ND)  
Diane Vines (OR)  
Robert Burns (SD)  
David Gladwell (UT)  
Don Carlson (WA)  
Jenne Lee Twiford (WY)  

**Programs and Services**

Diane Barrans (AK), Committee Chair  
Phil Dubois (WY), Committee Vice Chair  
Tad Perry (SD), Ex Officio  
Chuck Ruch (ID), Ex Officio

John Haeger (AZ)  
Herbert Medina (CA)  
Bill Byers (CO)  
Raymond Ono (HI)  
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Cam Preus-Braly (OR)  
David Gienapp (SD)  
George Mantes (UT)  
Ken Jacobsen (WA)  

**Issue Analysis and Research**

Cece Foxley (UT), Committee Chair  
Pauline Gubbels (NM), Vice Chair  
Tad Perry (SD), Ex Officio  
Chuck Ruch (ID), Ex Officio

Johnny Ellis (AK)  
Larry Gudis (AZ)  
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Tim Foster (CO)  
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Higher Education Acronyms

Higher ed is addicted to acronyms, so much so that the actual names of organizations are sometimes almost lost to memory. Below, a list of acronyms and the organizations they refer to (plus a few others).

AACC  American Association of Community Colleges  www.aacc.nche.edu
AACTE  American Association of Colleges for Teacher Education  www.aacte.org
AAC&U  Association of American Colleges and Universities  www.aacu-edu.org
AAHE  American Association on Higher Education  www.aahe.org
AASCU  American Association of State Colleges and Universities  www.aascu.org
AAU  Association of American Universities  www.aau.edu
ACE  American Council on Education  www.acenet.edu
ACT  (college admission testing program)  www.act.org
ACUTA  Association of College & University Telecommunications Administrators  www.acuta.org
AED  Academy for Educational Development  www.aed.org
AGB  Association of Governing Boards of Universities and Colleges  www.agb.org
Center for Public Higher Education Trusteeship & Governance  www.agb.org/center/
AIHEC  American Indian Higher Education Consortium  www.aihec.org
AIR  Association for Institutional Research  www.airweb.org
ASPIRA  (an association to empower Latino youth)  www.aspira.org
ASHE  Association for the Study of Higher Education  www.ashe.missouri.edu
CASE  Council for Advancement and Support of Education  www.case.org
CGS  Council of Graduate Schools  www.cgsnet.org
CHEA  Council for Higher Education Accreditation  www.chea.org
CHEPS  Center for Higher Education Policy Studies  www.utwente.nl/cheps
CIC  Council of Independent Colleges  www.cic.org
COE  Council for Opportunity in Education  www.trioprograms.org
CONAHEC  Consortium for Higher Education Collaboration  www.wiche.edu/conahec/english
CSG-WEST  Council of State Governments – West  www.westrends.org
CSHE  Center for the Study of Higher Education  www.ed.psu.edu/cshe
CSPN  College Savings Plan Network  www.collegesavings.org
ECS  Education Commission of the States  www.ecs.org
ED  U.S. Dept. of Education links:
ED-OERI  Office of Educational Research  www.ed.gov/offices/OERI
ED-OESE  Office of Elementary & Secondary Education  www.ed.gov/offices/OESE
ED-OPE  Office of Postsecondary Education  www.ed.gov/offices/OPE
ED-OSERS  Office of Special Education & Rehabilitative Services  www.ed.gov/offices/OSERS
FIPSE  Fund for the Improvement of Postsecondary Education  www.ed.gov/offices/OPE/FIPSE
LAAP  Learning Anytime Anywhere Partnership  www.ed.gov/offices/OPE/FIPSE/LAAP
<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
<th>Website</th>
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<tbody>
<tr>
<td>EDUCAUSE</td>
<td>(An association fostering higher ed change via technology and information resources)</td>
<td><a href="http://www.educause.edu">www.educause.edu</a></td>
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<tr>
<td>ETS</td>
<td>Educational Testing Service</td>
<td><a href="http://www.ets.org">www.ets.org</a></td>
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<td>GHEE</td>
<td>Global Higher Education Exchange</td>
<td><a href="http://www.ghee.org">www.ghee.org</a></td>
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<td>HACU</td>
<td>Hispanic Association of Colleges and Universities</td>
<td><a href="http://www.whes.org/members/hacu.html">www.whes.org/members/hacu.html</a></td>
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<td>HEA</td>
<td>Higher Education Abstracts</td>
<td><a href="http://www.cgu.edu/inst/heas/heas.html">www.cgu.edu/inst/heas/heas.html</a></td>
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<td>IHEP</td>
<td>Institute for Higher Education Policy</td>
<td><a href="http://www.ihep.com">www.ihep.com</a></td>
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<tr>
<td>IIE</td>
<td>Institute of International Education</td>
<td><a href="http://www.iie.org">www.iie.org</a></td>
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<td>IPEDS</td>
<td>Integrated Postsecondary Education Data System</td>
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<td>McCrel</td>
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<td>MHEC</td>
<td>Midwestern Higher Education Commission</td>
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<td>MSA/CHE</td>
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<td>NACUBO</td>
<td>National Association of College and University Business Officers</td>
<td><a href="http://www.nacubo.org">www.nacubo.org</a></td>
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<td>NAEP</td>
<td>National Assessment of Educational Progress</td>
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<td>NAFEO</td>
<td>National Association for Equal Opportunity in Higher Education</td>
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<tr>
<td>NAFA</td>
<td>(an association of international educators)</td>
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<td>NAICU</td>
<td>National Association of Independent Colleges and Universities</td>
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<td>NASFAA</td>
<td>National Association of Student Financial Aid Administrators</td>
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<td>NASPA</td>
<td>National Association of Student Personnel Administrators</td>
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<td>NASULGC</td>
<td>National Association of State Universities and Land-Grant Colleges</td>
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<td>NCA-CASI</td>
<td>North Central Association Commission on Accreditation and School Improvement</td>
<td><a href="http://www.ncacasi.org">www.ncacasi.org</a></td>
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<td>NCHEMS</td>
<td>National Center for Higher Education Management Systems</td>
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<tr>
<td>NCCL</td>
<td>National Conference of State Legislatures</td>
<td><a href="http://www.ncsl.org">www.ncsl.org</a></td>
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<tr>
<td>NCHEP</td>
<td>National Center for Public Policy and Higher Education</td>
<td><a href="http://www.highereducation.org">www.highereducation.org</a></td>
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<td>NEASC-CEHE</td>
<td>New England Association of Schools and Colleges, Commission on Institutions of Higher Education</td>
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<td>NEBHE</td>
<td>New England Board of Higher Education</td>
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<td>NGA</td>
<td>National Governors' Association</td>
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<td>NPEC</td>
<td>National Postsecondary Education Cooperative</td>
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<td>NUCEA</td>
<td>National University Continuing Education Association</td>
<td><a href="http://www.nucea.edu">www.nucea.edu</a></td>
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<td>RMAIR</td>
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<td><a href="http://www.unlv.edu/PAIR/rmair">www.unlv.edu/PAIR/rmair</a></td>
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<td>SACS-CoC</td>
<td>Southern Association of Schools and Colleges, Commission on Colleges</td>
<td><a href="http://www.sacscoc.org">www.sacscoc.org</a></td>
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<td>SHEEO</td>
<td>State Higher Education Executive Officers</td>
<td><a href="http://www.sheeo.org">www.sheeo.org</a></td>
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**SHEEO Offices in the West, by State:**

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<tr>
<th>State</th>
<th>ACPE</th>
<th>UAS</th>
<th>ABOR</th>
<th>CPEC</th>
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<td>CPEC</td>
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<td>UAS</td>
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<td>CPEC</td>
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<td>Colorado</td>
<td>CCHE</td>
<td>Colorado Commission on Higher Education</td>
<td><a href="http://www.state.co.us/cche_dir/hecche.htm">www.state.co.us/cche_dir/hecche.htm</a></td>
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<td>Hawai‘i</td>
<td>UH</td>
<td>University of Hawai‘i</td>
<td><a href="http://www.hawaii.edu">www.hawaii.edu</a></td>
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<td>Idaho</td>
<td>ISBE</td>
<td>Idaho State Board of Education</td>
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<td><a href="http://www.montana.edu/wwwbor/docs/borpage.html">www.montana.edu/wwwbor/docs/borpage.html</a></td>
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<td>Nevada</td>
<td>UCCS</td>
<td>University &amp; Community College System of Nevada</td>
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<td>North Dakota University System</td>
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<tr>
<td>Oregon</td>
<td>OUS</td>
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<td><a href="http://www.ous.edu">www.ous.edu</a></td>
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<td>South Dakota</td>
<td>SDBOR</td>
<td>South Dakota Board of Regents</td>
<td><a href="http://www.ris.sdbor.edu">www.ris.sdbor.edu</a></td>
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<tr>
<td>Utah</td>
<td>USBR</td>
<td>Utah State Board of Regents</td>
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<td>Washington</td>
<td>HECB</td>
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<td>Wyoming</td>
<td>WCCC</td>
<td>Wyoming Community College Commission</td>
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<td>University of Wyoming</td>
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<td>SREB Southern Regional Education Board</td>
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<td></td>
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<td>SREC Southern Regional Electronic Campus</td>
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<td></td>
<td></td>
<td>UNCF United Negro College Fund</td>
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<td>WAGS Western Association of Graduate Schools</td>
<td><a href="http://www.wiche.edu/wags/index.htm">www.wiche.edu/wags/index.htm</a></td>
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<tr>
<td></td>
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<td>WASC-ACCJC Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges</td>
<td><a href="http://www.accjc.org">www.accjc.org</a></td>
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<td>WCET Western Cooperative for Educational Telecommunications</td>
<td><a href="http://www.wiche.edu/telecom">www.wiche.edu/telecom</a></td>
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<td></td>
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<td>WICHE Western Interstate Commission for Higher Education</td>
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