Background Briefing—Economic and Educational Trends

State Trends

1. State Economic forecasts don’t show much improvement until the end of the current decade. Housing as a principal driver of economic growth and state revenue is not expected to increase significantly until late in the 13-15 biennium.

2. State budget projections as summarized in planning for the 13-15 operating and capital budgets are essentially flat. The Office of Financial Management and some legislative leadership are projecting a one billion dollar state deficit before the state addresses the McCleary decision. From Marty Brown, the director of OFM in budget instructions to state agencies:

   I wish I could say that our economic situation has stabilized but, despite some positive signs, we still face a degree of uncertainty about revenues and caseloads in both the current and ensuing biennia. The new budget must continue to re-examine all state functions to ensure that only essential services are funded, and that those services are delivered with maximum efficiency and attention to outcomes.

Educational Trends

1. Unmet need continues for bachelor’s degrees. Community colleges are supposed to produce 1,400 applied bachelor’s degrees by 2019. In 2010-12 the 10 schools authorized produced a total of 139 degrees, of which 49 were from Bellevue. Total transfer need by 2019 is estimated around 39,000 of which 19,000 are additional slots required. Community Colleges are in the process of studying and perhaps developing a plan for the applied baccalaureates, but it is clear that these will be workforce and job dependent degrees. The need for general bachelor’s degrees will remain unmet under current plans and policies.

2. Absence of state-wide policy planning for higher education, and an unclear role of the new Student Achievement Council. The HECB policy plan continues to be the only policy document for higher education. The State Board is working towards more dependence on achievement funding, to replace some of the base funding now available.

3. Tuition increases have been significant in Washington, and there will be increasing pressure to reduce the rate of growth. Increased tuition in four-year schools may increase enrollment pressures for two-year schools.

4. Private education is increasingly moving to meet local demand. WGU, Phoenix, Northeastern and other schools are indicating an interest in meeting the burgeoning demand in the central Puget Sound region.