



UNIVERSITY
of HAWAII°
SYSTEM

David Lassner
President

DEPT. COMM. NO. 172

December 23, 2019

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirtieth State Legislature
Honolulu, Hawai'i 96813

The Honorable Scott Saiki, Speaker
and Members of the House of Representatives
Thirtieth State Legislature
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the University of Hawai'i is transmitting one copy of the Annual Report on the University of Hawai'i's Continued Participation in the Western Interstate Commission for Higher Education (Section 304A-3205, Hawai'i Revised Statutes) as requested by the Legislature.

In accordance with Section 93-16, Hawai'i Revised Statutes, this report may be viewed electronically at: <https://www.hawaii.edu/offices/government-relations/2020-legislative-reports/>.

Should you have any questions about this report, please do not hesitate to contact Stephanie Kim at 956-4250, or via e-mail at scskim@hawaii.edu.

Sincerely,

A handwritten signature in black ink that reads "David".

David Lassner
President

Enclosure

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UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2020 LEGISLATURE

Annual Report on
the University of Hawai'i's Continued Participation in the
Western Interstate Commission for Higher Education

HRS 304A-3205

December 2019

**Annual Report to the 2019 Hawai'i Legislature on
the University of Hawai'i's Continued Participation in the
Western Interstate Commission For Higher Education
HRS 304A-3205**

History and Membership

The **Western Interstate Commission for Higher Education (WICHE)** was created in the 1950s by the Western Regional Education Compact to facilitate resource sharing among the higher education systems of the West. The WICHE Commission's 17 members include representatives from 15 Western states – Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming – and the U.S. Pacific territories and freely associated states (Guam and the Commonwealth of the Northern Mariana Islands).

Members work collaboratively to provide educational access and excellence for all citizens. WICHE and its staff are headquartered in Boulder, CO, and operate out of the State Higher Education Policy Center, which WICHE owns with the State Higher Education Executive Officers Association and the National Center for Higher Education Management Systems. Hawai'i joined in June 1959.

Governance

The WICHE Commission, with three commissioners from each state, molds the organization's mission and sets its priorities. Each Commissioner is appointed by the Governor and serves a four-year term. Hawai'i's commissioners are Carol Mon Lee, attorney, retired associate dean, University of Hawai'i Richardson School of Law and former member, Hawai'i State Board of Education, Honolulu; David Lassner, president, University of Hawai'i; and Colleen Sathre, Vice President Emeritus, University of Hawai'i. WICHE also seeks assistance and advice from policymakers, educators, administrators and legislators. WICHE's Legislative Advisory Committee (LAC), composed of legislator-members from each state – including Representative Angus McKelvey and Senator Kaiali'i Kahele – has been crucial in this regard.

The LAC works to keep the commission's Executive Committee and staff current on significant legislative issues related to higher education, provides input on WICHE initiatives, and advises staff on a host of issues. WICHE staff also serves the LAC, by informing its members about emerging policy issues in the West. WICHE Hawaii is assigned for administrative purposes to the University of Hawaii.

WICHE's Added Value

Hawai'i gains added value from WICHE's programs in policy, workforce development, technology, mental health, and other areas, which is discussed below.

Policy & Workforce Development

WICHE's 9th edition of ***Knocking at the College Door***, released in December 2016, projects U.S. trends in high school graduate populations through 2032.

There is an abundance of information on knocking.wiche.edu, including the publication and other reports, projections data, interactive data dashboards, recorded webinars and presentations, and Hawai'i's state profile, which indicates that:

- Hawai'i is projected to produce 14,600 high school graduates per year, on average, between school years 2012 and 2032. Hawai'i will produce about 12% more high school graduates by 2026, before they decline in number about 5% by 2032.
- The number of Hispanic public high school graduates in Hawai'i is projected to more than triple, from about 500 in 2012 to 1,900 in 2032. White and Asian/Pacific Islander graduates will be relatively steady in number throughout the projected years, with minor increases out through 2026.

Hawai'i has participated in projects supporting better-informed decision-making at the state level. WICHE initiatives have been sponsored by the Bill & Melinda Gates Foundation, Lumina Foundation, Carnegie Corporation of New York, Helmsley Charitable Trusts, the Ford Foundation, the U.S. Department of Education, and others. In addition, WICHE policy experts often visit the state to present or consult on a number of vital issues, including the state's workforce needs and balancing the financial aid portfolio between grants, loans, and scholarships, as well as between merit- and need-based aid.

In January 2015, the University of Hawai'i Board of Regents sought to explore and analyze the current structure of the University of Hawai'i system. Specifically, they wanted to address whether the Board of Regents should reconsider the 2001 separation of roles of the president of the University of Hawai'i system and the chancellor of the University of Hawai'i at Manoa or seek other changes in the management and leadership structure of the system in order to better serve the state and its citizens. To accomplish this, the Board of Regents engaged WICHE to lead a research effort that included reviewing historical documentation; reviewing relevant literature and research; and conducting interviews with past and present stakeholders, national experts on leadership and governance, and leaders in other state higher education systems similar to that of Hawai'i.

Hawai'i was one of four original states chosen to participate in the Gates-funded Facilitating Development of a Multistate Longitudinal Data Exchange (MLDE) pilot project (the others were Idaho, Oregon, and Washington). The project attempts to enable a more comprehensive regional view of the creation of human capital and its flow among multiple states by exchanging data across K-12 education, postsecondary education, and the workforce. Hawai'i is receiving customized technical assistance, including a Hawai'i-specific report, to aid the state in its examination of the data governance in place for each of those sectors, how data governance might be improved, and how the state can advance its efforts in developing its statewide longitudinal data system to meet state needs and fulfill commitments it made to the federal government as part of its successful Race to the Top application. The success of that pilot project led Gates to fund a second phase in which the MLDE project will expand to other states.

In FY 2017 and continuing into FY 2018, WICHE conducted an analysis of University of Hawai'i graduates who work in other states, and an analysis of Hawai'i high school students who go to universities in other states and their work patterns.

WICHE also seeks assistance and advice from policymakers, educators, administrators, and legislators. WICHE's Legislative Advisory Committee (LAC), composed of legislator-members from each state—including Rep. Angus McKelvey and Sen. Kaiali'i Kahele—has been crucial in this regard. The LAC works to keep the commission's Executive Committee and staff current on significant legislative issues related to higher education, provides input on WICHE initiatives, and advises staff on a host of issues. WICHE staff also serve the LAC by informing members about emerging policy issues in the West.

Regional Academic Leadership Initiatives

Additionally, the University of Hawai'i System, University of Hawai'i at Manoa, and University of Hawai'i-West O'ahu are members of the **Western Academic Leadership Forum** (the Forum). Their official representatives are the chief academic leaders of the four-year institutions and their related system and state agencies, who address regional higher education issues and engage in resource sharing. The **Western Alliance for Community College Academic Leaders** (the Alliance), brings academic leaders of community colleges and technical schools and systems together with state governing and coordinating boards associated with two-year institutions to exchange ideas and information, share resources and expertise, and collaborate on regional initiatives. Hawai'i Community College, Honolulu Community College, Kapi'olani Community College, Kaua'i Community College, Leeward Community College, University of Hawai'i Maui College, University of Hawai'i System, and Windward Community College are members.

Technology

Several Hawai'i colleges and universities are active participants in the **WICHE Cooperative for Educational Technologies (WCET)**, the leader in the practice, policy, and advocacy of technology-enhanced learning in higher education. WCET is widely recognized as an informative, reliable, and forward-thinking organization regarding the role of technology and innovation in higher education, and includes more than 350 institutions, state and systemwide higher education agencies, nonprofit organizations, government agencies, and corporations in nearly all U.S. states and many Canadian provinces. WCET members have access to trusted information on emerging trends, policies, and exemplars of successful learning technology innovation in practice. Key WCET activities include an annual meeting, leadership summits, national webcasts, the popular *Frontiers* blog, issue briefs, and email list-based discussions among members. Major topics of interest to the WCET membership include student and faculty success, the Internet of Things, managing e-learning, emerging technologies, broadband and learning innovation, and evolving policy issues.

In 2016, the University of Hawai'i System won the [WCET Outstanding Work \(WOW\) award](#), which recognizes effective and innovative uses of technology to address specific needs in higher education for their initiative: Scaling Integration of Data Analytics and Tools to Transform Decision-Making for Student Success.

Behavioral Health

WICHE has been very active in Hawai'i, focusing on issues of behavioral health workforce development and providing technical assistance to state agencies involved in behavioral health services.

- The Behavioral Health Program continues to assist the state of Hawai'i in the development and operation of an ultimately accredited psychology internship consortium. A primary goal of the internship program is the establishment of a pipeline to build Hawai'i's behavioral health workforce. Three Hawai'i state agencies – the Department of Education, Department of Health, and Department of Public Safety – provide funding to support WICHE's ongoing development and operations of the Hawai'i Internship Program.
- The Hawai'i Department of Education contracts with WICHE to provide marketing, recruitment, screening, and referral services for behavioral health professionals to fill public school vacancies across the Hawai'ian Islands.
- The Mental Health Program is currently conducting a study of the Children's and Adolescent Mental Health Division's quality and performance improvement program and processes.
- The Hawai'i Early Intervention Services (EIS) program contracted with WICHE to conduct an independent rate study to obtain comparative data about reimbursement rates and salaries paid by other states providing early intervention services. EIS contract service providers have experienced lengthy vacancies and gaps in service provisions which the providers and EIS believe may be due to State or Hawai'i salaries being low in comparison to salaries paid by other Hawai'i providers for similar services.

Other Initiatives

Interstate Passport® is a program that facilitates block transfer of lower-division general education based on learning outcomes and proficiency criteria. It includes learning outcomes for nine knowledge and skill areas developed by faculty at institutions in multiple states as well as an academic progress tracking system for Passport transfer students designed by registrars and institutional researchers. The goal of the Interstate Passport is to eliminate transfer students' unnecessary repetition of learning previously achieved.

State Authorization Reciprocity Agreement (SARA), SARA is a voluntary, nationwide initiative of states that makes distance education courses more accessible to students across state lines and makes it easier for states to regulate and institutions to participate in interstate distance education. The effort initially was funded by \$3.2 million in grants from Lumina Foundation and the Bill & Melinda Gates Foundation, and is now supported by fees paid by institutions. The initiative is administered by the country's four regional higher education compacts – the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB) and the Western Interstate Commission for Higher Education (WICHE) – and overseen by The National Council for State Authorization Reciprocity Agreements (NC-SARA). States and institutions that choose to participate agree to operate under common standards and procedures, providing a more uniform and less costly regulatory environment for institutions, more focused oversight responsibilities for states and better resolution of student

complaints. Hawai'i is among the WICHE states that are members of W-SARA in this reciprocal relationship.

Another initiative, the **Master Property Program (MPP)**, helps institutions reduce their insurance premiums and improve their coverage. Created by the Midwestern Higher Education Compact in 1994 and expanded to the WICHE region in 2004, the MPP includes more than 160 campuses with total insured values of over \$93.4 billion. WICHE is also partnering with MHEC to offer [MHECare](#), a new health program providing vetted, competitively priced medical benefits for students. Underwritten by UnitedHealthcare StudentResources, MHECare offers a variety of plans. In a third collaboration with MHEC, WICHE extends the benefits of [MHECtech](#) to colleges and universities in the West enabling them to purchase from competitively bid purchasing agreements to reduce costs on a range of hardware and software products and services.

Programs and Participation

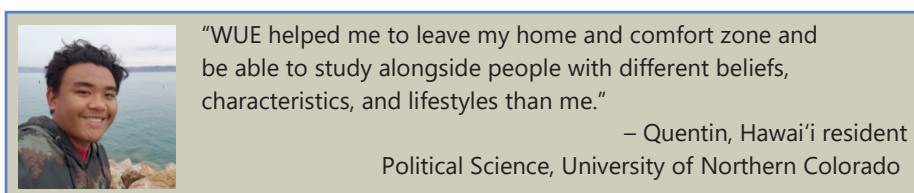
Hawai'i is active in all three WICHE **Student Access Programs**: the Western Undergraduate Exchange, the Professional Student Exchange Program, and the Western Regional Graduate Program. In 2018-19 Hawai'i's students and families saved **\$24.9 million** in tuition. Hawai'i saved money, too, through not having to establish and maintain costly programs in a number of areas, including some in healthcare.

Western Undergraduate Exchange

The Western Undergraduate Exchange (WUE)—the nation's largest regional tuition-discounting program—is celebrating its 31st year in 2018-19. The program allows students from a WICHE state or territory to enroll in participating two- or four-year public colleges or universities located in another WICHE state or territory, and pay up to 150 percent of that school's resident tuition. Students can choose from 162 WUE-eligible institutions and hundreds of majors. In 2018-19, 40,487 WUE students and their families saved over \$380.5 million in tuition. WUE students at four-year institutions this year saved an average of \$10,100, and at two-year institutions students saved an average of \$4,400—but student savings can be as high as \$23,300 per academic year. Since 1988, WUE has provided Western students and families discounts on more than 582,300 annual tuition bills—saving them, overall, \$3.9 billion.

Western states also benefit greatly from their public colleges' and universities' participation in WUE. WUE helps these schools meet their recruitment and enrollment goals. WUE schools can choose how many discounted seats they will offer, the admission standards required for WUE admission, and the eligible majors. Students apply directly to their preferred WUE institution(s). Some graduates end up staying in the state where they studied, a bonus for states seeking to fortify and diversify their college-educated workforce. For states with more demand for public higher education than supply, WUE is an ideal relief valve, allowing their residents access to a postsecondary education without having to add capacity at home.

Hawai'i students have enrolled in undergraduate programs on the mainland through the Western Undergraduate Exchange (WUE) since 1988. In 2018-19, 2,467 students from Hawai'i are enrolled in out-of-state programs at reduced rates (150 percent of resident tuition), saving \$23.4 million in tuition and fees – the average student savings amounted to \$9,500. In the last 10 years, students have saved **\$161.6 million**.



Hawai'i benefits from WUE in another way: by receiving students from out of state. Hawai'i's institutions can choose how many out-of-state slots to offer and in which areas, allowing them to make the best use of their resources by accepting students in under enrolled programs. There's a

workforce benefit for the state, too, as students often stay in Hawai'i after graduating. In 2018-19 Hawai'i received 2,683 students through WUE.

WICHE has now also made it easier for students to get information about institutions participating in two tuition-discount programs, the Western Undergraduate Exchange (WUE) and the Western Regional Graduate Program (WRGP), via two Savings Finder search portals. These new streamlined, database-driven interfaces allow students to refine their college searches by major, degree type, online course availability, eligibility requirements, and other filter criteria. This enhance the ability of admissions, recruitment, and enrollment managers at WICHE partner institutions to inform and connect with students about their institution.

Table 3. Western Undergraduate Exchange Program Use

Academic Year	Hawaii Students Out-Bound to Continental US	Total Savings in Tuition & Fees	Average Savings in Tuition & Fees	US Continental Students In-Bound to Hawaii
2018-2019	2,467 students	\$23.4 million	\$9,500	2,683 students
2017-2018	2,426 students	\$22.1 million	\$ 9,100	2,600 students
2016-2017	2,205 students	\$19.5 million	\$ 8,986	2,507 students

Professional Student Exchange Program


Health professionals are in high demand, especially in underserved rural areas of the West. With out-of-state tuition for health care programs substantially exceeding resident tuition, this can be daunting for tomorrow's health professionals. It may saddle them in debt, force them to leave their community for more lucrative opportunities, or discourage them from pursuing their passion to be a health care practitioner.

WICHE collaborates with its members to provide a solution. Through the Professional Student Exchange Program (PSEP), students from Western states and territories can pursue careers in 10 health fields— ranging from optometry to dentistry to veterinary medicine—and may enroll in participating programs across state lines and receive substantial tuition support from their home state or territory. WICHE's PSEP has provided 15,800 Western residents with affordable access to professional health care degrees since the early 1950s. In 2018-19, 11 WICHE states and the Commonwealth of the Northern Mariana Islands invested \$14.5 million to grow their health care workforce by reducing the educational costs of 614 students. Some 130 accredited programs are offered via PSEP at 60 institutions.

Applicants must meet their home state or territory's residency requirements and be "certified" for PSEP participation by their state or territory's higher education system office. Hawai'i has sent **1,319 students** to professional programs through the Professional Student Exchange Program (PSEP), with students studying in a host of critical fields, including dentistry, occupational therapy, optometry,

physical therapy, and veterinary medicine. Historically, some 65 percent of PSEP students return to Hawai'i to pursue their professional careers. In addition, in 2018-19 the state received three students and \$73,275 in support fees from other Western states.

65% of Hawai'i PSEP graduates (2007-16) returned home to practice.



"I'm using my PSEP savings to further my education in traditional Chinese Veterinary Medicine, so I can practice integrative medicine. I began learning small-animal acupuncture earlier this year and traveled to China this summer for an on-site acupuncture lab."

– Ashley, Hawai'i resident
Veterinary Medicine, Washington State University

Table 1. Professional Student Exchange Program Use

Professional Field	2018-2019			2017-2018			2016-2017		
	Support Fee Per Student	# of Students	Total Paid	Support Fee Per Student	# of Students	Total Paid	Support Fee Per Student	# of Students	Total Paid
Dentistry	\$26,175	9	\$244,300	\$25,750*	7	\$180,250	\$25,750*	7	\$180,250
Occupational Therapy	\$13,700	2	\$36,534	\$13,475	4	\$35,933	\$13,475 - \$22,458*	2	\$ 35,933
Optometry	\$18,025	12	\$216,300	\$17,725*	11	\$194,975	\$17,725*	11	\$194,975
Physical Therapy	\$15,075	12	\$180,900	\$14,825*	12	\$177,900	\$14,825*	12	\$177,900
Veterinary Medicine	\$32,400	12	\$388,800	\$32,400*	12	\$356,400	\$32,400*	10	\$356,400
TOTAL		47	\$1,066,834		46	\$945,458		42	\$945,458

*Costs and support fees for certain fields may vary depending on the academic curriculum.

Western Regional Graduate Program.

The Western Regional Graduate Program (WRGP) allows graduate certificate, master's, and Ph.D. students who are residents of WICHE states and territories to affordably enroll in hundreds of graduate programs at 56 public institutions in the West. Through WRGP, students can enroll in participating schools as nonresidents, yet pay resident tuition rates—leading to tuition discounts that generally exceed 50 percent, and often far more. Nonresident applicants apply directly to a participating institution's school of graduate studies to apply for the WRGP discount. WICHE members and their participating public universities also benefit from WRGP. The program helps attract and incentivize a broader and more diverse pool of students to pursue varied disciplines at their public institutions. WICHE members also help their residents take advantage of niche programs regionwide without them having to pay nonresident tuition premiums. Some WRGP programs are also offered online, enabling place-bound students to grow their educational credentials.

This year, WICHE lifted program restrictions that formerly required WRGP-eligible graduate programs to demonstrate "distinctiveness"—or serve high-need or health care fields. Now, each institution may choose to enroll WRGP students in any (or all) of their graduate programs. This change has allowed a dramatic increase in the number of WRGP graduate programs: now more than 700 are available, up from 420 a year ago. WRGP is destined to grow even more as additional institutions take part and students throughout the WICHE region can look forward to more graduate study options that fit their professional and intellectual interests, needs, and delivery preferences.



“Utah didn’t offer the program I was interested in, and as a first-generation college student with limited means, I thought my choices were limited and I never even considered attending an out-of-state school. WRGP made it possible to pursue the degree I longed for in the setting that was right for me.”

– Jacie, Utah resident, Master of Public Health, Native and Indigenous Health, University of Hawai’i at Manoa

Hawai'i's postgraduates participated in graduate programs through the Western Regional Graduate Program (WRGP), which offers access to high-quality, distinctive programs at some 60 institutions in all WICHE states. WRGP programs run the gamut, but emerging social, environmental, and resource-management fields are particular strengths, as are innovative interdisciplinary programs. In 2018-19 Hawai'i sent 28 students to out-of-state institutions, while receiving 61.

Table 2. Western Regional Graduate Program Use

Academic Year	Hawaii Graduate Students Out-Bound to Continent	US Continent Students In-Bound to Hawaii
2018-2019	28	61
2017-2018	19	57
2016-2017	31	36
TOTAL	71	113

Summary

Tens of thousands of students from Hawai'i have attended undergraduate, graduate, and professional programs in other Western states through WICHE's Student Access Programs, saving millions of dollars, thanks to reduced tuition rates. In just one of the programs, the Western Undergraduate Exchange, Hawai'i students and their families have saved **\$271 million** since 1988 when the program was founded.

In addition, Hawai'i has received funding to be part of numerous WICHE policy initiatives, including those focused on financing and financial aid, workforce policy, and other areas. Hawai'i has participated in WICHE initiatives related to distance education, workforce development, and behavioral health.

Therefore, WICHE-Hawai'i respectfully requests the legislature's continued support and participation in the WICHE programs. The WICHE- Hawai'i's projected budget for the 2019-20 academic year is **\$1,162,566** which will include estimated expenses for 1) Professional Student Exchange Program (PSEP) "support fees", 2) annual WICHE state dues, and 3) WICHE-Hawai'i operating costs. This budget does not take into consideration any projected increases in support fee and or state due costs.

Future Considerations

The University of Hawai'i's participation in WICHE, and especially PSEP is valuable to our state because it is our residents who are the real beneficiaries; our local students benefit from affordable access to higher education through WICHE's three Student Exchange Programs. Interest in participating in these programs continues to grow. For example, every year, we receive more applicants who are interested in participating in PSEP. Across the five PSEP programs we currently support, we average awarding about 15 new students annually.

However, these support fee costs for the PSEP programs are not fixed. It is projected that support fees per program will increase by almost 3% annually, and state dues are also projected to increase about 3% annually as well. Therefore, with this projected trajectory and the allocated funds we receive, we recommend requesting a greater allocation for PSEP support fees, so we can continue to sponsor students at the level we have been thus far.