

An architectural line drawing of a grand building, likely a state capitol. It features a large central dome with a smaller dome on top, surrounded by a circular colonnade. The main entrance is a portico with several tall columns. To the right, a large classical statue stands on a pedestal. The drawing is detailed, showing architectural elements like cornices, balustrades, and a tree on the left side.

# Higher Education Funding Overview

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# Higher Education Funding Overview

- Funding Higher Education
  - Tuition
  - State Support
    - Enrollments
    - Financial Aid
    - Research Programs
    - Maintenance and Operations (M&O)
  - Other
- *09-11 Higher Education Budget Overview and 2010 Supplemental Changes*
- House Bill 3225



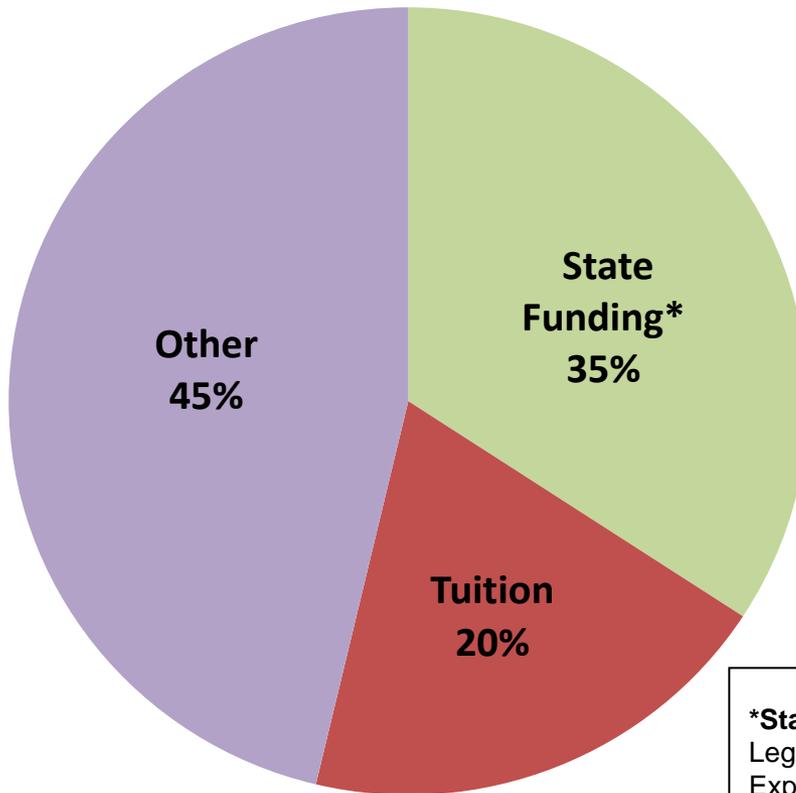
# Higher Education as a Percentage of the State Budget

- 2009-11 Near General Fund State
  - 10%
  - Has averaged about 11% over the previous 5 biennia
  
- 2009-11 Total Budget
  - 15.6%
  - Has averaged about 17% over the previous 5 biennia



# Total State Funding\* in 09-11 for Higher Education is \$3.34 billion.

House  
Education  
Appropriations  
Committee



## 2009-11 Enacted Omnibus Operating Budget (after 2010 supp)

*(dollars in millions)*

State*	\$ 3,336.5
Tuition	\$ 1,859.2
Other**	\$ 4,257.7
<b>Total Budgeted</b>	<b>\$ 9,453.4</b>

**\*State funding** here is General Fund-State (GF-S), the Education Legacy Trust Account (ELTA), Opportunity Pathways and Opportunity Express Accounts, selected M&O funding, as well as the American Recovery and Reinvestment Act replacement for GF-S.

**\*\*Other funding** includes federal and other grants/contracts, self sustaining course fees, and service and other fees. It does not include auxiliary enterprises like dorms, dining halls, and bookstores,



# State Support, Tuition and Financial Aid

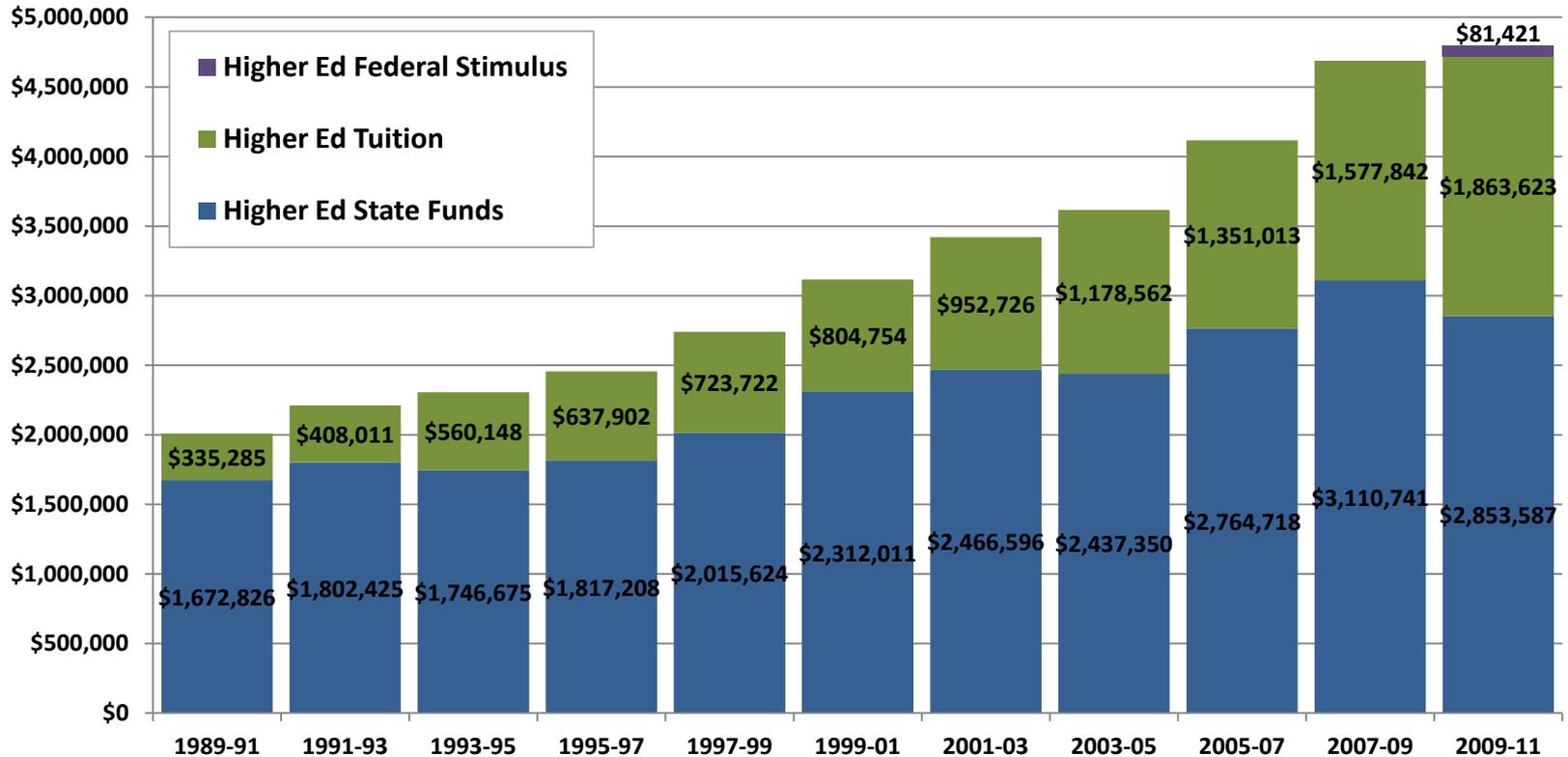
- Higher Education funding is not formula driven
- The three primary funding levers are interconnected
  - State Appropriations
  - Tuition
  - Financial Aid
- Tuition and Financial Aid
  - Practice has been to increase State Need Grant, State Work Study, Washington Award for Vocational Excellence and Washington Scholars to fully offset the impact of tuition increases.
- State Appropriations + Tuition
  - Together, cover the cost of instruction, state sponsored research and public service activities



# State Support and Tuition as a Portion of Core Academic Functions has Changed Over Time

House  
Education  
Appropriations  
Committee

**Higher Education: Total State Funds<sup>1</sup>, Tuition and Federal Stimulus<sup>2</sup> 1989-91 through 2009-11**  
(Dollars in thousands)



<sup>1</sup> State support includes general fund state, the Education Legacy Account, the Pension Stabilization Account, and facilities and maintenance costs paid out of the Education Construction Account (2003-05 through 2007-09) and Building Fee Accounts (2009-11 only). Excludes state support in the form of financial aid (except for funding provided to the SBCTC for the Opportunity Grant Program).

<sup>2</sup> Federal Stimulus in FY 2010 only.



# The Legislature retains authority to set maximum tuition rates for resident undergraduates.

- Increases in tuition for resident undergraduates may not exceed 7% per year except for the 2009-11 biennium.
- In 2009-11, the Legislature authorized increases of up to 14% per year at four-year institutions and 7% at CTCs.
- Institution governing boards have unlimited authority to set tuition for non-resident and graduate students.
- Institutions retain tuition locally (now allotted).

<b>2009-10 Full-time Resident Undergraduate Tuition Rates</b>		
UW	\$	7,125
WSU	\$	7,088
EWU	\$	4,803
CWU	\$	4,886
TESC	\$	4,899
WWU	\$	4,890
CTCs (12 cr.)	\$	2,628



# State Support: Enrollments

- Legislature funds new enrollments on an incremental basis each biennium.
  - Funding per new enrollment (FTE) varies by enrollment type, level and institution.
- Institutions can over-enroll (above state-funded targets) if they choose to do so.
- Summary of FTE enrollment for 2009-10
  - 4-year institutions - budgeted: 91,328 actual: 101,165
  - CTC's - budgeted (excluding running start): 139,237 actual: 160,778
  - Total - Budgeted: 230,565 actual: 261,943

Note: Running Start - budgeted: 11,558 actual: 12,459



# Financial Aid: In the 2009-10 school year, approximately \$2.2 billion was provided to about 183,000 Washington students

- \$1.5 billion federal
- \$274 million state
- \$434 million other
- Of the \$2.2 billion
  - 50% was loans
  - 48% grants
  - 2% work study
- State financial aid for all of 2009-11 after the 2010 supplemental budget is approximately \$500 million (NGF-S and Opportunity Pathways)



# Higher Education reductions in the 2009-11 biennial budget and 2010 Supplemental

## ■ 2009-11 Biennial budget

- Net reductions of \$502 million from maintenance level (NGF-S + ARRA) or 13%:
  - Legislature's general approach was 6.5 percent reduction from base across all of the four-year institutions and 6.0 percent at the two-year system after tuition increases
  - Increase of \$57 million for financial aid
- Net reduction of 2,741 FTEs from 2008-09 (-4,342 in 2009-10, +1,601 in 2010-11)

## ■ 2010 Supplemental budget

- Additional \$57 million net reduction (3% for biennium) in state support
  - Institutions averaged about 6.3% reduction in base funding for FY 11.



# Governor's Across-the-Board Reductions under the Budget and Accounting Act

- Represented 6.3% GF-S reduction for FY 11
- Impact on higher education was estimated to be:
  - UW - \$17.04 million
  - WSU - \$11.2 million
  - CWU - \$2.13 million
  - EWU - \$2.31 million
  - TESC - \$1.16 million
  - WWU - \$3.04 million
  - CTCs - \$39.59 million
  - SIRTU - \$.09 million
  - HECB - \$8.03 million



# House Bill 3225

- Represented 4.2% GF-S reduction for FY 11
- Impact on higher education was:
  - UW - \$11.39
  - WSU - \$7.48
  - CWU - \$1.42
  - EWU - \$1.54
  - TESC - \$777
  - WWU - \$2.03
  - CTCs - \$26.45