

New higher ed cuts loom as 2010 Legislature prepares to tackle supplemental budget

Reduced state revenues resulting from a continued weak economy threaten additional cuts to Washington's higher education system as the Legislature prepares for the 2010 session, which begins Jan. 11.

Gov. Chris Gregoire is working on a new supplemental budget proposal that would restore at least some of the cuts she proposed for higher education and other state programs in the supplemental budget plan released this month.

That initial plan, required by state law, was immediately disavowed by the Governor, who called it "unjust" and said it "does not reflect our values as a state."

"Our budget gap has gone beyond what we can fill with a million dollars here or a million dollars there. It is a \$2.6 billion shortfall."

"It is comparable to the budget of our entire higher education system — all research universities, regional universities, and community and technical colleges combined."

— Gov. Chris Gregoire
Dec. 9, 2009

For higher education, the initial budget would:

- Impose \$90 million in General Fund-State cuts for administrative programs and academic offerings.
- Shift \$103 million in operating funds for maintenance and operations to the capital budget. Each institution's local building fund will cover costs.
- Cut student financial aid by \$182.5 million.

Those cuts would come on top of the 17 percent reduction in higher education funding included in the budget passed by the 2009 Legislature. The Legislature authorized tuition increases to partially offset those cuts. Since then, lower revenue forecasts and escalating costs have put an additional \$2.6 billion hole in the overall budget.

The Governor said her new proposal would reduce the cuts to higher education and other essential programs by eliminating tax exemptions, closing loopholes and raising revenues.

Key dates in budget process:

- Jan. 11, 2010: Legislature convenes and begins consideration of Governor's budget proposal. Senate and House offer their own proposals during session.
- March 2010: Quarterly revenue forecast establishes revenue available for remainder of biennium.
- Spring 2010: Legislature passes budget and Governor signs.
- July 1, 2010: Agencies implement 2010 Supplemental Budget.

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Page 2: Major cuts to state financial aid programs on the table

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Budget proposal would cut financial aid for thousands of needy students statewide

The Governor's initial proposed supplemental budget would slash about \$176 million in financial aid for students. The reduction amounts to about two-thirds of the student financial aid budget in 2010-11.

The proposed budget cut would suspend or reduce awards to more than 83,000 students who receive financial aid through the State Need Grant program, State Work Study, Washington Scholars, Washington Award for Vocational Excellence, GEAR UP and other programs.

Gov. Gregoire has announced she will present a new budget plan that will restore at least some of the proposed financial aid cuts. Detailed information is expected next week. Here is how the initial budget plan would impact key HECB-administered financial aid programs in 2010-11:

State Need Grant

The supplemental budget proposal calls for reducing the state's largest student financial aid program by \$146 million, or about 60 percent of the amount allocated for 2010-2011. The HECB estimates that this would eliminate awards for about 15,000 students.

In addition, the awards for the remaining 57,000 students would be reduced by half.

State Work Study

The State Work Study (SWS) program would be entirely suspended for 2010-11, affecting 9,400 students and organizations that rely on student workers. This represents a reduction of \$23.5 million. It would increase the loan burden for the average SWS undergraduate student by \$3,000 and for graduate students by \$4,000.

SWS programs provide low- and middle-income students employment experiences, which often relate closely to their academic or career goals. About 67 percent of SWS recipients report incomes less than half of median family income, while about two-thirds are from families in the low- to middle-income range.

Programs facing suspension in 2010-11

Washington Scholars: Three high school students from each legislative district receive merit-based scholarships. 430 current students would lose benefits.

Passport for Foster Youth Promise Program: Former foster care youth receive financial aid and help preparing for college. Aid to 300 students and support activities at 48 institutions would be cut.

State Funded GEAR UP: Low-income middle and high school students receive mentoring and other services to prepare them for college; scholarships also are provided. 3,400 students in 25 school districts would lose support.

Washington Award for Vocational Excellence: Three students from each legislative district receive grants for outstanding achievement in vocational-technical education. 300 current students would lose support.

Future Teachers Conditional Scholarship and Loan Repayment Program: College students preparing for careers in teaching receive loans that can be forgiven in exchange for working in Washington's K-12 public schools. 200 new awards would be cut.

Child Care Grants: Six public university child care centers would be affected.

Programs facing reduction

Health Professional Loan Repayment and Scholarship Program: Primary care health care students who agree to practice in rural or underserved urban areas that have shortages of health care providers receive scholarships. Others receive loan repayment assistance.

GET Ready for Math and Science Conditional Scholarship: Low- and middle- income high school students with top math and science scores are eligible for these scholarships.