

College cuts reflect hard times and difficult task lawmakers faced in special session

The supplemental budget passed Feb. 12, 2010, resolves a \$2.8 billion shortfall by combining revenue increases and spending cuts in higher education and other areas.

Gov. Chris Gregoire emphasized that direct reductions in the state budget and services will account for a greater share of the shortfall than tax increases.

“This means layoffs at state agencies, facility closures, and larger class sizes for our young students. All Washingtonians, in one way or another, will feel the effects of these painful reductions.”

State support for public higher education was cut by an additional \$68.2 million. This is on top of a \$427 million reduction made in the original 2009-11 biennial budget.

That cut, partly offset by authorized tuition increases of from 7 to 14 percent in each year of the biennium, represented an 11.6 percent reduction over the higher education budget passed in the 2007-2009 biennium.

The latest cuts could have been much worse. For example, the Governor’s ‘book one’ budget called for \$90 million in additional administrative and academic reductions and a \$182.5 million reduction in student financial aid, which would have cut the State Need Grant (SNG) program by two-thirds.

Instead, the state’s largest financial aid program was held basically harmless - at the same level of funding provided in the original biennial budget. SNG program grants will increase to offset the cost of tuition, but many more eligible students will not receive aid due to increased demand.

The State Work Study (SWS) program will be cut by about 30 percent, as opposed to being eliminated as it was in the Governor’s original budget. The Legislature encouraged the HECB to increase the employer share of costs and serve only resident students as much as possible.

Other state financial aid programs also will be reduced or suspended, including the Health Professional Loan and Scholarship Program, the Educational Opportunity Grant Program, the Future Teachers Conditional Scholarship, and the Washington Scholars and WAVE programs.

Earlier this week, the HECB’s Interim Executive Director, Don Bennett, acknowledged the extremely difficult task the Legislature faced in addressing the budget shortfall.

He also said the funding cuts would make it that much more difficult to stay on track to achieve the central goal of the state’s Strategic Master Plan for Higher Education, which is to increase total annual degree and certificate production 40 percent within the next two decades.

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Governor signs system design bill



On March 29, Gov. Chris Gregoire signed SSB 6355, which creates a new process for reviewing and approving major expansions and institutional mission changes at public institutions of higher education.

The bill is based on the recommendations of the HECB's 2009-10 System Design Plan, developed collaboratively with the four-year institutions and many other stakeholders.

At the heart of the System Design Plan is a principle referred to as "Expand on Demand." It simply means that future expansion of the system should occur when demand has been fully demonstrated in a particular service area.

A "major expansion" is one that requires significant new capital investment which creates a new institution or a mission change at an existing institution; a "mission change" is defined as a change in the level of degree awarded or an institutional type not currently authorized by statute.

Under the legislation, an assessment process will first determine the need for the proposed change, and then the HECB will examine the viability of the project and make recommendations to the Legislature and Governor. The proposals can come from the institutions or a state or local government.

The legislation also removes restrictions on the number of applied baccalaureate degrees offered by community and technical colleges, but retains the requirement of HECB approval of new degrees.

Lottery bill adds new source of dollars for financial aid

A bill awaiting Gov. Gregoire's signature, E2SSB 6409, earmarks some Washington State Lottery revenues to support state financial aid programs.

The legislation establishes a new Opportunity Pathways Account to house Lottery money that can be used to support financial aid programs and other initiatives such as the Early Childhood Education and Assistance (ECEAP) program.

Financial aid appropriations will now come from three sources: the General Fund, the Lottery, and the Education Legacy Trust Account, which includes cigarette and estate taxes earmarked for education.

The 2010-11 supplemental budget transfers \$73.5 million in Lottery money from the General Fund to the new Opportunity Pathways Account and reduces General Fund support for financial aid by a like amount.

The bill requires future Lottery marketing campaigns to emphasize the link between Lottery purchases and state financial aid programs. It is hoped this will increase Lottery sales resulting in additional support for financial aid programs.

Financial aid programs eligible to receive future support from the Opportunity Pathways Account include SNG, the College Bound Scholarship Program, State Work Study, the Washington Scholars program, and the WAVE Scholarship program.

Next fiscal year \$102 million in Lottery funds earmarked for the Education Construction Account will be redirected to the Opportunity Pathways

Nursing program authorized at Everett Center

HB 2694, which passed the Senate April 12 and is awaiting action by the Governor, requires the creation of a bachelor of science in nursing at the University Center at Everett Community College.

The program for up to 50 full-time students would be conducted in partnership with the University of Washington Bothell and is intended to help fill a shortage of registered nurses.