

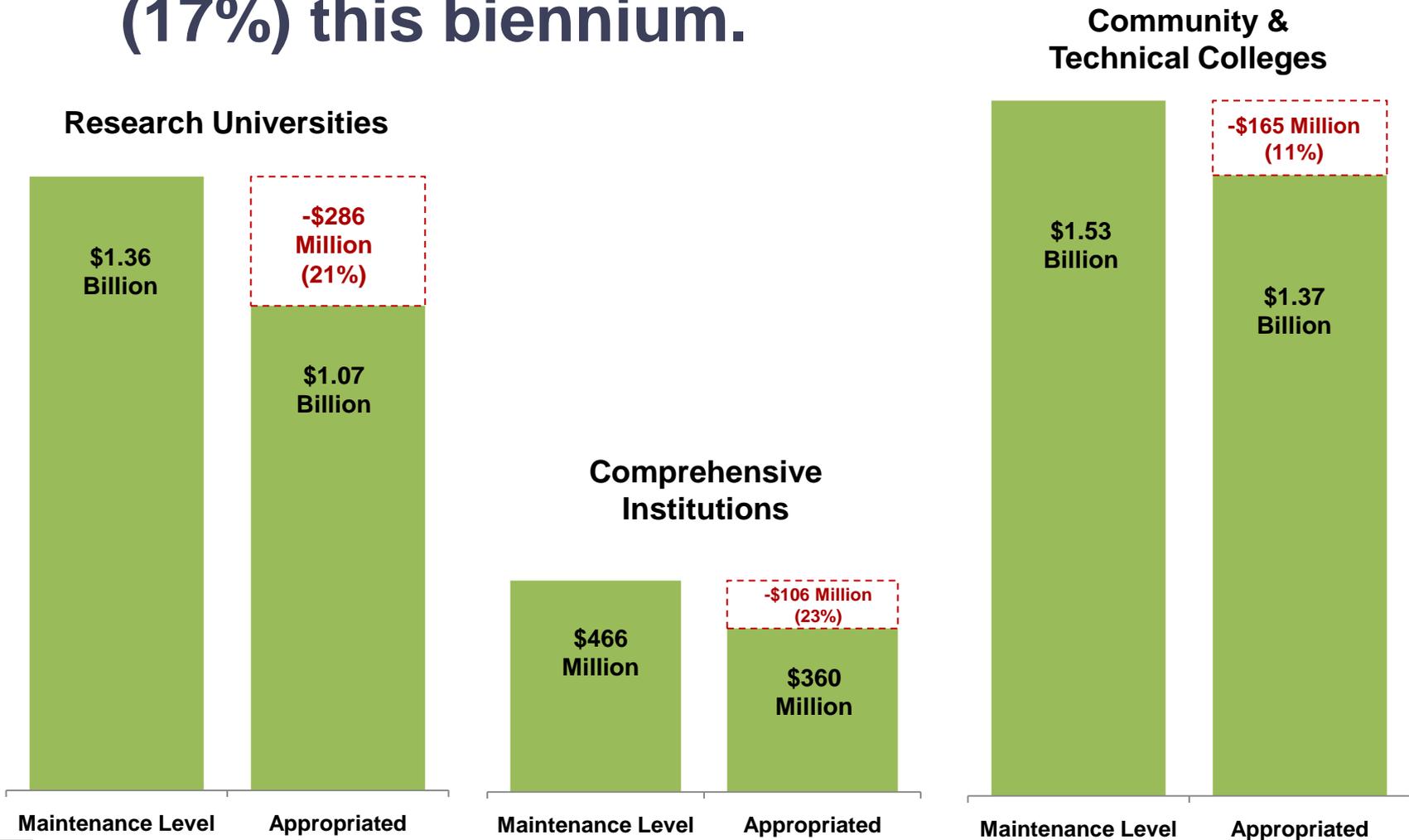
2009-11 HIGHER EDUCATION OPERATING BUDGET IMPLEMENTATION

**Staff Presentation
to the
Senate Higher Education &
Workforce Development Committee
October 2, 2009**

Topics Addressed in Today's Briefing

- **2009-11 Funding Levels for Public Higher Ed Institutions**
 - State funding reductions
 - Tuition revenue increases
 - Net changes in state fund + tuition budgets
- **Overview of Institutional Implementation of Key Budget Provisions**
 - Tuition & Financial Aid
 - Changes in total enrollment
 - Enrollment at branches & university centers
 - Enrollment & Degree Production in high-demand fields
 - Targeting of budget reductions to non-instructional activities.

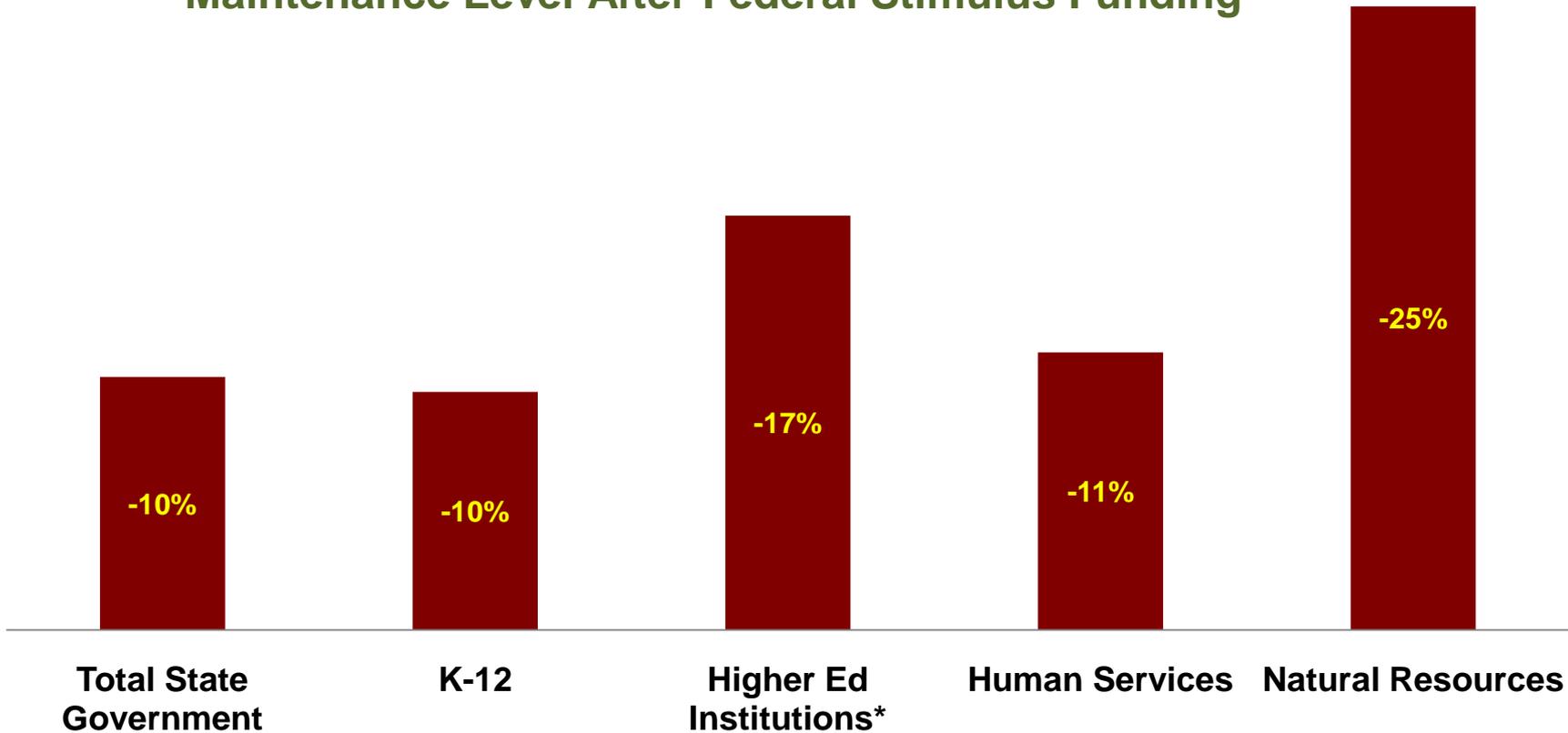
State* appropriations to the public colleges & universities were reduced by \$550 million (17%) this biennium.



* Includes \$81 million of federal stimulus funding.

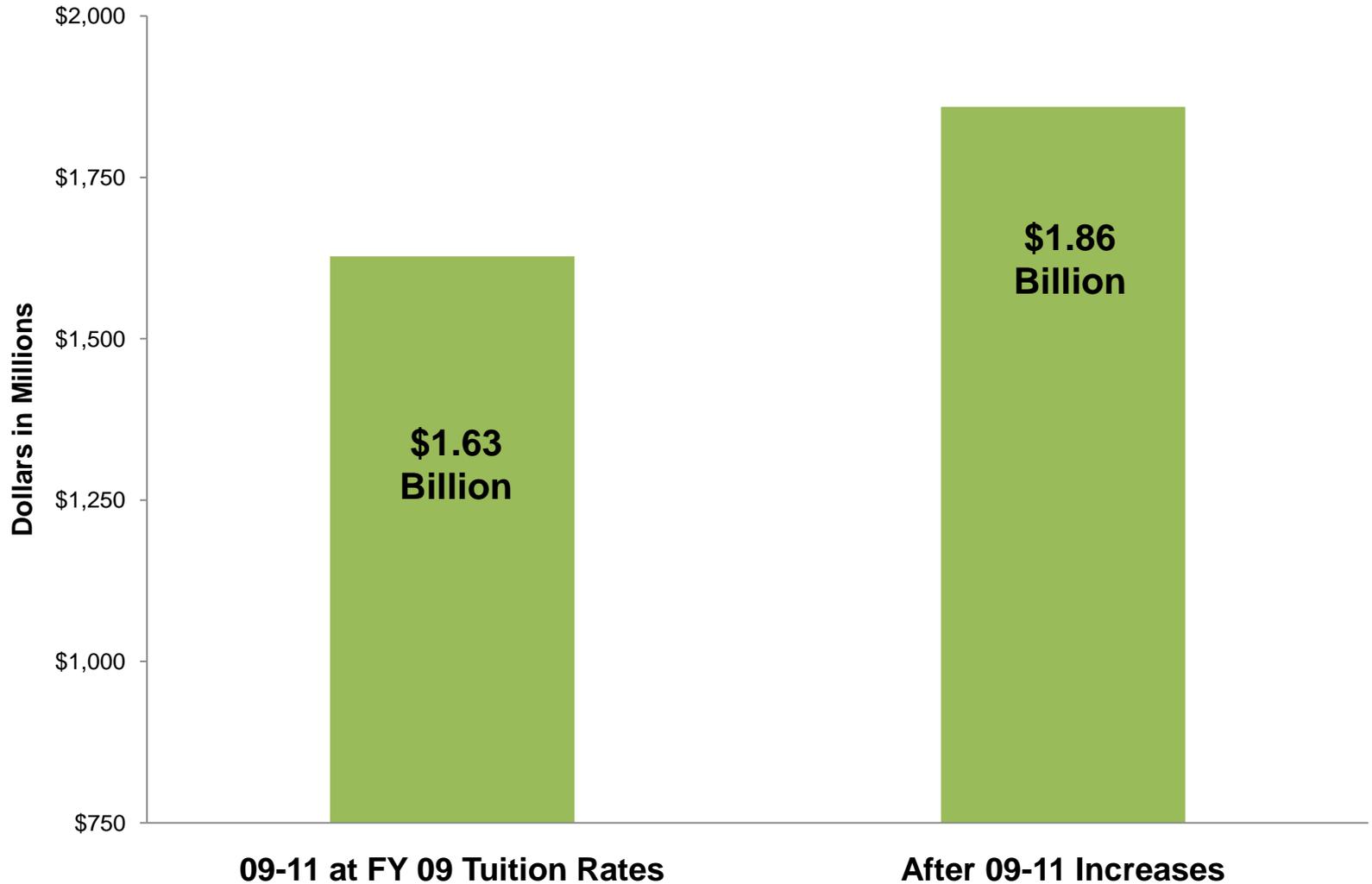
Prior to tuition increases, the higher ed funding reductions are larger than those in other major areas of state government.

Net 2009-11 State Funding Reductions from Maintenance Level After Federal Stimulus Funding

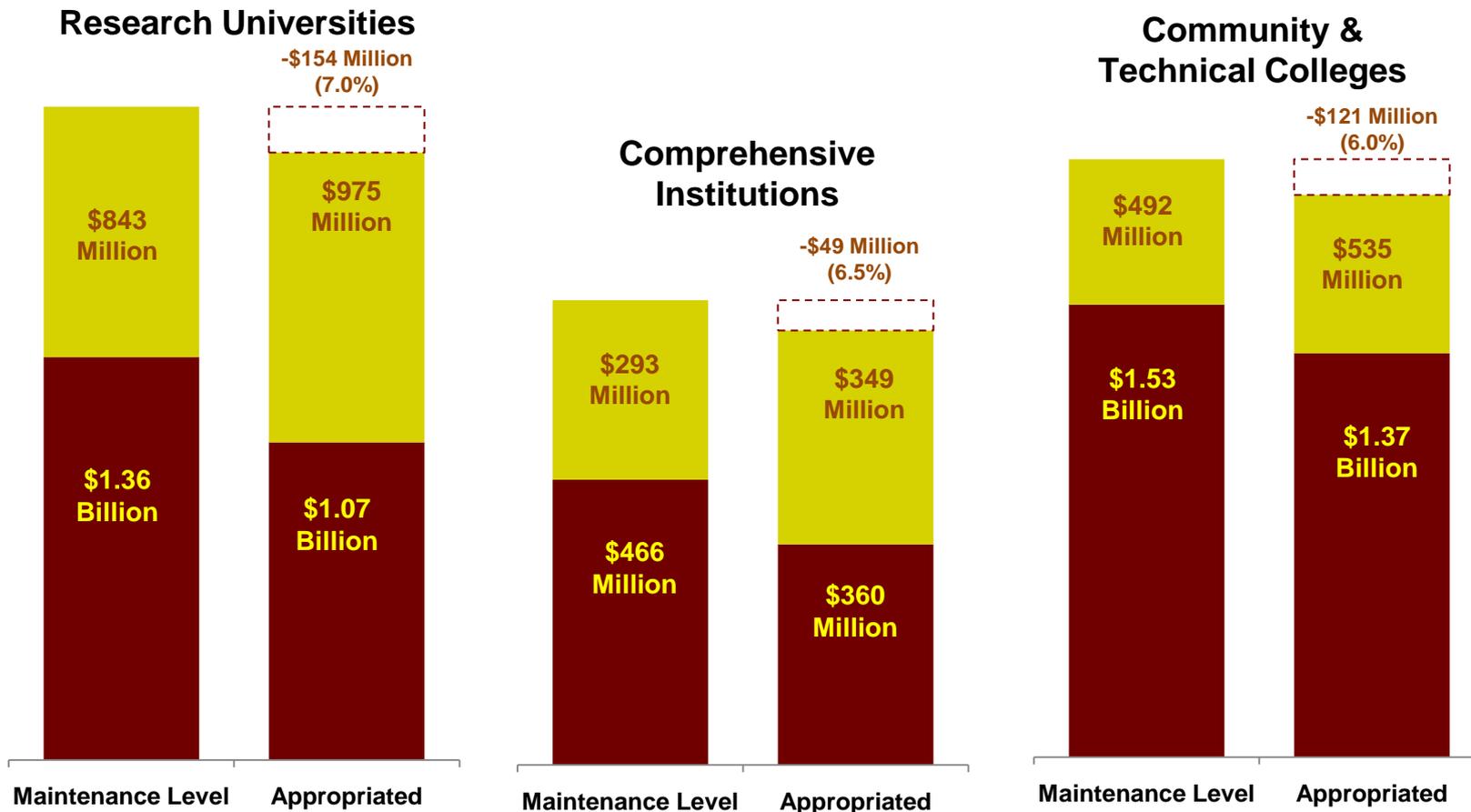


* Public funding reductions to institutions only. After accounting for funding increases for statewide financial aid programs, net higher ed reduction is 14%.

Tuition increases are expected to generate \$230 million of additional operating revenue for the public colleges and universities.



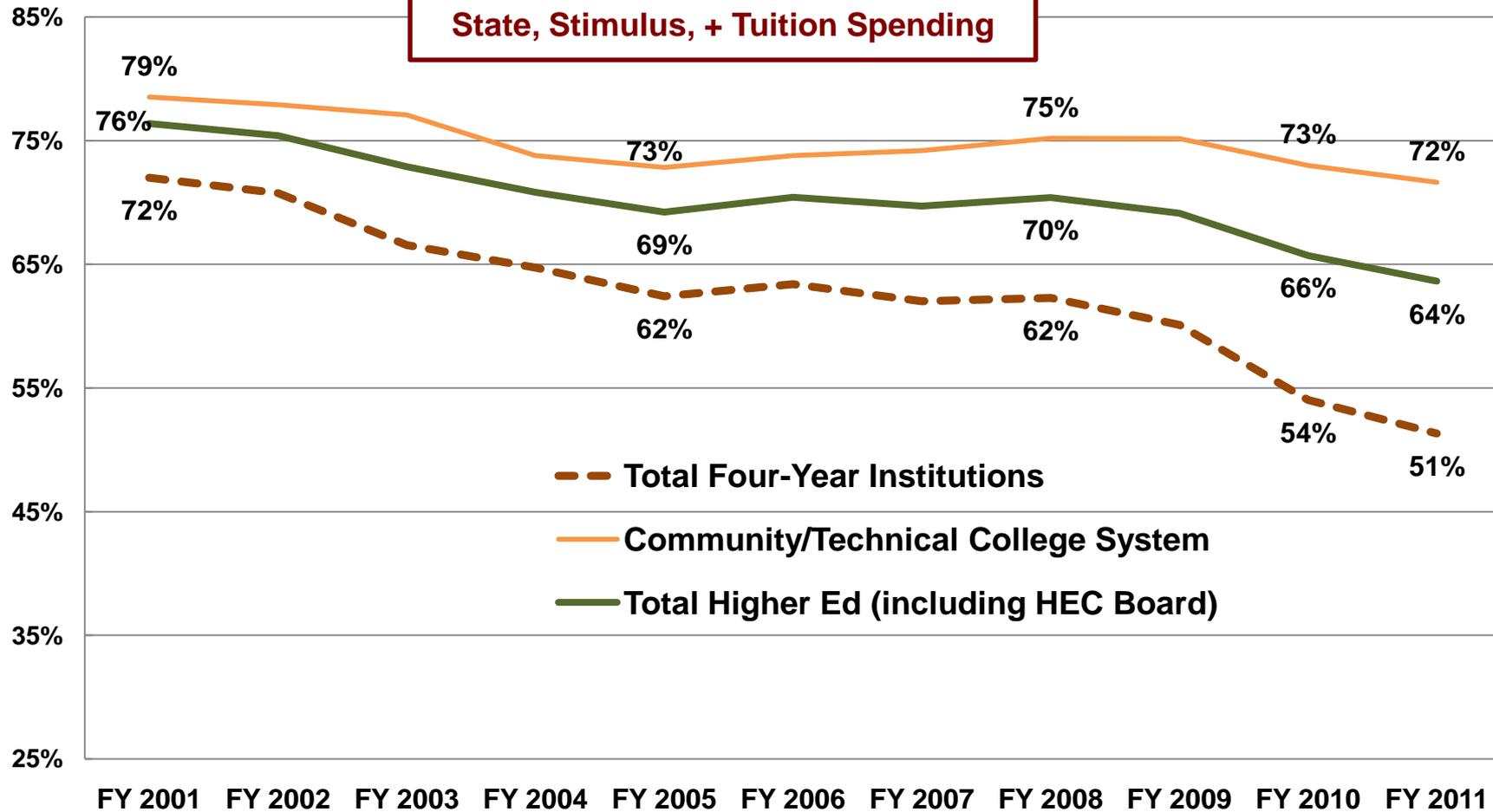
After accounting for tuition, core institutional operating revenues* are 6-7% below last year's budgeted level.

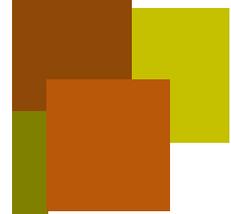


* Does not include revenues or expenses associated with research grants, contracted training, "self-supporting" classes and degree programs, auxiliary enterprises, or special lab and class fees.

Due to budget cuts and tuition increases, state appropriations will for the first time total just half of “core” funding at the 4-year institutions next year.

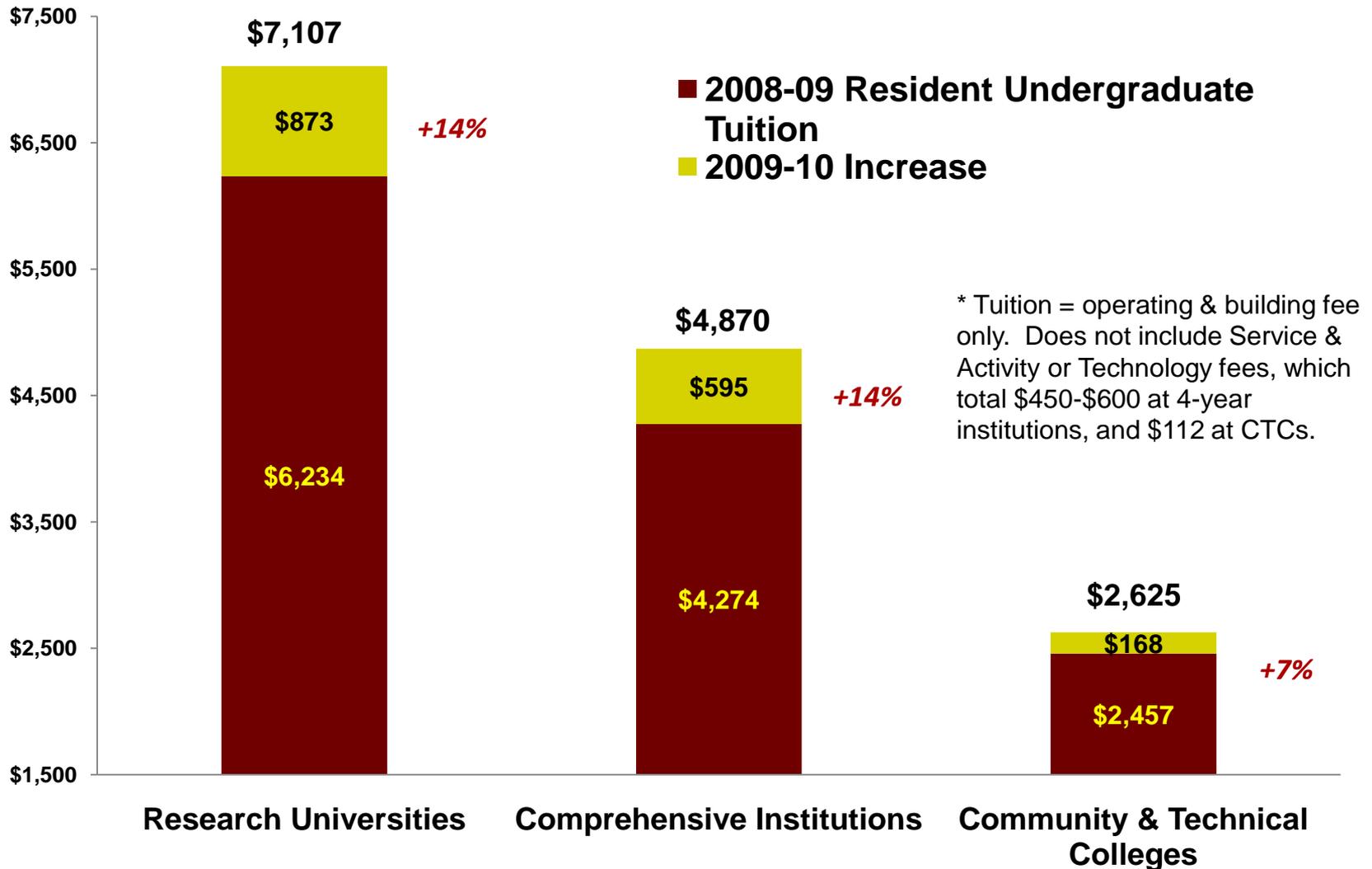
State + Stimulus Share of State, Stimulus, + Tuition Spending





2009-11 TUITION AND FINANCIAL AID CHANGES

All institutions are increasing 2009-10 resident undergraduate tuition* by the full amount authorized by the Legislature.



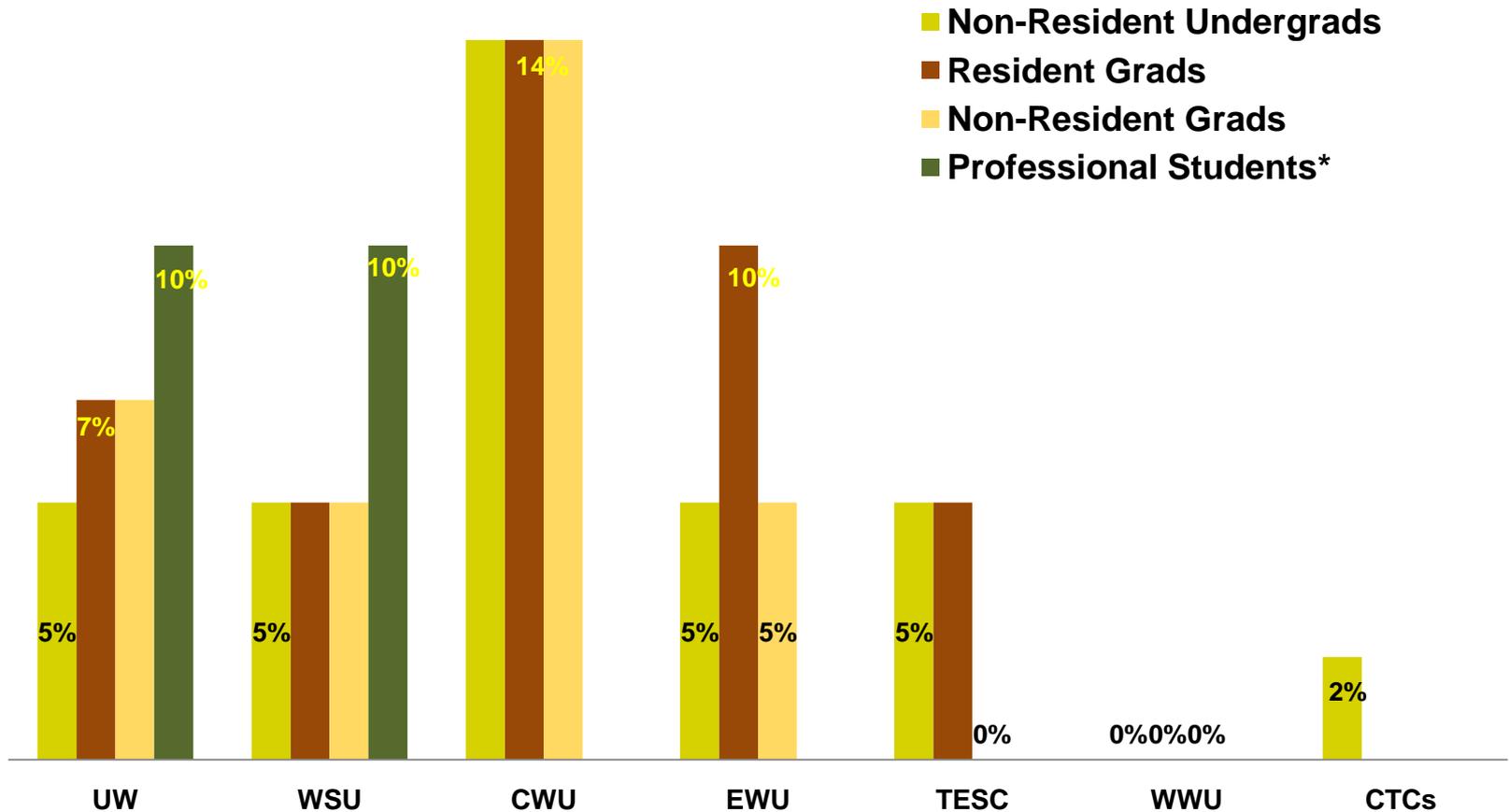
The Legislature provided an additional \$58 million to mitigate the impact of tuition increases for the ~25% of resident undergrads who receive direct state financial aid.

- **State Need Grant awards increased by full value of tuition increases, except:**
 - grants reduced ~10% for incomes between 51-65% of median.
 - grants for students at private schools limited to public school maximum.
 - state funding reduced to account for Pell Grant increases.
- **State Work Study and Opportunity Grant programs maintained at FY 09 levels.**
 - not adjusted to account for tuition increases.

For the ~75% of resident undergrads who don't receive direct state financial aid, some new assistance is available.

- **New & increased tax credits for 2009 and 2010:**
 - Additional \$700 for incomes <\$96,000 (\$48,000 singles)
 - Additional \$2500 for incomes \$96-\$160,000 (\$48-\$80,000 single)
 - SHB 2344 requires that students be alerted to tax credit availability on billing statements. Most institutions also alerting via websites, e-mail, & newsletters.
- **Baccalaureate institutions required to use 7% of additional revenue raised from resident undergrad tuition increase for increased institutional aid to resident undergrads.**
 - All institutions targeting additional aid to resident undergrads with unmet need.
 - Evergreen devoting 20% of increase to additional aid.

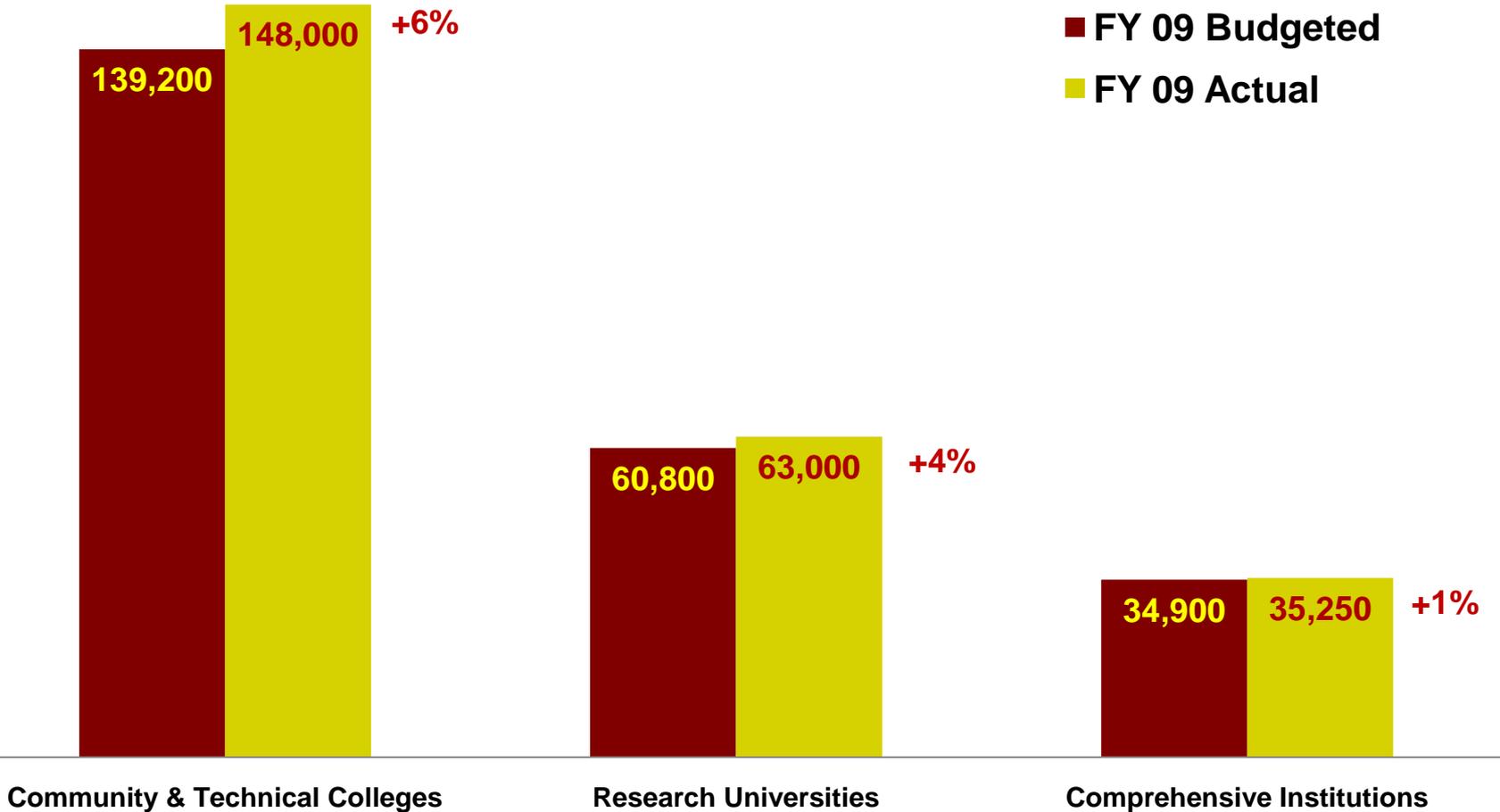
Most institutions are raising tuition on other student categories by less than 14%.



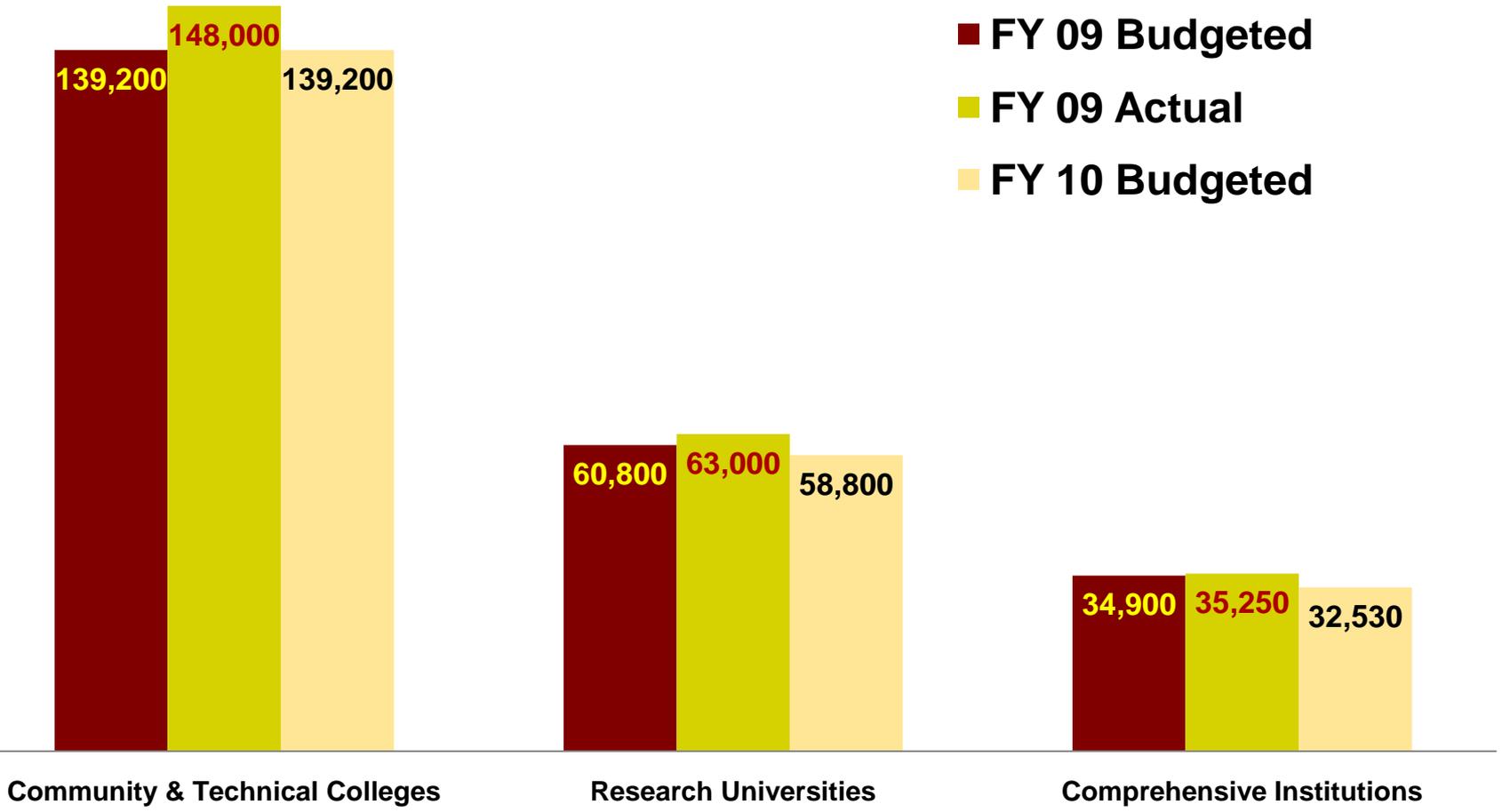
*Includes business, dentistry, law, medicine, nursing, pharmacy, and veterinary medicine. WSU is increasing veterinary medicine 7%. UW is increasing nursing by 14% at Seattle, and by 7% at branches. UW is increasing business by 7% at branches.

2009-11 ENROLLMENT CHANGES

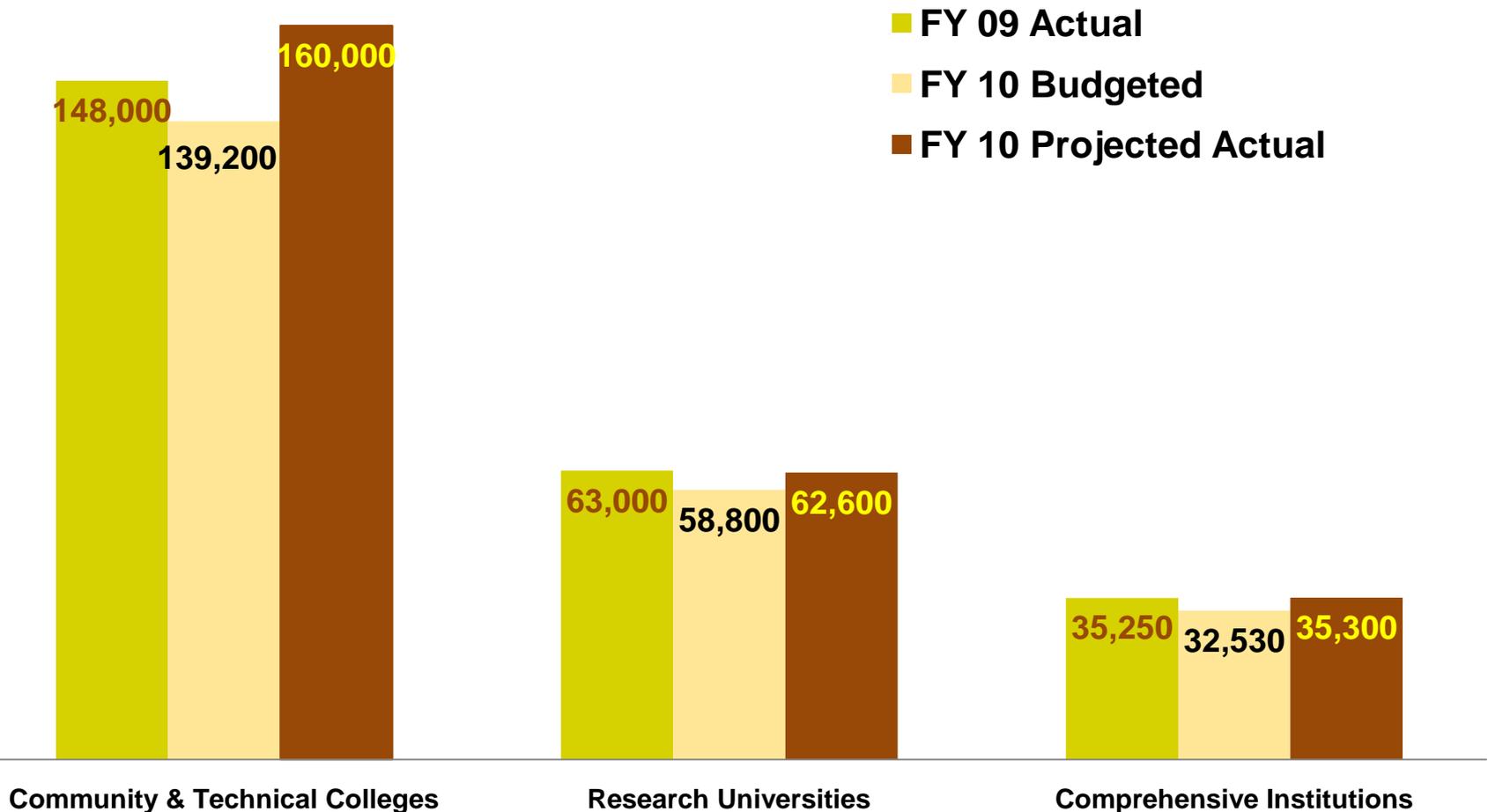
The public colleges and universities enrolled 246,000 FTE students last year, about 11,400 (5%) more than budgeted.



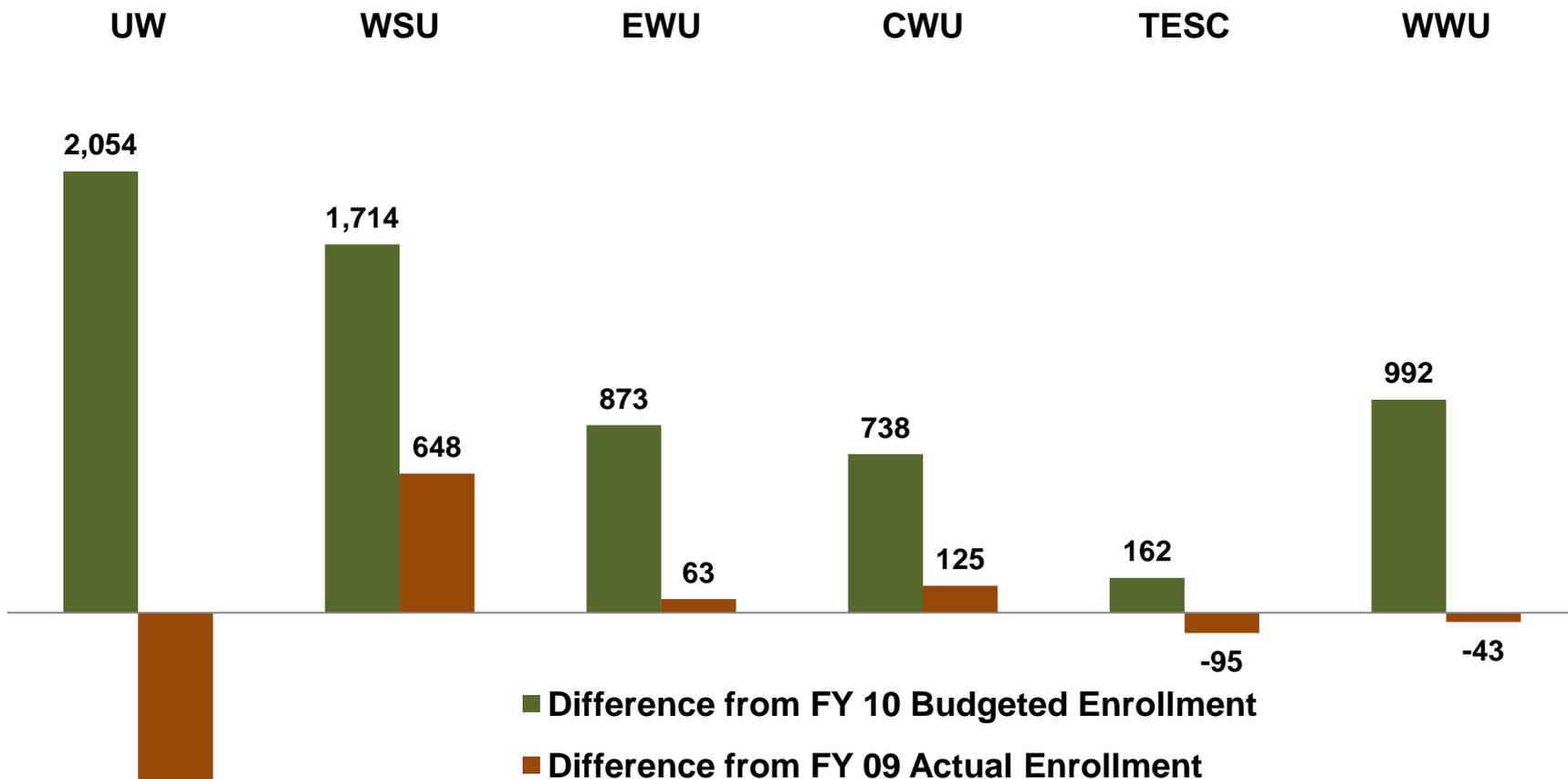
They are budgeted to educate 231,000 FTE-S this year – 4,400 (2%) fewer than last, and 16,000 (6%) fewer than actually enrolled.



The institutions tentatively expect to educate 258,000 FTE-S this year, about 12,000 more than last year, and 27,000 more than budgeted.

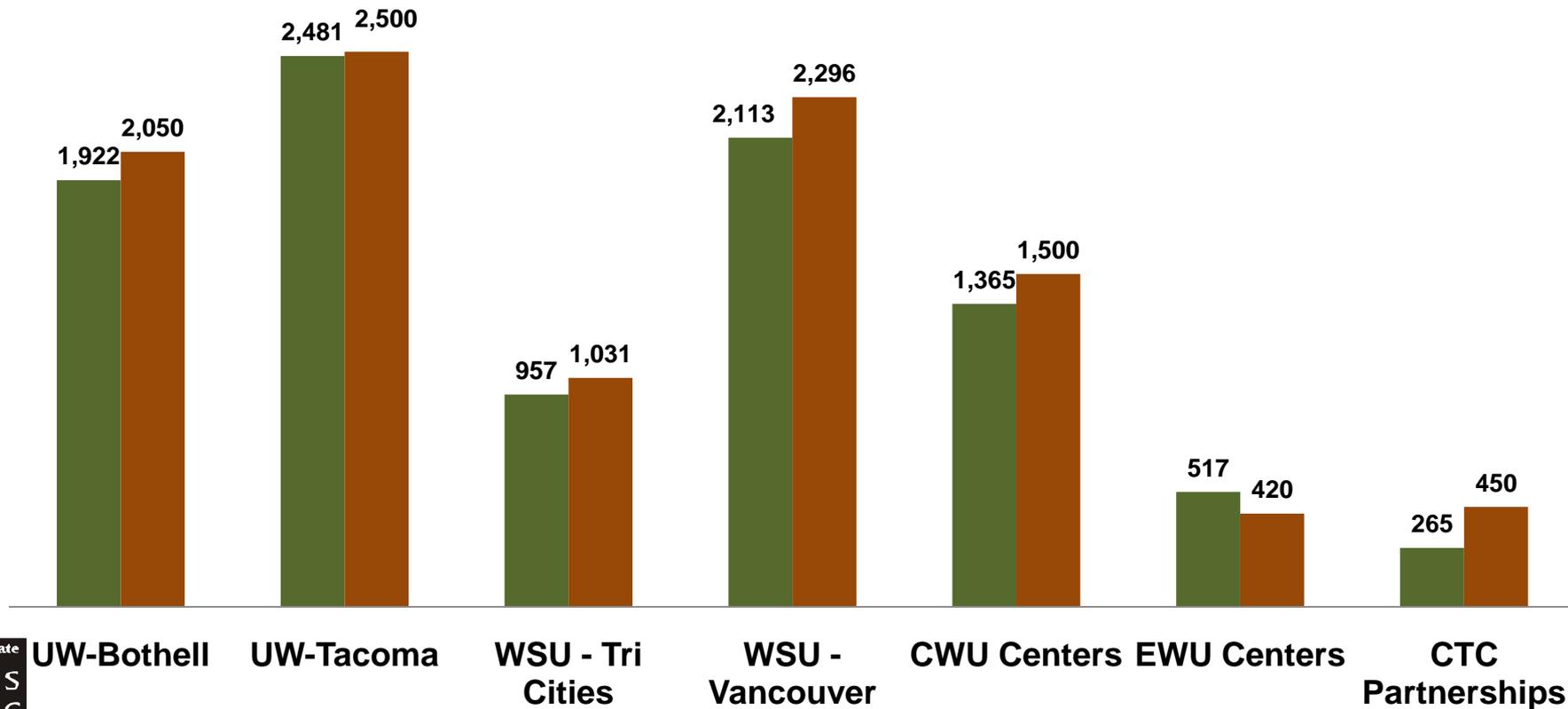


All 4-year institutions will exceed budgeted enrollment levels, and three expect to educate more students this year than last.



Enrollment at branch campuses and centers is expected to exceed 10,000 FTE-S, 6% over last year's levels.

■ FY 09 Actual
■ FY 10 Projected



Baccalaureate institutions report some changes in the composition of their student bodies.

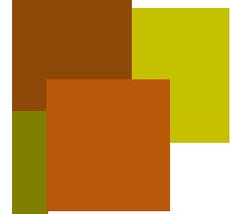
Entering Freshmen: stable at most schools, with decreases at UW (~6%) and Evergreen (~15%).

CTC Transfers: increases at Central, Eastern, and UW; decreases of ~10% or more at other schools.

Graduate Students: stable, with increases at WSU (4%) and Eastern (7%).

Foreign Students: stable at comprehensives; a 13% increase at WSU; unknown at UW.

U.S. Out-of-State: ~10% decrease at Evergreen; stable or small decreases at WSU and other comprehensives; unknown at UW.



**HIGH-DEMAND
ENROLLMENT & DEGREE
PRODUCTION**

The operating budget directs the colleges & universities to emphasize enrollment and degree production in high-demand fields.

SHB 1244, Section 605(4)

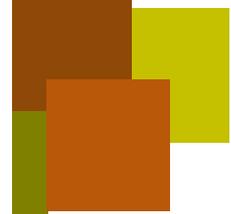
When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges . . . shall at least maintain, and endeavor to increase, enrollment and degree production in high employer-demand fields of study at their academic year 2008-09 levels.

Sections 606(2), 607(2), 608(2), 609(2), 610(2), & 611(2)

Because higher education is an essential component of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production at or beyond their academic year 2008-09 levels in the following high-demand fields: biological and biomedical science; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

Ability to maintain high-demand enrollment and degree production is uncertain at this time.

- **SBCTC reports concerns about impact of larger class sizes, reduced course availability, and fewer student support services on student achievement.**
- **Baccalaureate institutions cautiously optimistic, due to strategies such as:**
 - Prioritizing/protecting high-demand programs in budget reduction planning.
 - Eliminating low-enrollment courses.
 - Creating 5-year combined bachelors/masters programs.
 - Increased use of on-line and remote learning.
 - Spending down institutional reserve funds.



TARGETING OF BUDGET REDUCTIONS

Institutions are to protect student services and instruction from budget reductions to the extent possible.

SHB 1244, Section 605(4)

When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impacts on academic programs, maximize reductions in administration . . .

Sections 606(1), 607(1), 608(1), 609(1), 610(1), & 611(1)

In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional services.

SSB 5734, Section 1(10)

. . . Through 2010-11, any funding reductions to instruction, library and student services, utilities and maintenance, and other costs related to instruction shall be proportionally less than other program areas including administration.

Expenditure data has been organized into 3 broad categories for purposes of reviewing consistency with this legislative direction.

Student Services & Instruction

- direct instructional activities
- academic, financial, & career counseling; recruitment & admissions; registration & records; student activities; athletics; etc.

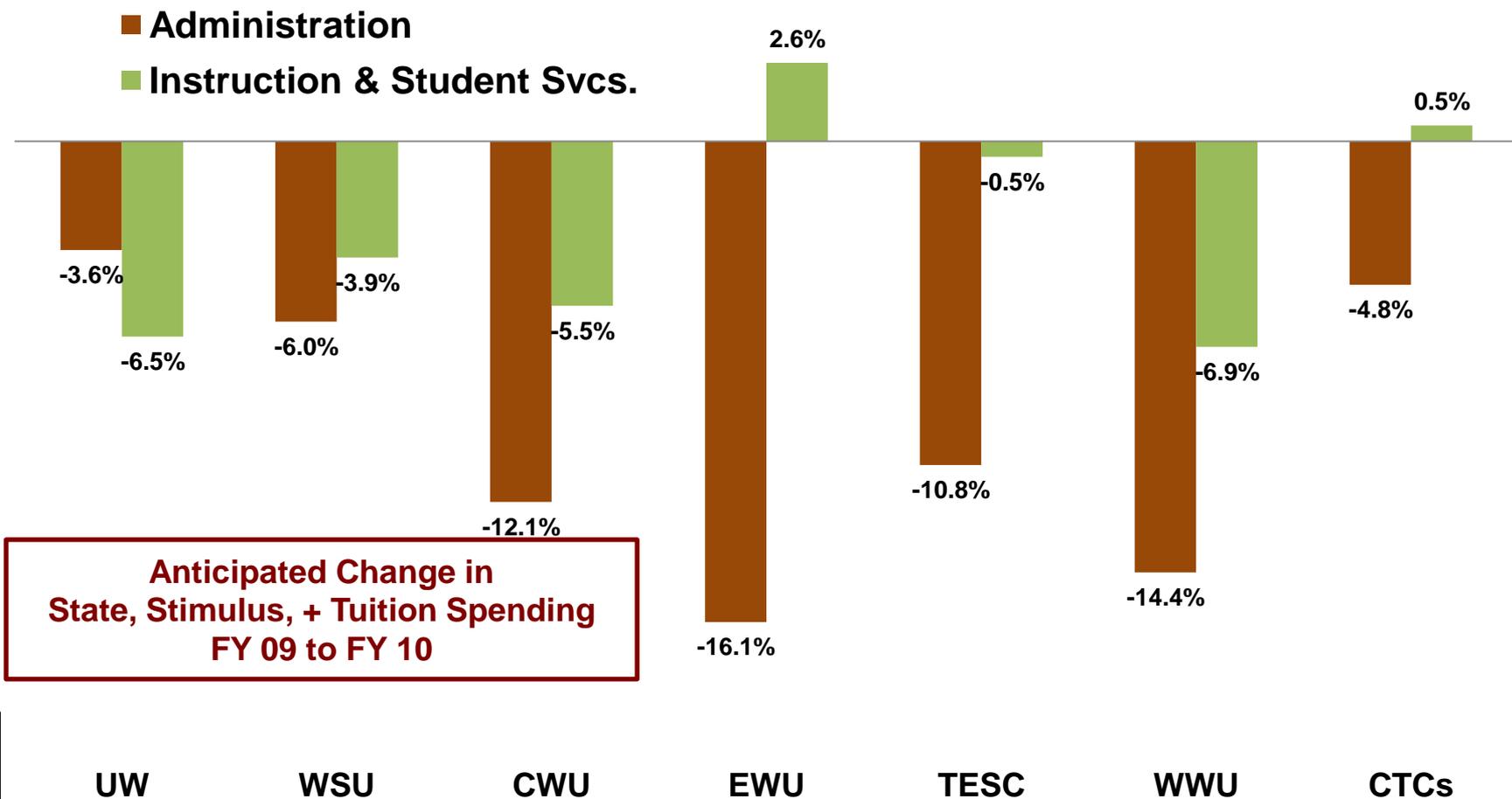
Administration

- academic division and institution-wide planning & management; fiscal operations; human resources; academic & institutional computing, etc.
- museums, galleries, & creameries.

Other Non-Instructional Services

- state-sponsored research.
- public service such as ag extension; environmental, business development, labor relations, and other special purpose centers; radio & TV stations; conferences; etc.
- libraries
- utilities & facilities maintenance

All institutions except UW plan to reduce state & tuition spending on administration proportionally more than spending on student services and instruction.

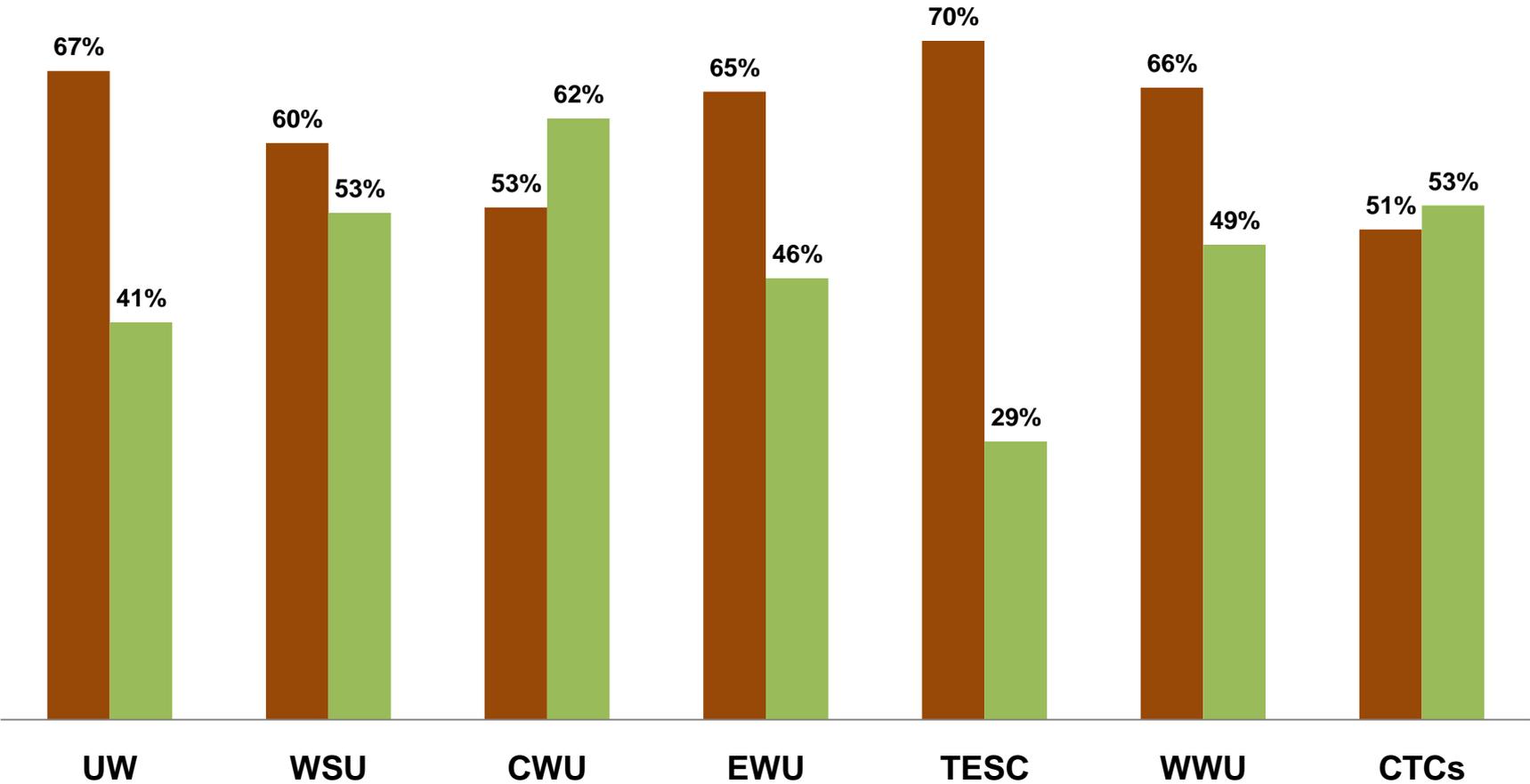


Anticipated Change in State, Stimulus, + Tuition Spending FY 09 to FY 10

For most institutions, this is a change from the trend of the past 8 years.

- Administration
- Instruction & Student Svcs.

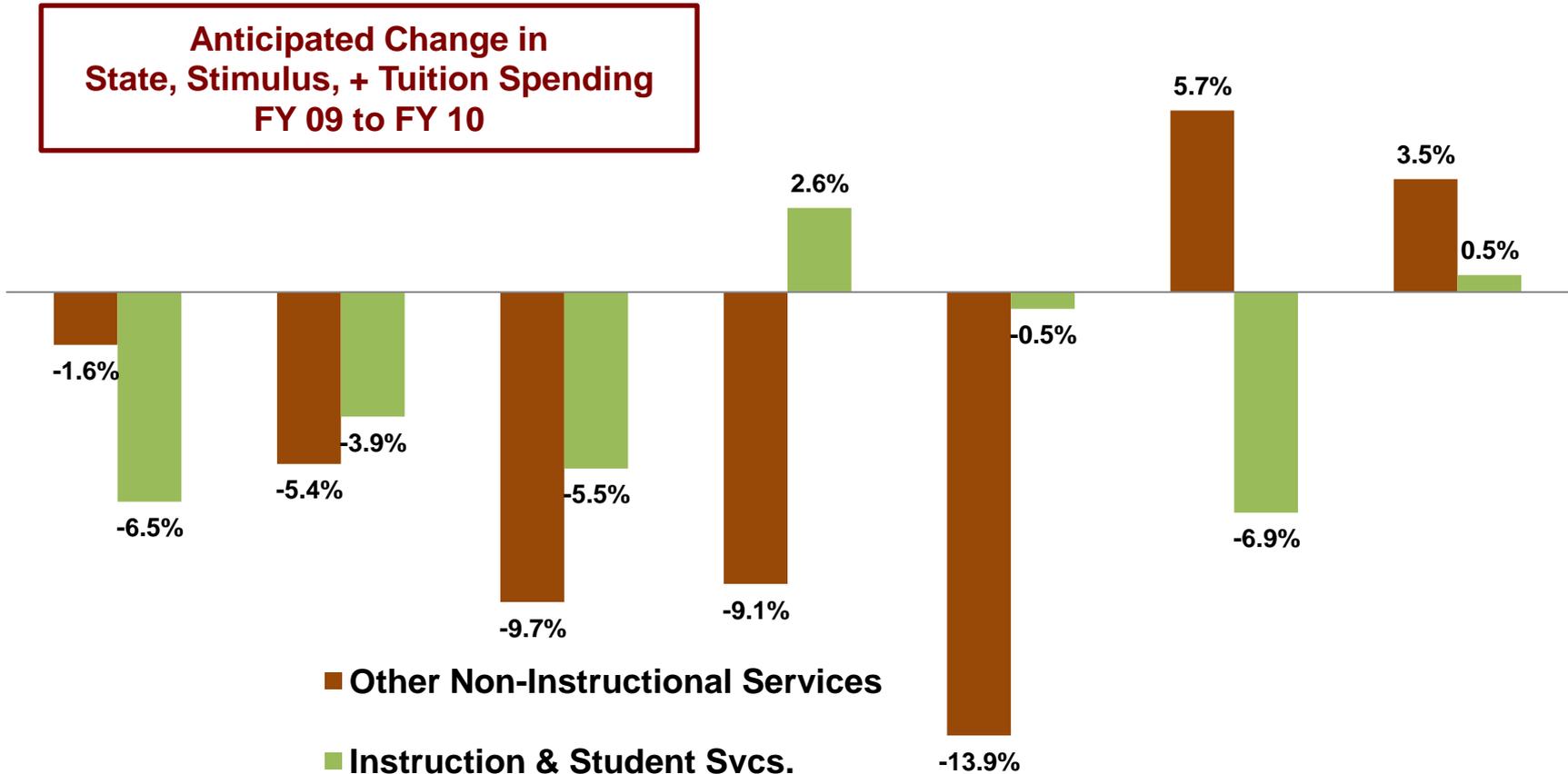
**Change in
State, Stimulus, + Tuition Spending
FY's 00 & 01 to FY's 08 & 09**



4 of the 7 institutions expect to reduce spending on other non-administrative, non-instructional services proportionally more than student services and instruction.

UW WSU CWU EWU TESC WWU CTCs

**Anticipated Change in State, Stimulus, + Tuition Spending
FY 09 to FY 10**

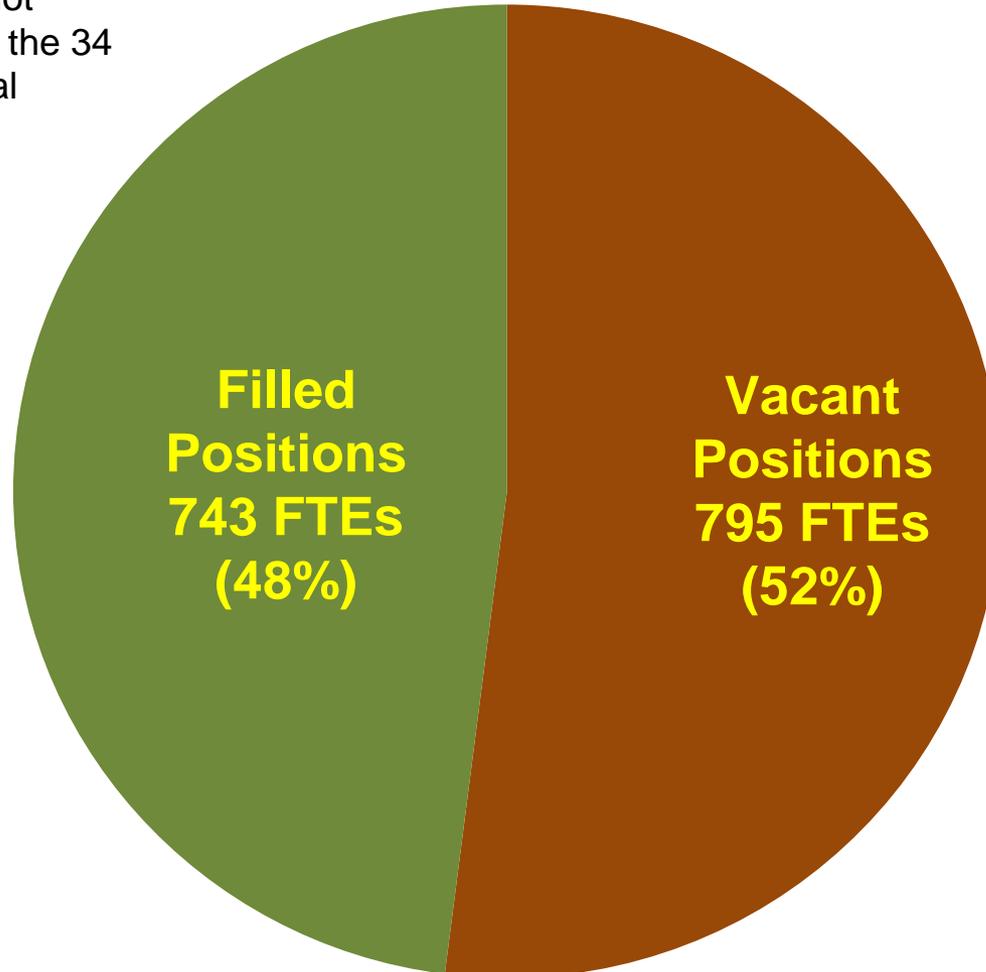


■ Other Non-Instructional Services

■ Instruction & Student Svcs.

The 4-Year institutions* are eliminating almost 1,550 FTE staff positions in response to the budget cuts.

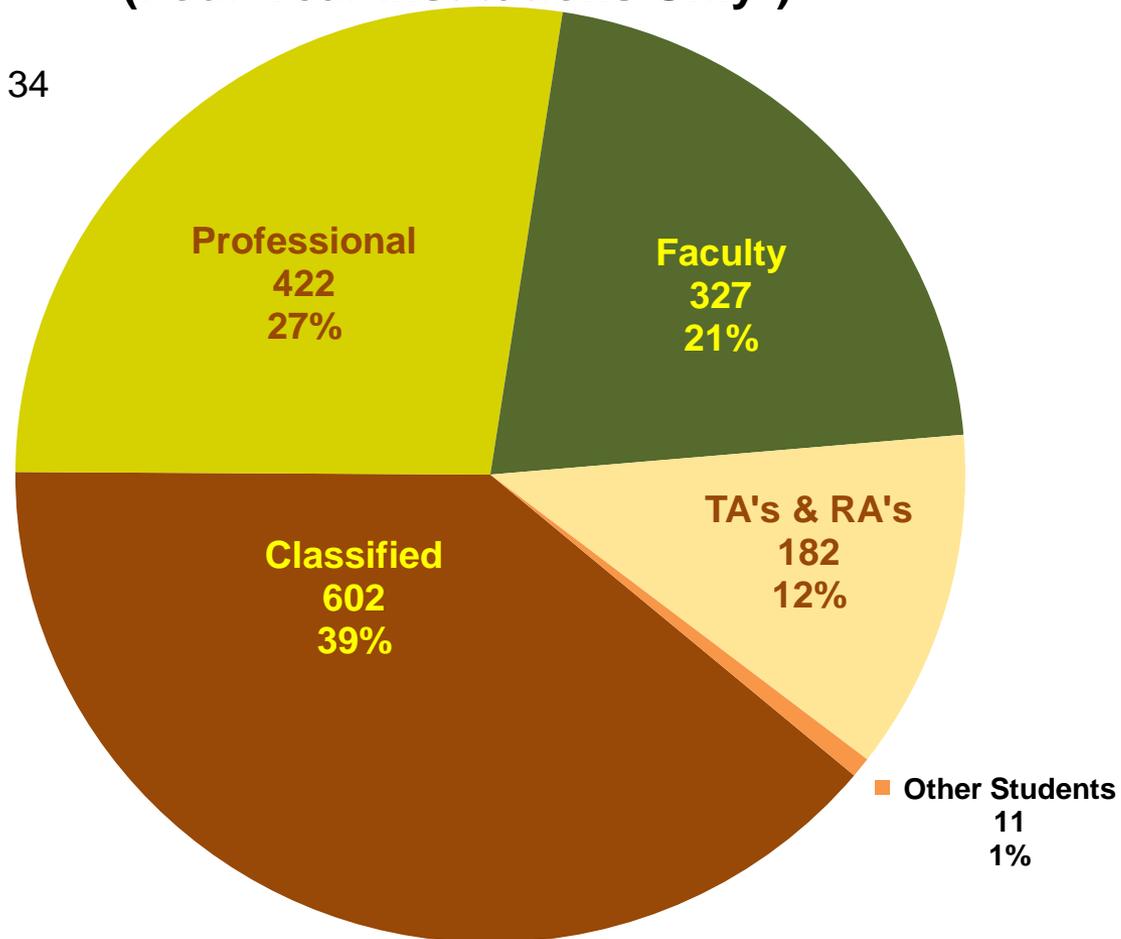
*Comparable data are not available at this time for the 34 community and technical colleges.



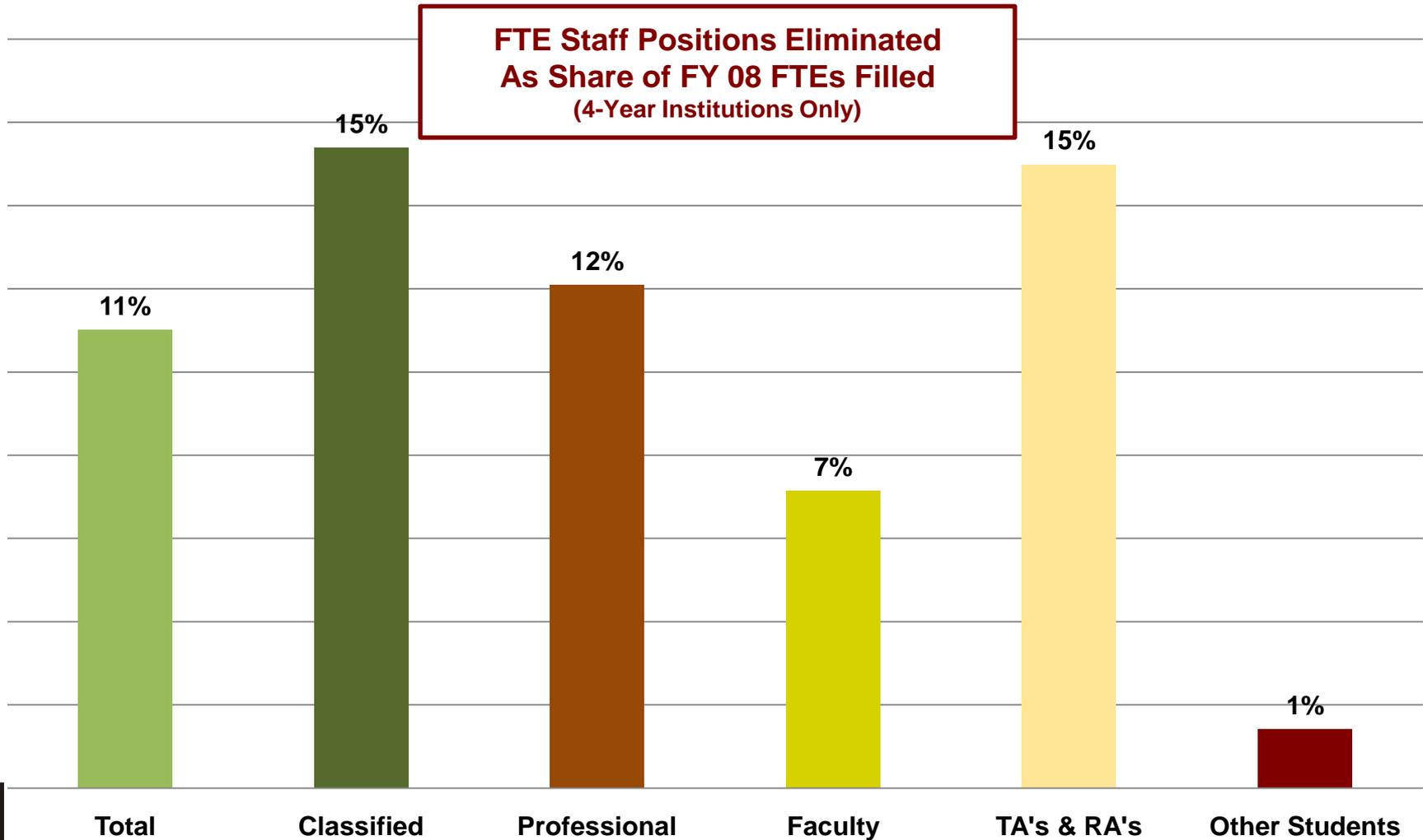
About 2/3's of the positions eliminated are in non-instructional, non-research positions.

Academic Year 2009-10 Staff FTEs Eliminated (Four-Year Institutions Only*)

*Comparable data are not available at this time for the 34 community and technical colleges.



As a percentage of total employees, classified staff and TA's/RA's are being reduced more than faculty positions.



Institutions will discuss student, staff, and institutional impacts of reductions

- **Class sizes**
- **Course availability**
- **Faculty teaching loads**
- **Student advising and support services**
- **Student retention and time-to-degree**
- **Quality of academic instruction**