



May 2011

2011-13 Higher Education Budget Status

Overview

As of the date of this report, the Legislature has not adopted either a 2011-13 State Operating or Capital Budget. Both the House and Senate have adopted their respective operating budget proposals, which will be subject to negotiations by the legislative budget conference committee.

The House Capital Budget Committee and the Senate Ways and Means Committee have adopted their respective capital budget proposals.

This report provides a comparative summary of the House and Senate budget proposals and the budgets proposed by the Higher Education Coordinating Board (HECB) and the Governor.

No Board action is requested.

Context

In November 2010, the HECB adopted its 2011-13 biennium budget recommendations. The Board's operating budget recommendation called for sufficient state funding to support a "survival," or "foundation level" budget. The HECB did not recommend an increase in existing tuition levels, but recognized that tuition increases would be needed if the state fell short of funding the HECB's recommendation.

Additionally, the Board submitted prioritized lists of capital project funding proposals for both the public baccalaureate institutions and the community and technical colleges. The Board did not propose a specific funding level, but recommended that the Governor and Legislature be guided by the project priorities in arriving at their respective budgets.

Highlights of Budget Proposals

Operating Budget

The Governor's, House, and Senate budgets would appropriate fewer state dollars to the public colleges and universities than recommended by the HECB. Specifically, all three proposals would decrease state support by about 20 percent. (Detailed comparisons of the proposals are provided on pages 3-7.)

Additionally, the Governor, House, and Senate all call for increasing tuition *revenue* (18 percent, 20 percent, and 20 percent respectively). The table on the following page shows the proposed tuition *rate* increases associated the additional tuition *revenue* assumed by the Governor, House, and Senate. (The relationship between tuition rate increases and assumed tuition revenue differs between the Governor's, House, and Senate proposals due to different "student mix" assumptions in the application of the increased rates.)

Summary of Tuition Rate Increase Proposals and Assumed Revenue

	Governor		House		Senate	
	Annual Tuition Increase	Assumed Biennial Revenue	Annual Tuition Increase	Assumed Biennial Revenue	Annual Tuition Increase	Assumed Biennial Revenue
UW	11%	\$124,887	13.0%	\$145,306	16.0%	\$129,480
WSU	11%	\$60,031	13.0%	\$69,884	16.0%	\$69,097
CWU	9%	\$14,540	11.5%	\$16,383	14.0%	\$20,423
EWU	9%	\$14,071	11.5%	\$15,816	11.0%	\$16,243
TESC	9%	\$8,733	11.5%	\$11,245	14.0%	\$9,014
WWU	11%	\$23,571	13.0%	\$28,046	16.0%	\$30,107
CTC	11%	\$83,820	11.0%	\$92,459	12.0%	\$102,050
TOTAL		\$329,653		\$379,139		\$376,414

When the *decline* in state funding is combined with *increases* in tuition revenue, each proposal comes close to the HECB's "foundation level" budget recommendation. Specifically, total funding (state funds plus tuition) for the public institutions would be reduced by 5 percent in the Governor's proposal and 4 percent in the House and Senate budgets. But, significant tuition increases account for the close differences.

In that context, *the Governor's, House, and Senate budget proposals have more impact on student/family higher education costs than on institutional operating revenue.*

To mitigate these increased costs to *lower income* students and families, the budget proposals contain the following for financial aid programs.

State Need Grant

The Senate, as with the House and Governor proposals, funds the State Need Grant to hold low income students **served by the program** harmless from tuition increases. The Senate assumes a 3.5 percent annual increase from a new base award for students attending private institutions, both private four-year and private career sectors.

All budget proposals maintain 70 percent MFI as the income standard and the current award pro-rations by MFI category.

It is important to note that the increases in State Need Grant funding proposed by the Governor, Senate, and House do not include funds to provide State Need Grants to the (estimated) 30,000+ students who are currently eligible for grants but are not receiving state financial aid.

State Work Study

The Senate proposal, similar to the Governor's proposal, provides funding for the State Work Study program at reduced levels. The Senate budget assumes the elimination of service to non-resident students, and a significant increase to employer match rates (80 percent for for-profit employers and 48 percent for non-profit employers).

Other Programs

The Senate also provides a commitment to previously selected students in the merit programs (Scholars, WAVE) and conditional scholarships (Future Teachers and Health Professionals).

Other small programs are proposed to be suspended as with previous budget proposals (Community Scholarship Matching Grant, Child Care institutional funding, CAMP grants).

Passport to College maintains funding at 2009-11 levels with both the House and Senate budgets.

In addition to the above budget provisions, the House and Senate budget proposals differ with respect to the HECB. Specifically, the Senate would abolish the HECB and create two new agencies – the Council for Higher Education (\$617 million) and the Office of Student Financial Assistance (\$2.3 million). The House proposal provides \$573 million for the continued operation of the HECB.

Capital Budget

The prioritized lists of capital projects adopted by the HECB are provided at the end of this report. Additionally, the lists show which projects are proposed for funding by the Governor, the House Capital Budget Committee, and the Senate Ways and Means Committee.

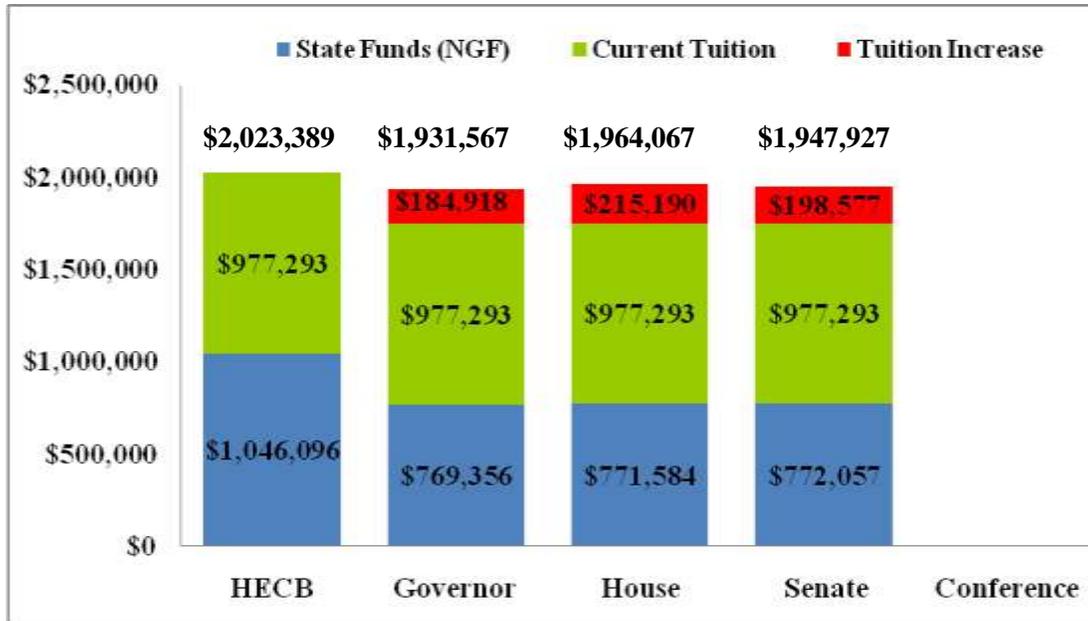
The table below summarizes the total cost of all prioritized projects by sector, and shows the alternative capital funding levels being proposed by the Governor, the House Capital Budget Committee, and the Senate Ways and Means Committee.

2011-13 Higher Education Capital Budgets – Appropriated Funds <i>(\$'s in millions)</i>				
	Total Prioritized Projects	Governor	House Capital Budget Committee	Senate Ways & Means
Baccalaureate Institutions	\$735.9	\$277.0	\$297.9	\$331.8
Community & Technical Colleges	\$572.4	\$198.7	\$331.2	\$238.6
Total	\$1,308.2	\$475.7	\$629.1	\$570.4

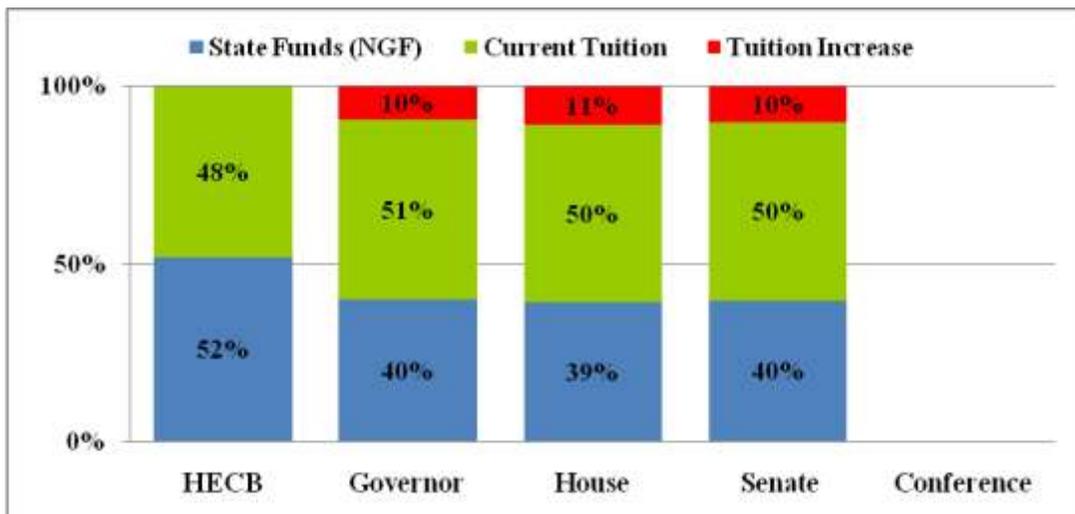
2011-13 Higher Education Budget Proposals

Research Institutions

(Dollars in thousands)



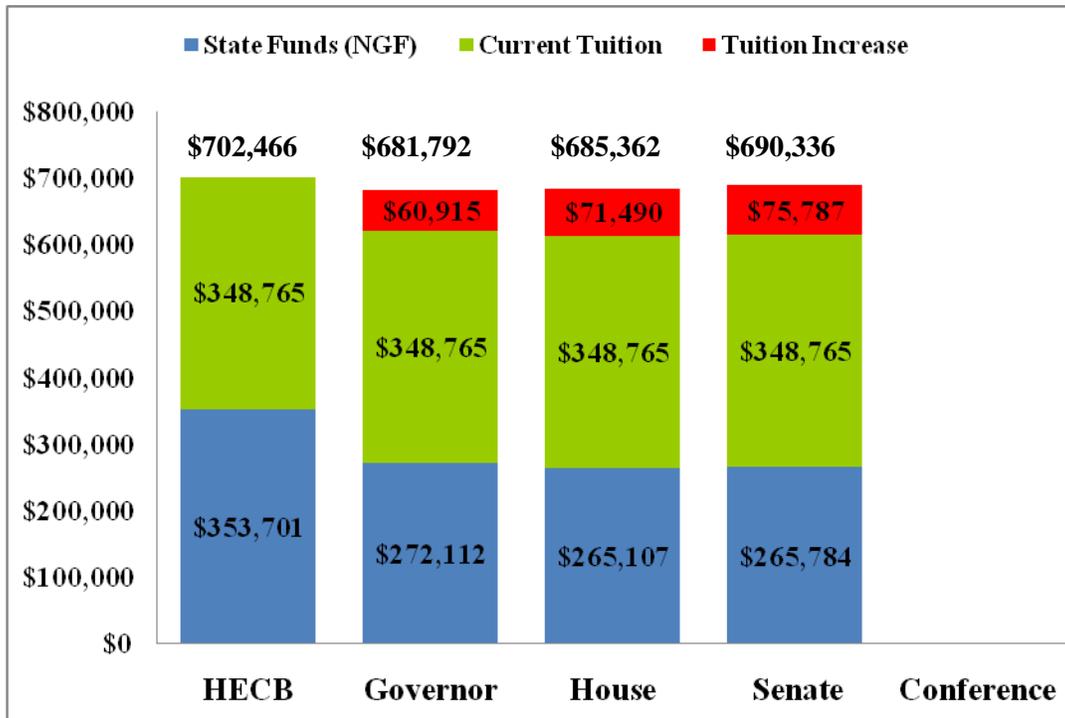
Fund Sources as Percent of Budget Proposals



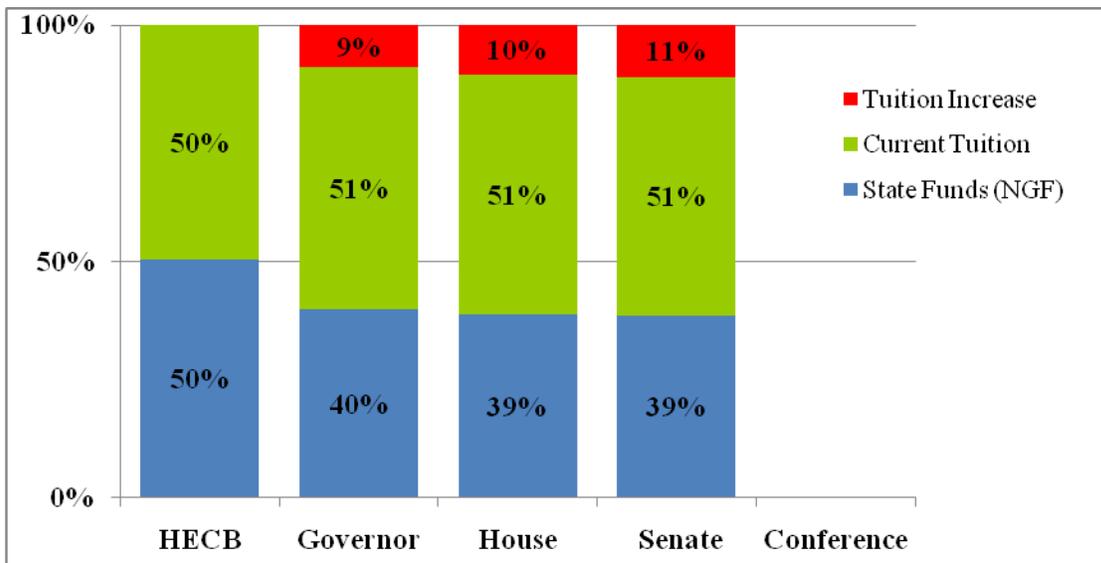
2011-13 Higher Education Budget Proposals

Comprehensive Institutions

(Dollars in thousands)



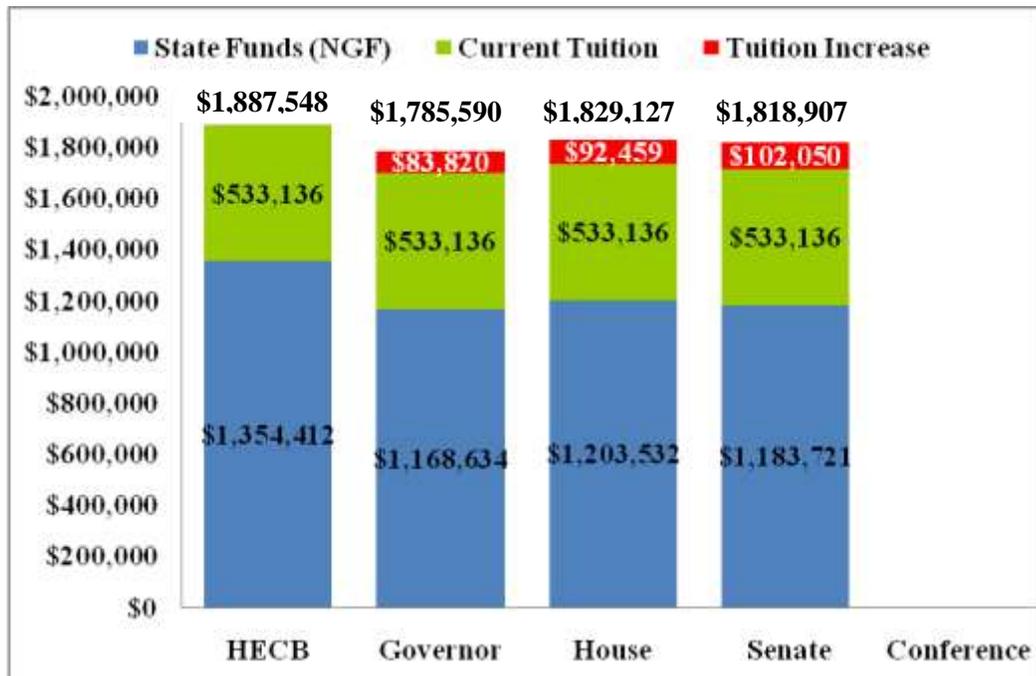
Fund Sources as Percent of Budget Proposals



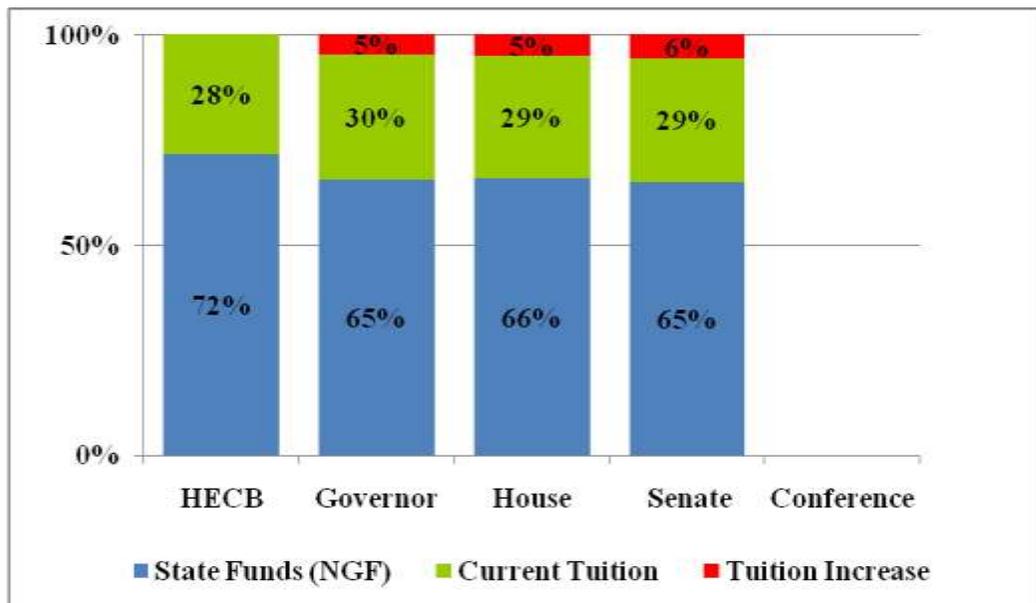
2011-13 Higher Education Budget Proposals

Community and Technical Colleges

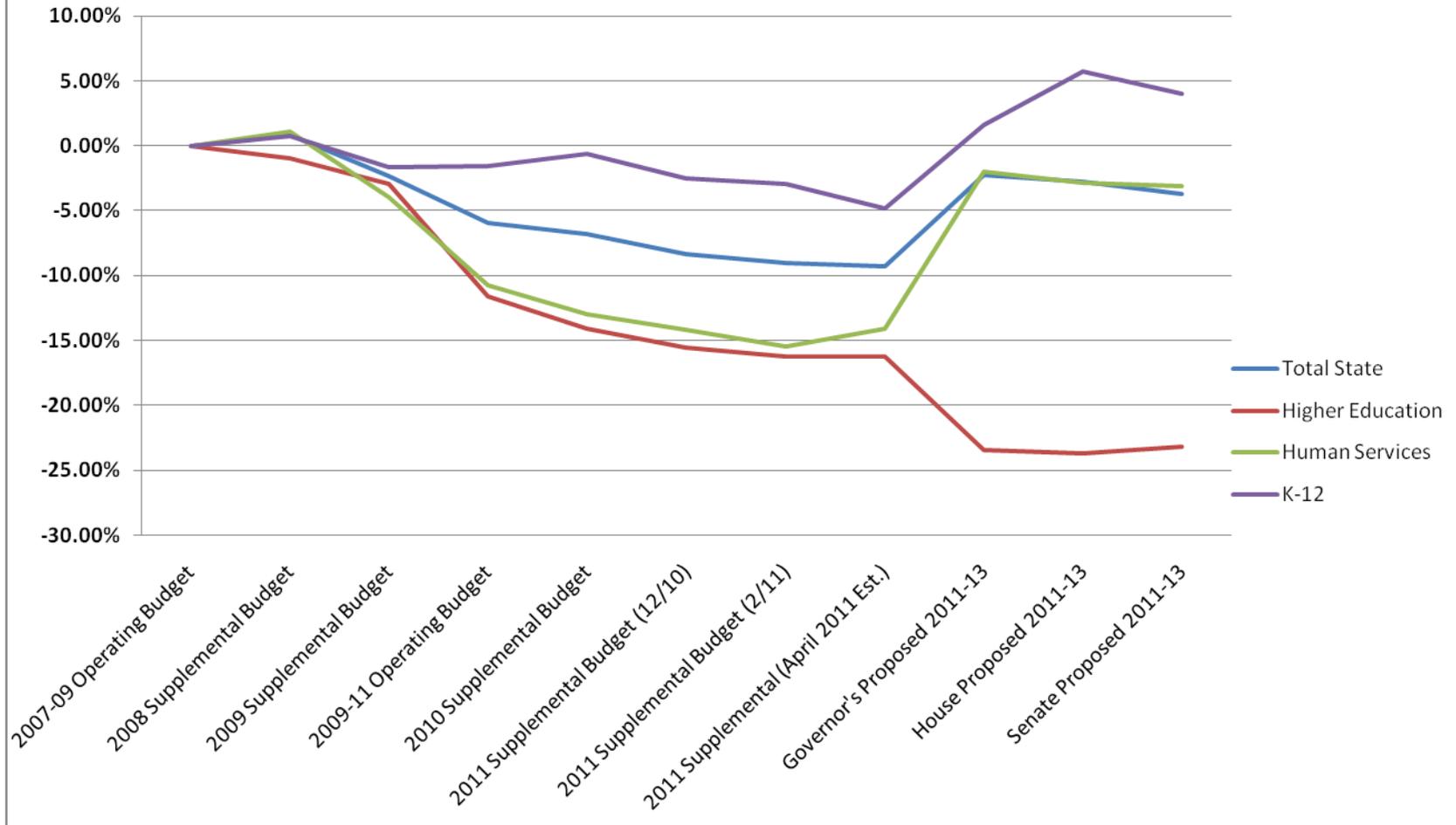
(Dollars in thousands)



Fund Sources as Percent of Budget Proposals



**Major Budget Components by Percent Change
from 2007-09 through 2011-13
(State Near General Fund and Opportunity Pathway Account)**



2011-13 Higher Education Budget Proposals by Institution and Revenue Source

(dollars in thousands)

	2011-13 Maintenance Level			HECB			Governor			House			Senate		
	State (NGF+OPA)	Tuition	Total	State (NGF+OPA)	Tuition Increase	Total (w/Base Tuition)									
University of Washington	\$634,976	\$680,399	\$1,315,375	\$635,750	\$0	\$1,316,149	\$451,436	\$124,887	\$1,256,722	\$454,557	\$145,306	\$1,280,262	\$452,661	\$129,480	\$1,262,540
Washington State University	\$411,836	\$296,894	\$708,730	\$410,346	\$0	\$707,240	\$317,920	\$60,031	\$674,845	\$317,027	\$69,884	\$683,805	\$319,396	\$69,097	\$685,387
Central Washington University	\$93,238	\$88,735	\$181,973	\$91,852	\$0	\$180,587	\$73,250	\$14,540	\$176,525	\$70,163	\$16,383	\$175,281	\$68,349	\$20,423	\$177,507
Eastern Washington University	\$93,840	\$87,260	\$181,100	\$92,695	\$0	\$179,955	\$74,450	\$14,071	\$175,781	\$71,290	\$15,816	\$174,366	\$72,406	\$16,243	\$175,909
The Evergreen State College	\$50,642	\$51,578	\$102,220	\$49,717	\$0	\$101,295	\$39,257	\$8,733	\$99,568	\$37,719	\$11,245	\$100,542	\$38,710	\$9,014	\$99,302
Western Washington University	\$116,873	\$121,192	\$238,065	\$119,437	\$0	\$240,629	\$85,155	\$23,571	\$229,918	\$85,935	\$28,046	\$235,173	\$86,319	\$30,107	\$237,618
Subtotal - Baccalaureate Institutions	\$1,401,405	\$1,326,058	\$2,727,463	\$1,399,797	\$0	\$2,725,855	\$1,041,468	\$245,833	\$2,613,359	\$1,036,691	\$286,680	\$2,649,429	\$1,037,841	\$274,364	\$2,638,263
Community and Technical Colleges	\$1,389,835	\$533,136	\$1,922,971	\$1,354,412	\$0	\$1,887,548	\$1,168,634	\$83,820	\$1,785,590	\$1,203,532	\$92,459	\$1,829,127	\$1,183,721	\$102,050	\$1,818,907
Subtotal - All Public Institutions	\$2,791,240	\$1,859,194	\$4,650,434	\$2,754,209	\$0	\$4,613,403	\$2,210,102	\$329,653	\$4,398,949	\$2,240,223	\$379,139	\$4,478,556	\$2,221,562	\$376,414	\$4,457,170
HECB	\$554,333	\$0	\$554,333	\$587,191	\$0	\$587,191	\$611,639	\$0	\$611,639	\$572,456	\$0	\$572,456	\$0	\$0	\$0
Council for Higher Education	na	na	na	na	na	na	na	na	na	na	na	na	\$2,306	\$0	\$2,306
Office of Student Financial Assistance	na	na	na	na	na	na	na	na	na	na	na	na	\$617,048	\$0	\$617,048
Total - Higher Education	\$3,345,573	\$1,859,194	\$5,204,767	\$3,341,400	\$0	\$5,200,594	\$2,821,741	\$329,653	\$5,010,588	\$2,812,679	\$379,139	\$5,051,012	\$2,840,916	\$376,414	\$5,076,524
Percent Change from Maintenance Level															
(% tuition change includes base tuition)															
<i>Baccalaureate Institutions</i>	na	na	na	-0.1%	0.0%	-0.1%	-25.7%	18.5%	-4.2%	-26.0%	21.6%	-2.9%	-25.9%	20.7%	-3.3%
<i>Community and Technical Colleges</i>	na	na	na	-2.5%	0.0%	-1.8%	-15.9%	15.7%	-7.1%	-13.4%	17.3%	-4.9%	-14.8%	19.1%	-5.4%
<i>All Public Institutions</i>	na	na	na	-1.3%	0.0%	-0.8%	-20.8%	17.7%	-5.4%	-19.7%	20.4%	-3.7%	-20.4%	20.2%	-4.2%
<i>Total Higher Education</i>	na	na	na	-0.1%	0.0%	-0.1%	-15.7%	17.7%	-3.7%	-15.9%	20.4%	-3.0%	-15.1%	20.2%	-2.5%

2011-13 Capital Projects: Four-Year Institutions					
(appropriated funds)					
		HECB	Governor	House Capital Committee	Senate Ways and Means
Preventative Facility Maintenance- All Campuses		\$45,000,000	\$44,953,000	\$44,953,000	\$44,953,000
Minor Repairs - All Campuses		\$116,000,000	\$97,126,000	\$102,757,000	\$98,765,000
Minor Works Program - All Campuses		\$45,000,000	\$0	\$0	\$0
Construction Phase Projects (not ranked)					
UW	UW Bothell Phase 3	\$62,850,000	\$0	\$0	
EWU	Patterson Hall Remodel Ph 2 Construction	\$34,800,000	\$38,630,000	\$30,500,000	\$30,500,000
TESC	Communications Laboratory Building	\$10,679,000	\$10,777,000	\$10,777,000	\$9,160,000
UW	Denny Hall Renovation	\$54,615,000	\$0	\$0	
UW	Lewis Hall Renovation	\$23,130,000	\$0	\$0	
WSU	Riverpoint	\$70,775,000	\$0	\$35,000,000	\$60,159,000
Renovation and Replacement "A"					
WWU	Carver Academic Renovation	\$6,784,000			\$6,784,000
EWU	Science I Replacement	\$3,000,000			
UW	Anderson Hall Renovation	\$2,500,000		\$2,500,000	\$2,500,000
CWU	Samuelson Union Building	\$35,862,000		\$5,000,000	\$30,448,000
TESC	Science Lab 1 Modernization (2nd Flr)	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000
WSU	Fulmer Hall Partial Renovation	\$8,200,000	\$8,200,000		\$8,200,000
Institutional Capacity					
WSU	Clean Technology Laboratory	\$5,800,000		\$2,500,000	
CWU	Science Phase II	\$3,500,000		\$3,500,000	\$2,000,000
UW	House of Knowledge	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
WWU	Academic Services & Performing Arts	\$350,000		\$350,000	
Infrastructure "A"					
EWU	Campus Water System	\$7,511,000	\$7,511,000		
WSU	Infrastructure - Bridge Replacement	\$2,500,000	\$2,500,000	\$2,500,000	
UW	High Voltage Improvement	\$4,850,000	\$4,850,000	\$4,850,000	\$4,850,000
CWU	Combined Utilities	\$8,000,000	\$8,000,000	\$8,000,000	
WWU	North Campus Utility Upgrade	\$3,529,000		\$3,529,000	
TESC	Alternative Energy Project	\$10,000,000			
Renovation and Replacement "B"					
WWU	Classroom & Lab Upgrades	\$4,799,000	\$4,799,000	\$4,799,000	\$4,799,000
UW	Odegard Library Renovation	\$19,570,000	\$19,570,000	\$19,500,000	\$16,575,000
WSU	Troy Hall Renovation	\$1,800,000			
CWU	Business Continuity and Disaster Recover Data Center	\$3,000,000			
TESC	Lecture Hall Renovation	\$300,000		\$300,000	
Institutional Capacity "B"					
WSU	Global Animal Health Building Phase II	\$5,300,000			
CWU	Nutrition, Exercise, Health Science Facility	\$300,000		\$300,000	
Infrastructure "B"					
CWU	Biomass CHP	\$8,000,000			
WWU	Performing Arts Exterior Renewal	\$2,877,000		\$2,877,000	
WWU	Wireless Network Upgrade	\$4,947,000			
Land Acquisition					
TESC	Tacoma Campus Acquisition	\$11,000,000			
UW	UWT Land Acquisition/Remediation	\$5,000,000			
WWU	Land Acquisition - Waterfront	\$7,597,000			
Renovation and Replacement "C"					
WWU	Fraser Hall Renovation	\$4,480,000	\$4,480,000	\$4,480,000	\$4,480,000
WSU	Mt. Vernon Plant Growth/Eq Story/Repair	\$4,900,000			
CWU	Peterson Hall Replacement	\$4,500,000			
WSU	Design Disciplines Facility	\$18,000,000	\$18,000,000	\$1,000,000	
UW	Burke Museum Renovation	\$5,000,000			
CWU	Brooks Library Renovation	\$4,897,000			
WSU	Washington Building 3rd Floor Renovation	\$4,390,000			
WSU	Vancouver Library 2nd Floor Conversion	\$4,600,000			
WSU	Riverpoint S. Campus Facility Ph 2	\$4,075,000			
CWU	Health Center Remodel	\$4,900,000			
CWU	Psychology Renovation	\$4,900,000			
CWU	Randall Michaelson Remodel	\$4,900,000			
UW	Miller Hall Renovation	\$4,000,000			
Institutional Capacity "C"					
WSU	Prosser -Agric Tech Bldg Addition	\$2,500,000			
WSU	Prosser Viticulture/Enology Facility	\$3,500,000			
WSU	College of Agriculture's Dairy Research/Teaching Milkir	\$8,300,000			
WSU	Plant Sciences	\$250,000			
WSU	Wenatchee Fruit Quality & Integrated Pest Mgt Facility	\$140,000			
WSU	Agricultural Animal Health Research Facility	\$250,000		\$250,000	
	Total	\$735,857,000	\$277,046,000	\$297,872,000	\$331,823,000

2011-13 Capital Projects: Community and Technical Colleges							
(appropriated funds)							
Priority	Category	College	Project	HECB Priority Rank	Governor	House Capital Committee	Senate Ways and Means
1	Statewide	Statewide	Emergency Repairs and Improvements	\$16,000,000	\$17,000,000	\$16,001,000	\$16,001,000
2	Statewide	Statewide	Roof Repairs	\$9,125,291	\$9,125,291	\$9,125,000	\$9,125,000
3	Statewide	Statewide	Facility Repairs	\$15,828,821	\$15,828,821	\$15,829,000	\$15,829,000
4	Statewide	Statewide	Site Repairs	\$5,045,888	\$5,045,888	\$5,045,000	\$5,045,000
5	Matching Fund Projects	Peninsula	Fort Worden Education Center	\$2,000,000	\$0	\$2,000,000	\$2,000,000
6	Matching Fund Projects	Spokane Falls	Stadium and Athletic Fields	\$758,000	\$0	\$758,000	
7	Matching Fund Projects	Lower Columbia	Mykleburst Gymnasium	\$2,000,000	\$0	\$2,000,000	
8	Statewide	Statewide	Minor Program Improvements	\$20,000,000	\$0	\$20,002,000	\$20,000,000
9	Growth	Spokane Falls	Campus Classrooms	\$20,761,000	\$0	\$20,761,000	\$17,647,000
10	Growth	South Puget Sound	Learning Resource Center	\$35,525,411	\$0	\$35,525,000	\$30,196,000
11	Growth	Clover Park	Allied Health Care Facility	\$24,360,000	\$0	\$24,360,000	\$20,706,000
12	Replacement	Everett	Index Hall Replacement	\$37,633,000	\$37,633,000	\$37,633,000	\$31,988,000
13	Renovation	Green River	Science, Math, and Technology Building	\$21,838,000	\$21,838,000	\$21,838,000	\$18,562,000
14	Replacement	Skagit Valley	Academic and Student Services Building	\$29,494,000	\$29,494,000	\$29,494,000	\$25,070,000
15	Replacement	Lower Columbia	Health and Science Building	\$37,701,000	\$37,701,000	\$37,701,000	
16	Replacement	Olympic	College Instruction Center	\$3,369,203	\$0	\$3,369,000	
17	Renovation	North Seattle	Technology Building Renewal	\$20,861,000	\$20,861,000	\$23,278,000	
18	Growth	Tacoma	Health Careers Center	\$38,819,000	\$0		
19	Replacement	Centralia	Student Services	\$4,138,456	\$4,138,456		
20	Growth	Bellevue	Health Science Building	\$37,948,757	\$0		
21	Growth	Columbia Basin	Social Science Center	\$1,106,359	\$0		
22	Replacement	Peninsula	Allied Health and Early Childhood Dev C	\$1,696,496	\$0		
23	Replacement	Grays Harbor	Science and Math Building	\$43,614,000	\$0		
24	Replacement	South Seattle	Cascade Court	\$2,303,853	\$0		
25	Renovation	Renton	Automotive Complex Renovation	\$1,770,611	\$0		
26	Growth	Edmonds	Science Engineering Technology Bldg	\$8,375,751	\$0		
27	Replacement	Seattle Central	Seattle Maritime Academy	\$16,923,000	\$0		
28	Replacement	Yakima Valley	Palmer Martin Building	\$20,589,000	\$0		
29	Replacement	Green River	Trades and Industry Building	\$29,989,616	\$0		
30	Growth	Whatcom	Learning Commons	\$1,622,763	\$0		
31	Growth	Bates	Mohler Communications Technology Ce	\$22,325,000	\$0		
32	Growth	Clark	Health and Advanced Technologies Bul	\$38,828,000	\$0		
			Prev. Maintenance & Repairs	\$0	\$0	\$22,800,000	\$22,800,000
		Bellingham Tech.	Fisheries			\$2,000,000	\$2,000,000
		Wenatchee Valley	Music and Arts Center			\$1,689,000	\$1,600,000
			Total	\$572,351,276	\$198,665,456	\$331,208,000	\$238,569,000