



2011- 13 Budget Overview for the Higher Education Coordinating Board October 20, 2010

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Current Funding Environment for Higher Education in Washington

- Support for students seeking higher education is the largest part of our state's *discretionary* budget
- When there is a revenue shortfall, higher education has very little protection
- There is a misconception that students can cover a loss of state funds if institutions “just raise tuition”
- The number of students demanding higher education continues to increase, even after significant tuition increases

Net Annual State Reductions by Year for WSU

(After incremental tuition revenue increase of \$42M for the 09- 11 biennium)

| | \$ | % |
|-------|-------|-------|
| FY 09 | 10.5M | 4% |
| FY 10 | 27.0M | 10% |
| FY 11 | 24.7M | 12% |
| FY 12 | ?M | ~10%? |

As a result of FY2011 reductions, annual state funding support of students at WSU has reverted to the FY2000 level. Yet we serve 4,519 more AAFTE in the system now than in 2000.

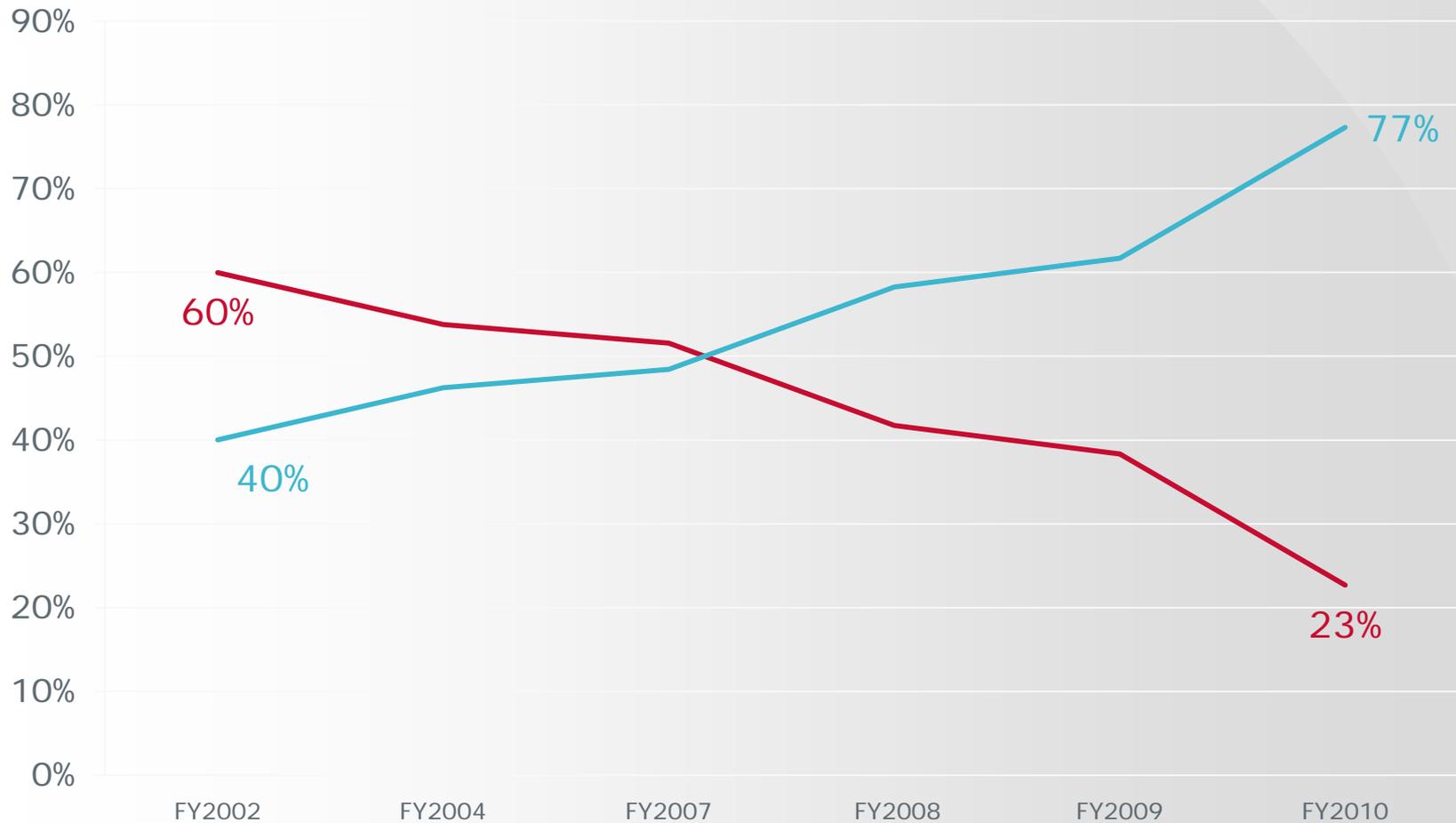
Annual Reductions of this Magnitude are Significant and Cannot be Sustained

- Over 170 students are impacted per \$1M reduction in state general funds
- Annual reductions of this level exceed the budget for any single academic college and related degree programs
- Annual reductions of this level exceed the entire budget for any single student support area at WSU
- Annual reductions of this level exceed the total budget for 2 of 4 WSU campuses
- 85% of state and tuition funds support employees; over 15 positions are impacted per \$1M reduction in state general funds

State Support of Instruction

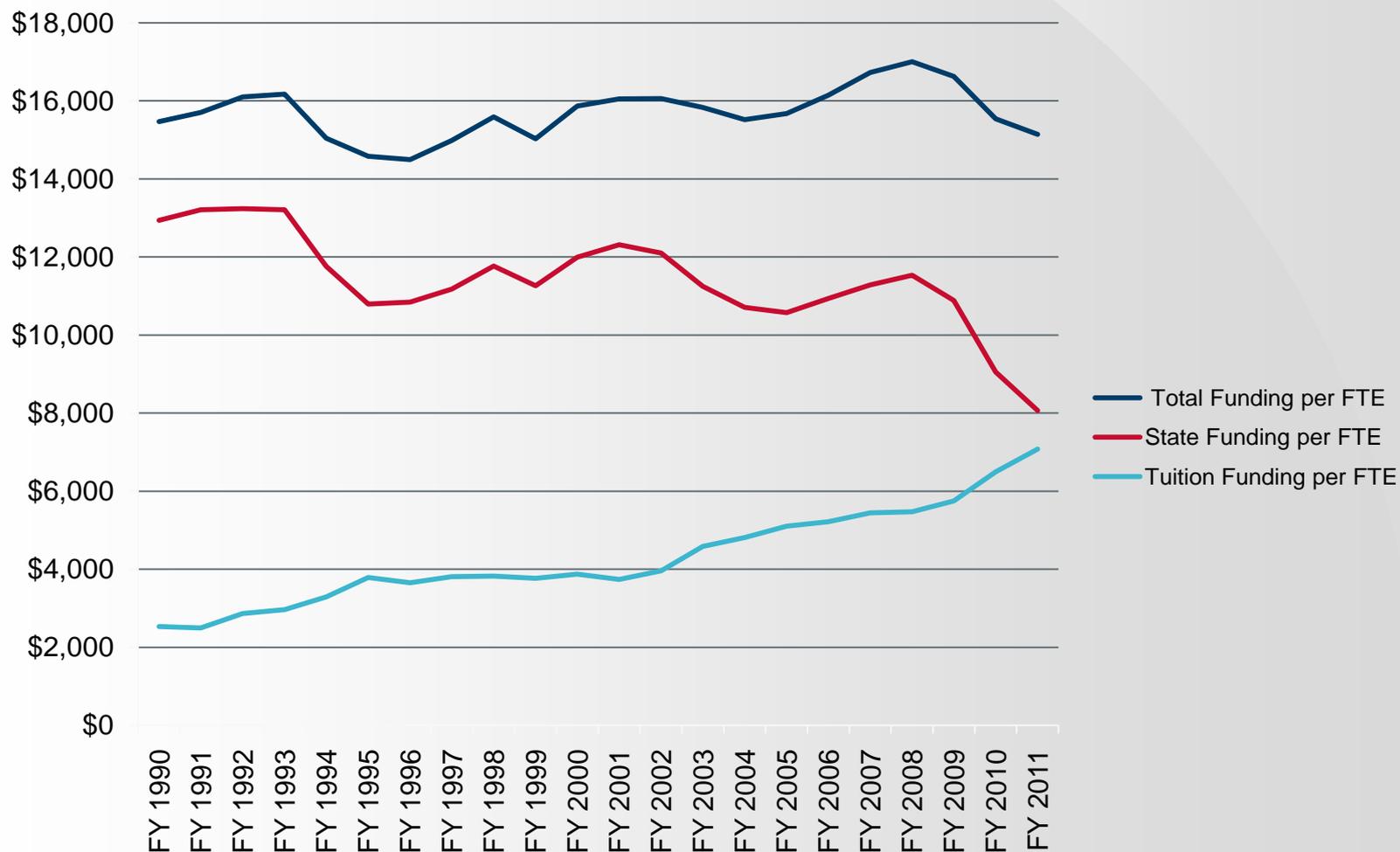
Per Resident Undergraduate Student FTE
(total cost of instruction, HECB)

— State Support — Tuition Support



Overall Cost Continues to Shift

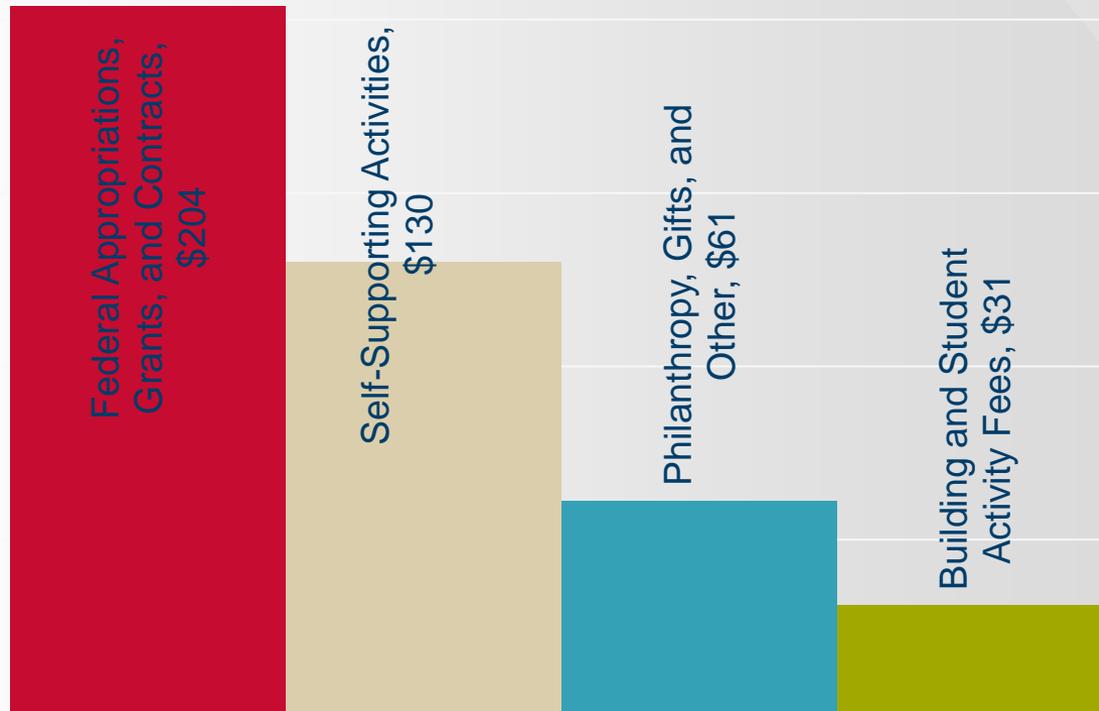
(Includes State Funded Research and Service Expenditures in 2010 Dollars)



State Funding Supports the Core Instructional Mission at WSU

(In millions)

FY2011 Pro forma



State Funds: \$184 | Operating Tuition: \$174

2009- 11 Reductions WSU's Guiding Principles

- Everything is on the table
- Protect people to the extent possible
- Maintain student access without compromising quality
- Emerge from the financial crisis as a stronger institution and as quickly as possible
- Strategic priorities should guide the decisions
- Decisions should be mission-driven
- Diversify financial resources where possible and increase efficiency and productivity

2009- 11 Reductions WSU's Decision Criteria

- Focus on the role of the land-grant research university
- Enable the creation of new discoveries (both basic and applied)
- Move toward AAU status
- Sustain excellence

2009- 11 Reductions WSU's Difficult Decisions

- Approximately 170 students are impacted per \$1M reduction
- Over 85% of state and tuition funds support employees; over 15 positions are impacted per \$1M reduction
- Reduced degree program offerings and services
- Consolidation of departmental activities/services
- Program elimination
- Slowed hiring and cannibalized vacant positions

Likely results: (1) Impact on future access; (2) Longer time to degree completion; (3) Narrowed options for our students.

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