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## HIGHER EDUCATION: STATE FUNDING DOWN, TUITION UP

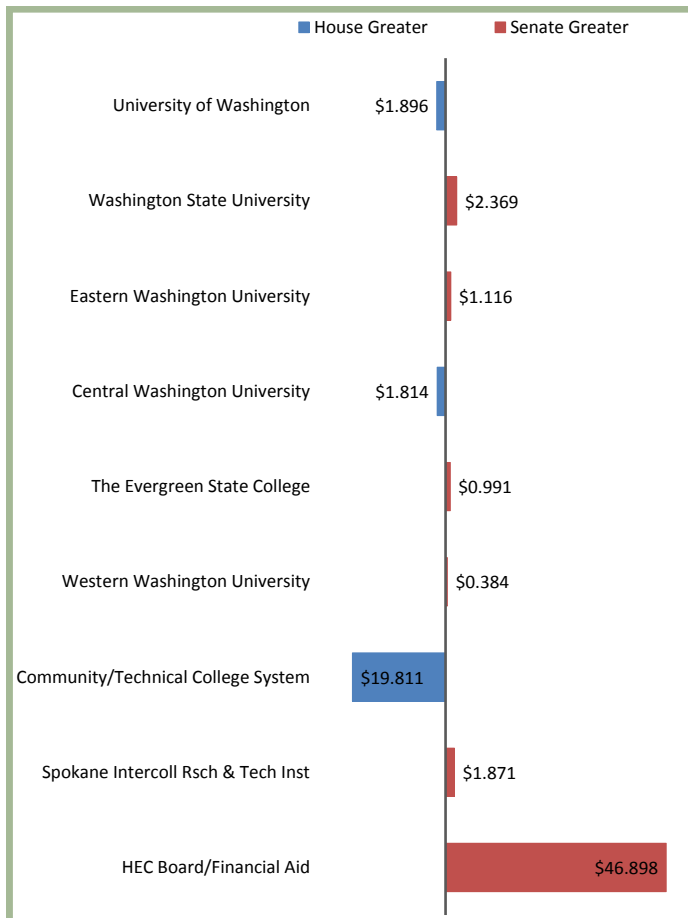
### BRIEFLY

Under the House budget, NGFS+ funding for higher education would be \$2.81 billion, while under the Senate budget it would be \$2.84 billion. Either amount would be 20.5 percent less than the \$3.58 billion budgeted for 2007–09, which was the peak biennium for higher education funding.

Under the House budget, funding for higher education from the NGFS+ accounts (the General Fund–State, Education Legacy Trust and Washington Opportunity Pathways accounts) would be \$2.81 billion, while under the Senate budget it would be \$30 million more, \$2.84 billion. Either amount would be 8 percent less than the \$3.09 billion budgeted for the current biennium and 20.5 percent less than the \$3.58 billion budgeted for 2007–09, which was the peak biennium for higher education funding.

### Direct Support to Institutions

Chart 1: House and Senate Higher Education Spending Differences (Dollars in Millions)



The Senate would provide slightly more than the House to the six four-year institutions, \$1,037.8 million versus \$1,036.7 million. Either of these amounts would be 39 percent less than the \$1,700.1 million the institutions received in 2007–09, the peak biennium. As Chart 1 shows, the House would provide greater funding than the Senate for the University of Washington (UW) and Central Washington University (CWU). The Senate would provide greater funding than the House for Washington State University (WSU), Eastern Washington University (EWU), The Evergreen State College (TESC) and Western Washington University (WWU).

Within the overall reduction in appropriations to the four-year institutions, the House would provide a total of \$1.4 million to support 25 additional enrollments at each school in science, technology, engineering and math (STEM) fields; \$1.5 million for tutoring and counseling for low-income students at CWU, EWU and TESC; and \$109,000 to WSU to support 25 full-time enrollments at the Everett University Center. Under the Senate budget, UW would receive \$287,000 for ongoing management of the Washington Park Arboretum, and UW and WSU together would receive \$1.5 million for the Washington/Wyoming/Alaska/Montana/Idaho Medical Education Program.

The House would provide \$1,203.5 million to the community and technical colleges, while the Senate would provide \$19.8 million less, \$1,183.7 million. These amounts represent reductions of 13.4 percent and 14.8 percent, respectively, from the \$1,401.7 budgeted for community and technical colleges in 2007–09, the peak biennium.

Both budgets suspend Initiative 732 cost-of-living adjustments for the 2011–13 biennium and postpone scheduled catch-ups for the cola-missed in the 2009–11, saving \$29.1 million.

Within the overall reduction in appropriations to the community and technical colleges, the House would provide \$7.5 million for a performance in-

centive system that would reward colleges for increasing student achievement levels. The Senate would provide \$15 million for 1,617 slots in worker retraining programs.

**Tuition**

For academic years 2003–04 through 2008–09, legislation enacted in 2003 (ESSB 5448) granted governing boards of the four-year institutions and the State Board for Community and Technical Colleges full authority to set tuition rates for all students other than resident undergraduates. The legislature retained authority to increase or decrease resident undergraduate tuition rates

Table 1: Annual Increases in Resident Undergraduate Tuition Rates, House and Senate Budgets

	House	Senate
University of Washington	13%	16%
Washington State University	13%	16%
Western Washington University	13%	16%
Central Washington University	11.5%	14%
The Evergreen State College	11.5%	14%
Eastern Washington University	11.5%	11%
Community & Technical Colleges	11%	12%
Additional Revenue (millions of \$)		
Per House W&M Committee	\$379.1	
Per Senate W&M Committee	\$304.7	\$376.4

through the omnibus operating budget bill. Legislation enacted in 2009 (SSB 5734) extended this arrangement for an additional four years (through the 2012–13 academic year).

Resident undergraduate tuition rates are much lower than nonresident undergraduate rates. For example, the annual cost for a full-time resident undergraduate this year at the University of Washington is \$8,701, while that for a full-time nonresident undergraduate is \$25,329. (The complete tuition schedule is at <http://www.uw.edu/admin/pb/home/pdf/tuition/2010-11-tf-annual.pdf>) At the community colleges the annual cost for a resident taking 15 credits per quarter is \$3,135; for a nonresident, the annual cost is \$8,370.

Both budgets would provide large increases in tuition rates for resident undergraduate students. The House budget includes tuition increases ranging from 11 to 13 percent for resident undergraduates (see Table 1) and assumes that the institutions will impose the same percentage increase for other students. House Ways and Means Committee staff project that tuition rate increases would increase revenue by \$379.1 million.

The Senate budget includes tuition rate increases ranging from 11 percent to 16 percent for resident undergraduate students. However, Senate Ways and Means Committee staff believe that the schools would not be able to impose large percentage increases on out-of-state students, for whom tuition rates are set in competition with out-of-state schools. We agree. Assuming smaller increases for the tuition rates controlled by the institutions, Senate Ways and Means Committee staff project that the tuition increases in the Senate budget would increase revenue by \$376.4 million, while the House-proposed increases would provide only \$304.7 million.

The Senate budget assumes the enactment of SB 5924, which requires non-needy high school students enrolled in colleges through the Running Start program to pay tuition at 10 percent of the resident undergraduate rate. Running Start tuition is expected to generate \$7.5 million in additional tuition revenue.

**Higher Education Coordinating Board**

NGFS+ maintenance level spending for programs of the Higher Education Coordinating Board (HEC Board) is estimated to be \$554.3 million. Of this, \$548.9 million is for the HEC Board’s financial aid programs, and \$5.4 million is for the HEC Boards research and coordination activities. The House would budget \$572.5 million in funding to the HEC Board. Of this, \$3.6 million is for research and coordination.

The Senate budget assumes enactment of SSSB 5182, which eliminates the HEC Board and creates two new entities: the Office of Student Financial Assis-

tance, which inherits the HEC Board’s financial aid programs, and the Council for Higher Education, which inherits all other HEC Board programs. The Senate budget would provide \$617.0 million for the Office of Student Financial Assistance and \$2.3 million for the Council for Higher Education.

*Financial Aid.* The House budget would add \$19.9 million net to spending for financial aid programs, while the Senate would add \$68.1 million net. The major addition to funding for the House is \$103.1 million to offset the cost to State Need Grant recipients of higher tuition. The Senate would provide \$124.4 million for this purpose. The House would suspend the State Work Study program, saving \$45.0 million; the Senate would reduce funding for Work Study by \$23.7 million. Both budgets would suspend new awards for the Health Professionals and Future Teachers conditional scholarship programs, the Washington Scholars program, and the Washington Award for Vocational Excellence program, saving about \$12.8 million. The House would reduce State Need Grant funding for students at private schools by \$24.3 million, while the Senate would reduce it by \$14.2 million. (\$5 million of the House savings comes from eliminating grants to students at for-profit schools.)

**SIRTI**

For the current biennium, funding for the Spokane Intercollegiate Research and Technology Institute (SIRTI) is \$2.9 million. The House budget would provide \$1.0 million for SIRTI. The Senate budget assumes enactment of SSB 5764, which merges SIRTI and the Washington Technology Center to create a new agency called Innovate Washington. Of the \$7.1 million provided to Innovate Washington in the Senate budget, \$2.9 million is to continue SIRTI programs.

**Discussion**

Chart 2 shows trends in higher education funding since the 1999–01 biennium. (We show the Senate numbers for 2011–13 and not the House numbers because of the non-resident tuition issue.)

During the 1999–01 biennium, institutions received \$2.87 in direct appropriations from the state for every tuition dollar they received. In the 2011–13 biennium, under the Senate budget, the ratio would be \$0.94 in direct appropriations for each tuition dollar. Some of the tuition dollars are derived from financial aid, of course. The amount that the Senate budgets for financial aid in 2011–13 is 2.6 times the amount budgeted in 1999–01. In 1999–01, HEC Board

programs received 10 cents for each dollar directly provided to the institutions. For 2011–13, under the Senate budget, HEC Board programs would get 28 cents for each dollar appropriated directly to the institutions.

Chart 2: Higher Education Trends, (Dollars in Billions)

