

2009-11 BUDGET IN BRIEF
Key Provisions of the Higher Education Operating Budget – HECB 3/31/09

	Senate	House	Conference
Status:	(Chair)	(Chair)	
Total State Budget (Near General Fund)	<p>Appropriates a total of \$31.3 billion.</p> <p>This amount is about \$2.1 billion (or 6.3%) less than the initially adopted 2007-09 budget, and \$1.3 billion less than the revised 2007-09 budget.</p> <p>The proposal would be \$5.7 billion less than the “maintenance level” of the revised 2007-09 budget.</p>	<p>Appropriates a total of \$31.4 billion.</p> <p>This amount is about \$2.0 billion (or 5.9%) less than the initially adopted 2007-09 budget, and \$1.2 billion less than the revised 2007-09 budget.</p> <p>The proposal would be \$5.6 billion less than the “maintenance level” of the revised 2007-09 budget.</p>	
Higher Education Appropriations (Near General Fund)	<p>Appropriates a total of \$3.3 billion. This represents 10.5% of the total (NGF) state budget proposal. In the initially adopted 2007-09 budget, higher education was about 11.1% of the total budget.</p> <p>The proposed higher education budget is about \$411 million (or 11.1%) less than the initially adopted 2007-09 budget, and \$303 million less than the revised higher education budget 2007-09 budget.</p> <p>The proposal would be \$598 million less than the “maintenance level” of the revised higher education 2007-09 budget without tuition revenues.</p>	<p>Appropriates a total of \$3.1 billion. This represents 9.8% of the total (NGF) state budget proposal. In the initially adopted 2007-09 budget, higher education was about 11.1% of the total budget.</p> <p>The proposed higher education budget is about \$595 million (or 16.1%) less than the initially adopted 2007-09 budget, and \$487 million less than the revised higher education budget 2007-09 budget.</p> <p>The proposal would be \$782 million less than the “maintenance level” of the revised higher education 2007-09 budget without tuition revenues.</p>	

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Enrollment	<p>Research – 59,271 FTE. Decrease of 1,505 FTE (-2.5%).</p> <p>Regional and TESC – 32,660 FTE. Decrease of 2,234 FTE (-6.4%).</p> <p>CTC – 139,737 FTE. Increase of 500 FTE (0.3%).</p> <p>Hold constant and endeavor to expand high-demand programs.</p>	<p>Holds enrollment at 2008-09 level.</p> <p>Research – 60,776 FTE. Regional and TESC – 34,894 FTE.</p> <p>CTC – 139,237 FTE.</p> <p>Specifies minimum level of high-demand graduates.</p>	
Tuition	<p>Public Baccalaureate Institutions – 7% annually for resident undergraduates.</p> <p>CTC – 5% annually for resident undergraduates; 7% for Applied Baccalaureate.</p> <p>Institution discretion for all other students. Explicit authority for other fee increases including S&A.</p> <p>After accounting for anticipated tuition increases, the community and technical colleges will have about 7% less revenue than this year, and the public four-year universities will have about 11% less.</p>	<p>Public Baccalaureate Institutions – 10% annually for resident undergraduates.</p> <p>CTC – 7% annually for resident undergraduates, including Applied Baccalaureate.</p> <p>Institution discretion for all other students. Explicit authority for other fee increases including S&A.</p> <p>After accounting for anticipated tuition increases, the community and technical colleges will have about 11% less revenue than this year, and the public four-year universities will have about 15% less.</p>	

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<p>Financial Aid</p> <p><i>State Need Grant (SNG)</i></p>	<p>Total SNG is \$418.8 million for the biennium. This is about a \$28.8 million increase over carryforward.</p> <p>The Senate assumes the Board’s calculation that about \$9.7 million of the Pell increase from the federal stimulus package is available to be applied toward the state’s SNG obligation.</p> <p>The maximum service level is maintained at the 2008-09 level - 70% MFI.</p> <p>Other SNG award amounts generally follow the Board’s policy with the exception of awards for private four-year college students. Those awards remain unchanged from 2008-09 levels.</p> <p>\$500,000 per year continues to be appropriated for the less-than-half-time pilot project.</p>	<p>Total SNG is \$421.2 million for the biennium. This is about a \$31.2 million increase over carryforward.</p> <p>Assumes the same Pell-stimulus fund impact on State Need Grant funding.</p> <p>Service Level = 70% MFI</p> <p><u>Award amounts are prorated lower than Board policy</u> for students with incomes >50% MFI.</p> <p>Board policy provides awards equal to 75% of the maximum.</p> <p>House budget awards :</p> <p>51%-55% MFI = 70% of max. 56%-60% MFI = 65% of max. 61%-65% MFI = 60% of max 66%-70% MFI = 50%</p> <p>\$500,000/year for <1/2x pilot</p>	

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Financial Aid <i>(continued)</i>			
State Work Study <i>(SWS)</i>	SWS realizes a \$1.47 million biennial increase. This is less than the \$3.7 million amount that would otherwise have been expected. The reduction is due in part to the federal stimulus package increase to the Federal Work Study program of about \$3.3 million for the biennium.	SWS increase = \$2.34 million for the biennium.	
Washington Scholar	Selection of new Washington Scholar recipients is suspended beyond the class of 2009.	New selections are suspended for 2010. All awards prorated at 90% of public sector tuition.	
College Bound Scholarship	College Bound Scholarship pre-payments are suspended. Although the budget notes state that the state's commitment to the program is "guaranteed." It goes on to say that it "...will be fulfilled and is not dependent upon nor diminished by this action."	Contributes a \$7.4 million prepayment toward the account.	
Opportunity Internships	\$100,000 are provided solely to administer sections 8 and 9 of SSHB 1355 (Opportunity Internships). If the bill is not enacted by June 30, 2009, these amounts will lapse.		

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Financial Aid (continued)		<p><u>Provides funding for House Bills 1355, 1986, and 2021, if passed.</u> These activities include SFA “rebranding,” SWS high-demand priority, and the SNG-related function of the “Opportunity Internship Program.”</p>	
<p>Other Key Provisions</p> <p><i>American Recovery and Reinvestment Act (Title XIV)t</i></p>	<p>The Senate assumes \$99.5 million in Title XIV from the American Recovery and Reinvestment Act for higher education. This amount would be used to avoid or mitigate additional tuition increases at the public universities and colleges.</p> <p>Specifically, without these federal funds, authority is granted to the governing boards to increase tuition at the four-year institutions by an additional 7%, up to 14% per year, and an additional 5% per year at the community and technical colleges, up to 10% per year.</p>	<p>The House budget assumes \$110 million from the American Recovery and Reinvestment Act for higher education (Title XIV). The use of these funds is not prescribed by the budget.</p> <p>Tuition is independent of federal stimulus money in the House budget. To the extent this funding is available, it would offset some of the reductions to near general fund.</p>	

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<i>High-Demand Enrollment</i>	Requires the four-year institutions to maintain high-demand enrollment at 2008-09 levels.	The following four-year institution shall produce at least the specified number of graduates in high-demand STEM and health professions fields: UW 3,996 WSU 1,429 EWU 463 CWU 274 WWU 34	
<i>Kitsap Higher Education Center</i>	Requires the SBCTC to allocate 30 two-year and four-year Partnership FTE to Olympic College.		
<i>HECB System Design Study</i>	Mandates the study and requires a submittal date of December 1, 2009.		
<i>HECB Tuition Rate Study</i>	Directs the HECB to study current “flat-rate” tuition alternatives and to submit recommendations by November 1, 2009.		
<i>Bellevue College</i>	Bellevue College may implement an additional applied baccalaureate degree in interior design to be offered during the 2009-10 academic year.		

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<i>HECB Opportunity Internship Program</i>		\$110,000 is provided to the HECB to administer 2SHB 1355 relating to opportunity internships.	
<i>HECB Financial Aid Revitalization and Peer Mentoring</i>		\$211,000 is provided to the HECB to administer E2SHB 2021 and EHB 1986 relating to financial aid revitalization and peer mentoring programs.	
<i>HECB Higher Education Online Technology Transformation Taskforce</i>		\$238,000 is provided to administer 2SHB 1946 to convene a higher education work group to improve the use of technology in education.	
<i>STARS Program</i>		\$4.4 million is provided solely for implementation of the STARS program; \$360,000 of that amount is provided for the HECB to identify metrics and benchmarks to evaluate the performance of state investments in research and development and commercialization of those investments.	
<i>Higher Education Online Technology</i>		\$238,000 is provided solely for the implementation of ESSHB 1946 (regarding higher education online technology). If the bill is not enacted by June 30, 2009, this amount shall lapse.	