

Current Higher Education Funding Structure and State Funding Cycles

What fiscal priorities are needed for
funding the eventual System Design Plan?

Research institutions receive large amounts of their funding through grants and contracts, while comprehensives receive a comparatively high amount from operating revenue and community and technical colleges receive the majority through state funds.

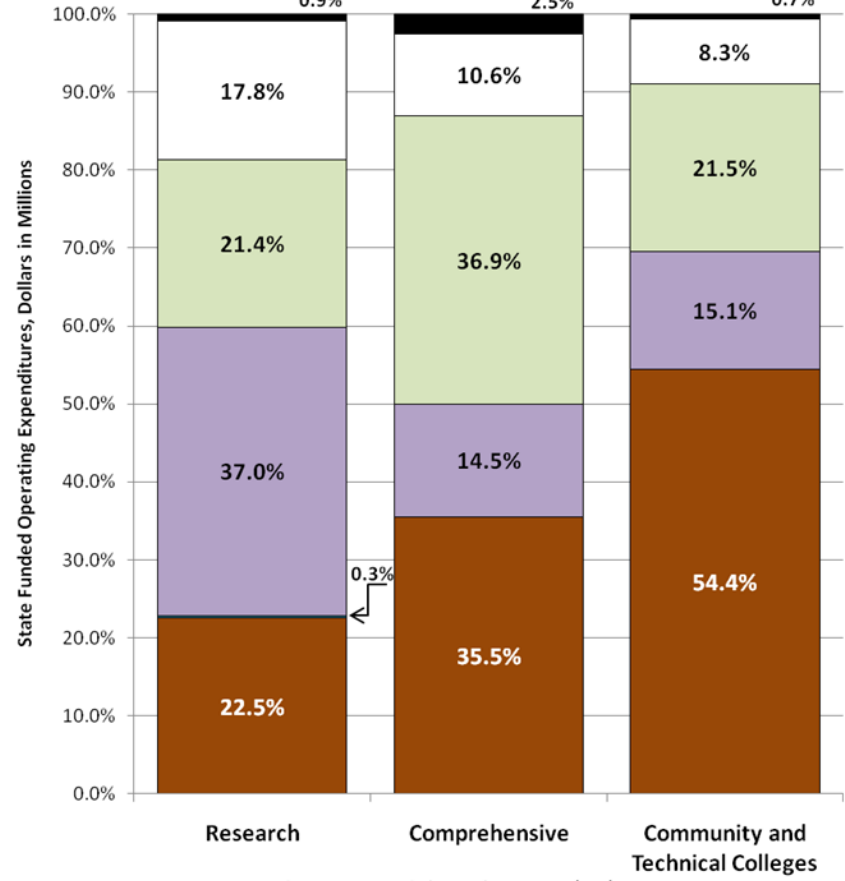
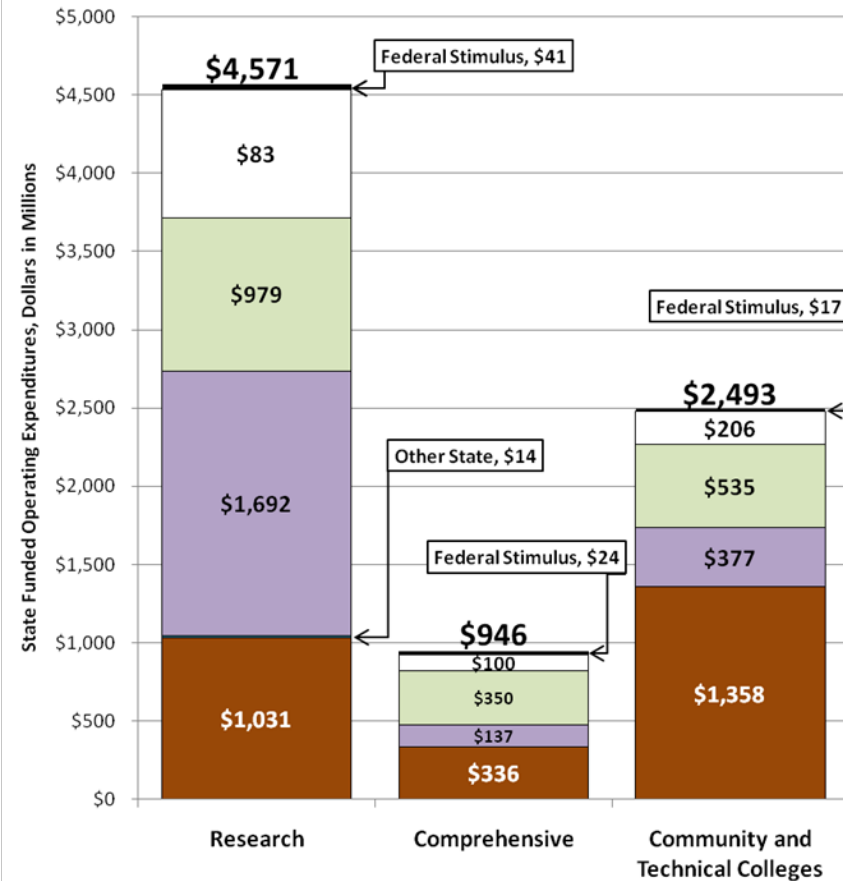
2009-11 Funding by Source

Dollars in Millions

% of Total

Appropriations and Fund Estimates for Non-Appropriated Funds, Dollars in Millions

Appropriations and Fund Estimates for Non-Appropriated Funds, Dollars in Millions



Source: 2009-11 Operating Budget, accessed through BASS, 6/17/09

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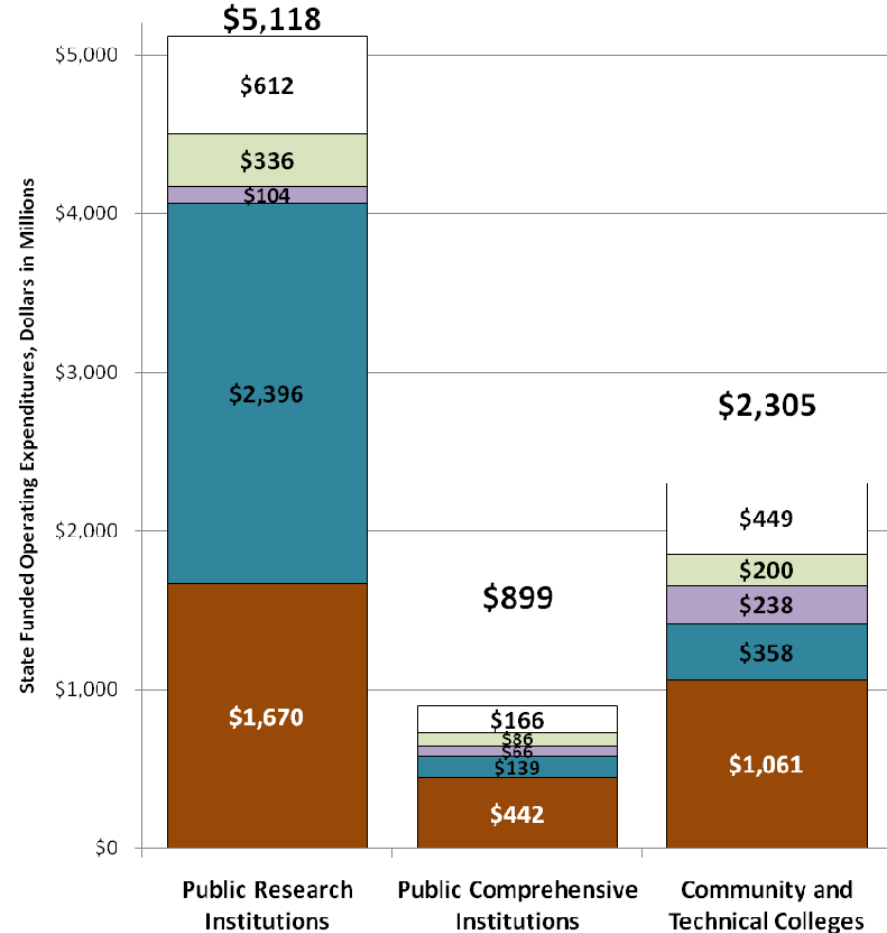


Research institutions spend nearly half of their budget on research. Both comprehensives and community and technical colleges spend nearly half of their budget on instruction.

2007-09 All Funds Expenditures

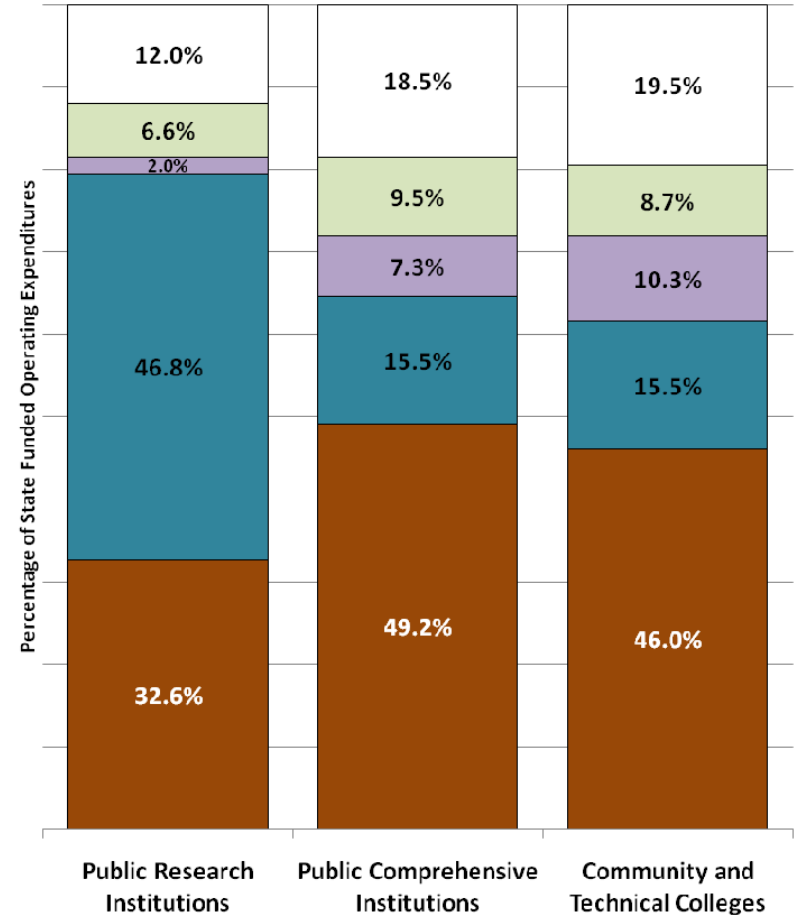
Dollars in Millions

Excludes Hospitals, Actual Expenditure Data Through May 2009, Dollars in Millions



% of Total

Excludes Hospitals, Actual Expenditure Data Through May 2009



Source: LEAP Data, accessed through fiscal.wa.gov, 7/01/09

Source: LEAP Data, accessed through fiscal.wa.gov, 7/01/09



Expenditure patterns with state and tuition funds are similar between sectors.

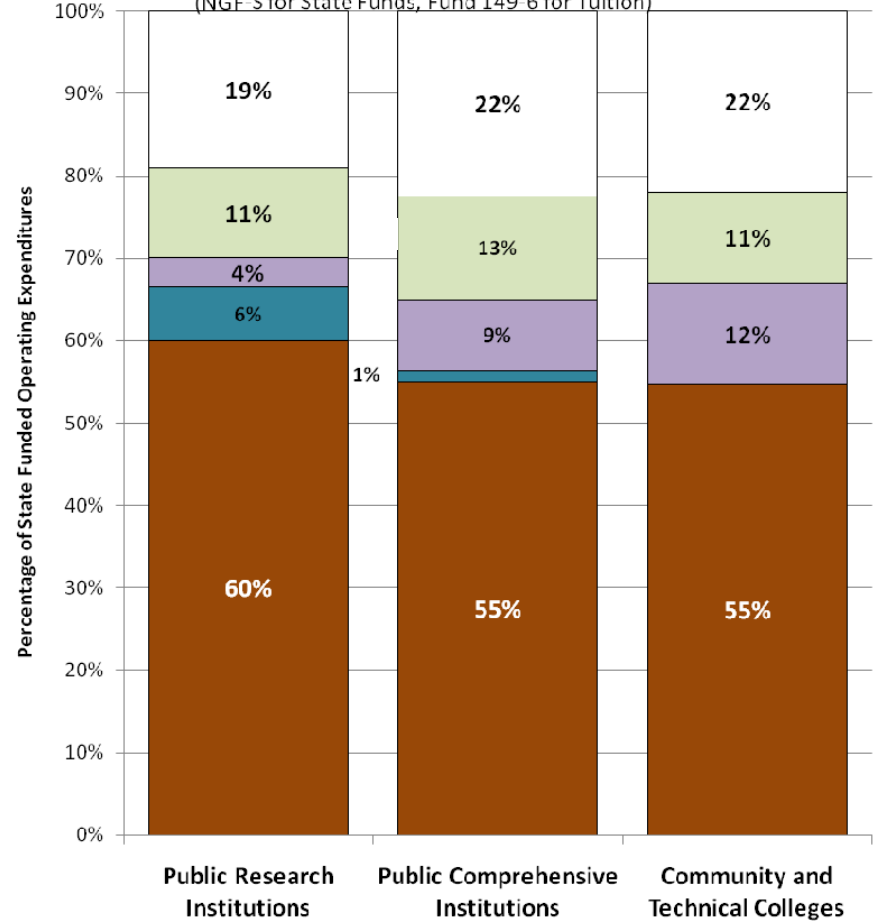
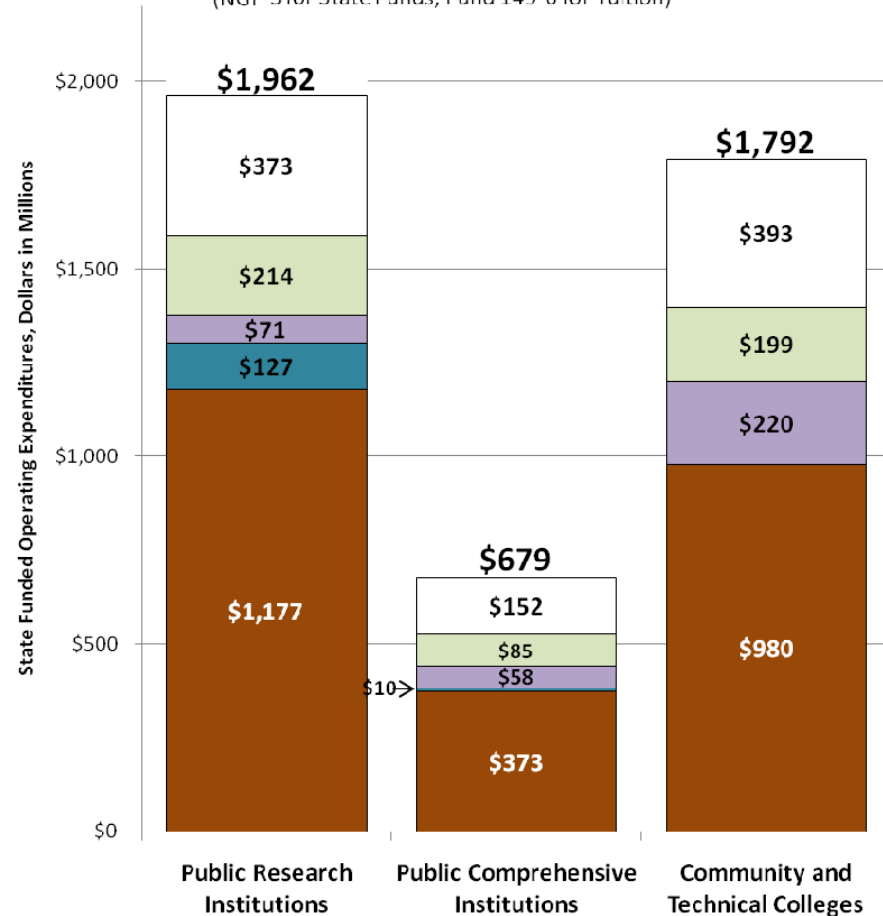
2007-09 State and Tuition Funded Expenditures

Dollars in Millions

% of Total

Excludes Hospitals, Actual Expenditure Data Through March 2009, Dollars in Millions
(NGF-S for State Funds, Fund 149-6 for Tuition)

Excludes Hospitals, Actual Expenditure Data Through May 2009
(NGF-S for State Funds, Fund 149-6 for Tuition)



Source: LEAP Data, accessed through fiscal.wa.gov, 6/17/09

Source: LEAP Data, accessed through fiscal.wa.gov, 7/01/09

- Primary and Institutional Support
- Student Services
- Instruction and Libraries
- Plant Operations and Maintenance
- Research, Training Contracts, & Public Service

State Funding Cycles

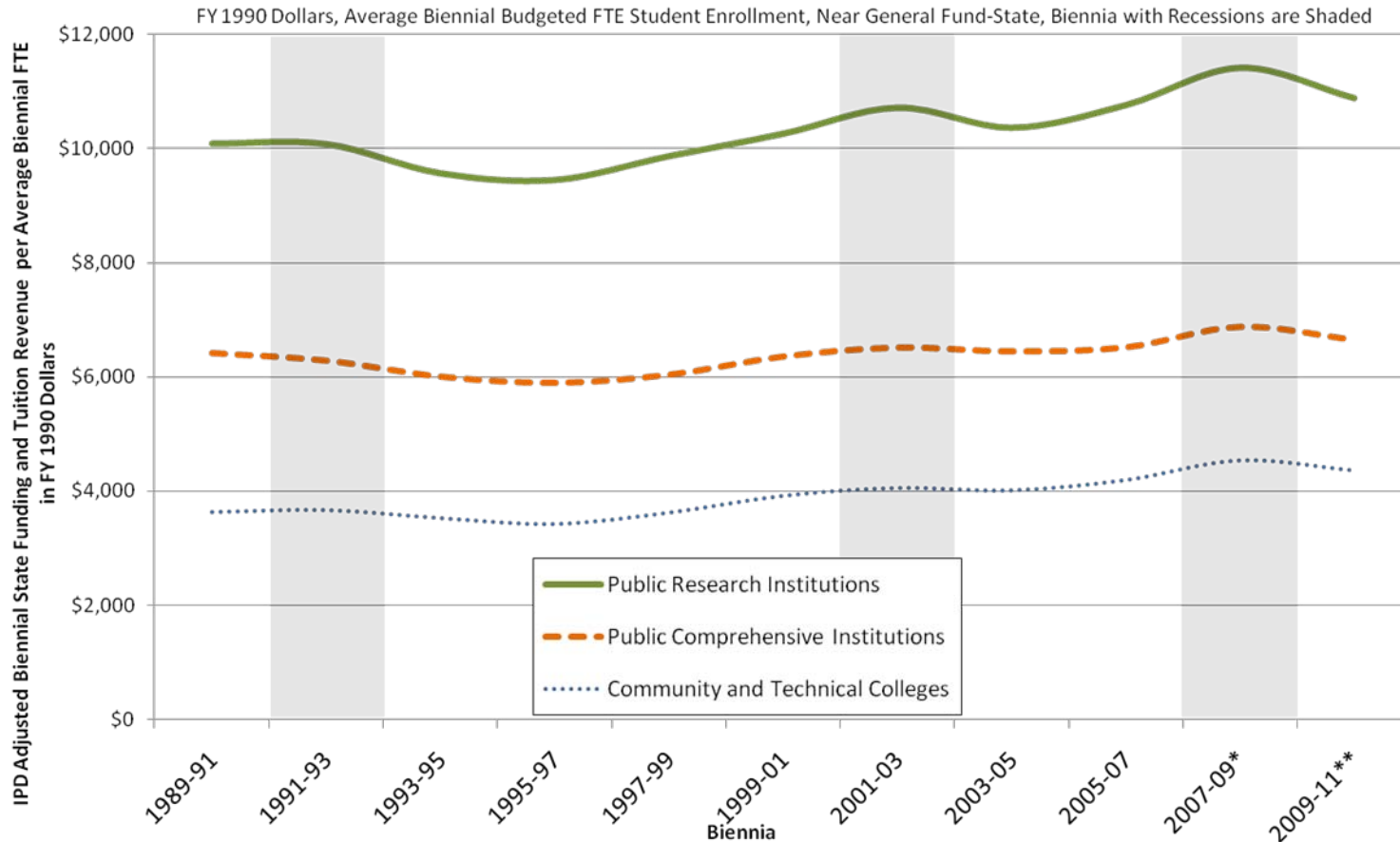
- Higher education funding is cyclical. When a revenue problem develops due to recession, state support declines.
- Tuition increases have continually shifted cost to students, state revenue shortfalls accelerate this process.

Note:

All data presented is based on budgeted FTE and not actual FTE which may be substantially higher.

Funds used primarily for instruction – state funding and tuition revenue – have been stable over time. The funding level at baccalaureates is higher than community and technical colleges.

Public Higher Education
Total IPD Adjusted Funding (State Funding and Tuition Revenue) Per Budgeted Student FTE

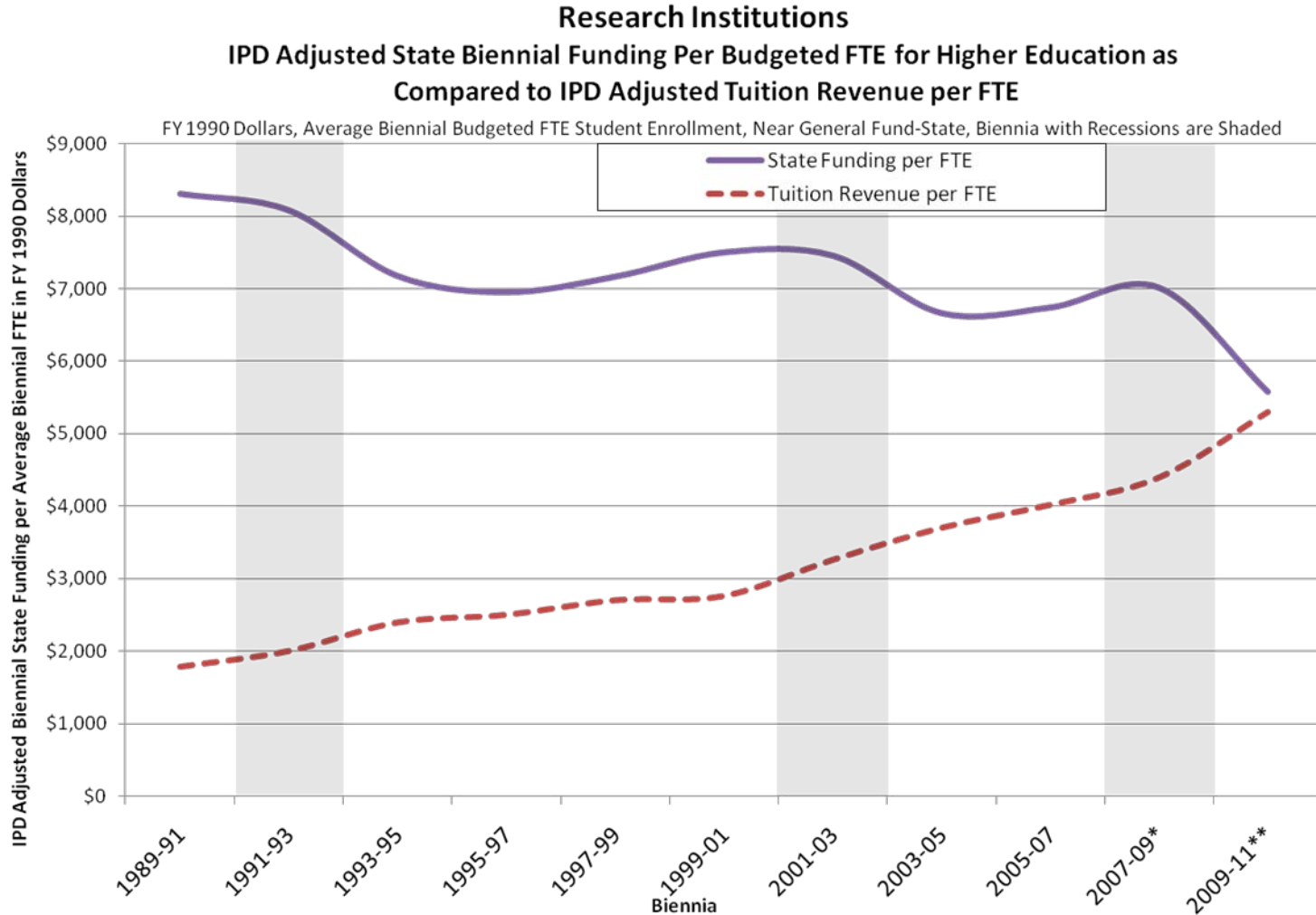


Notes:

*2007-09 Funding Reflects Appropriation Levels from 2009 Supplemental 2007-09 Operating Budget.

**2009-11 Funding and FTE Levels Reflect Appropriation Levels from 2009-11 Operating Budget as Passed Legislature.

Declining state funds have been replaced with tuition revenue at research institutions.



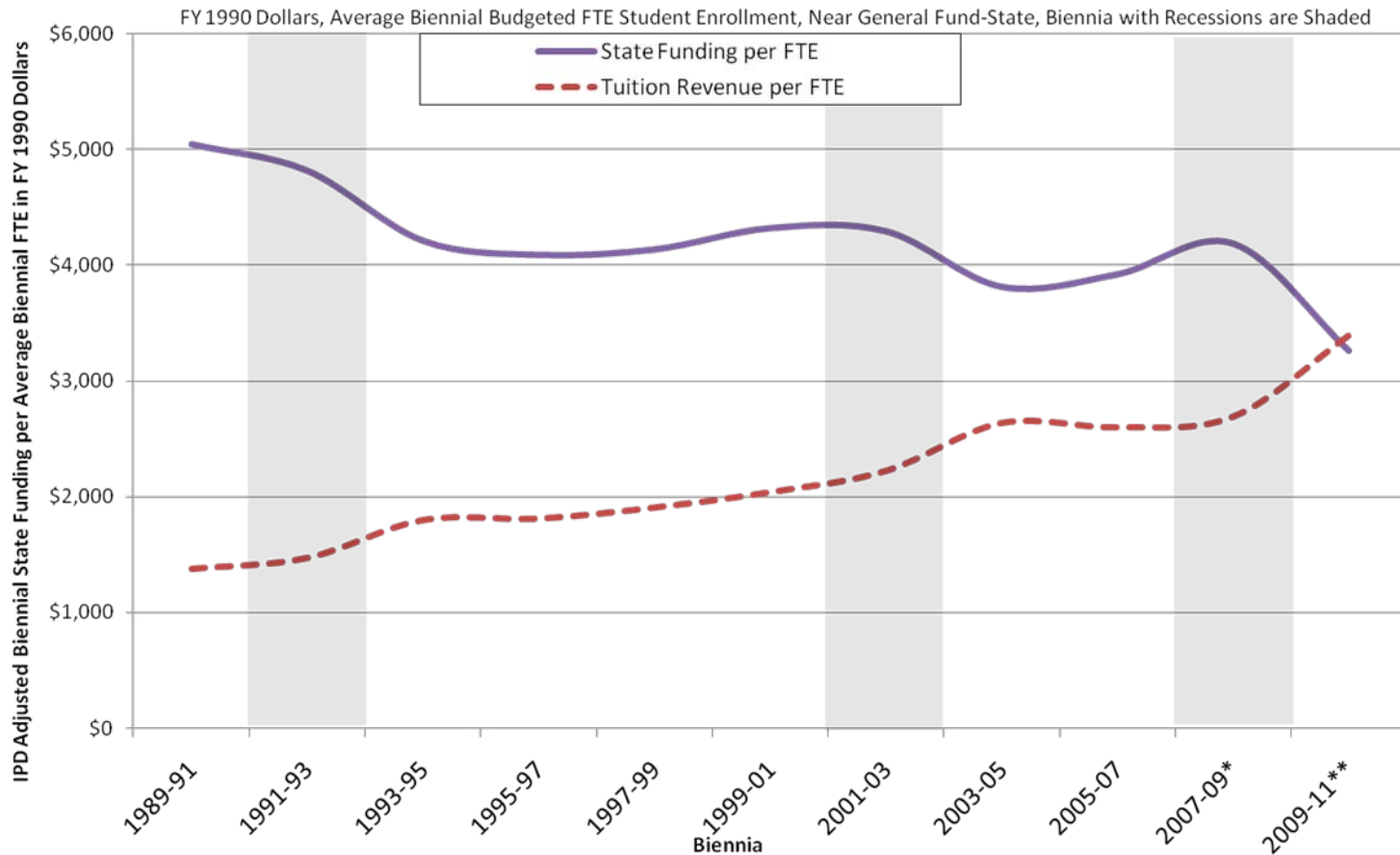
Notes:

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State funds have also been replaced with tuition at comprehensive institutions.

Comprehensive Institutions
 IPD Adjusted State Biennial Funding Per Budgeted FTE for Higher Education as Compared to IPD Adjusted Tuition Revenue per FTE



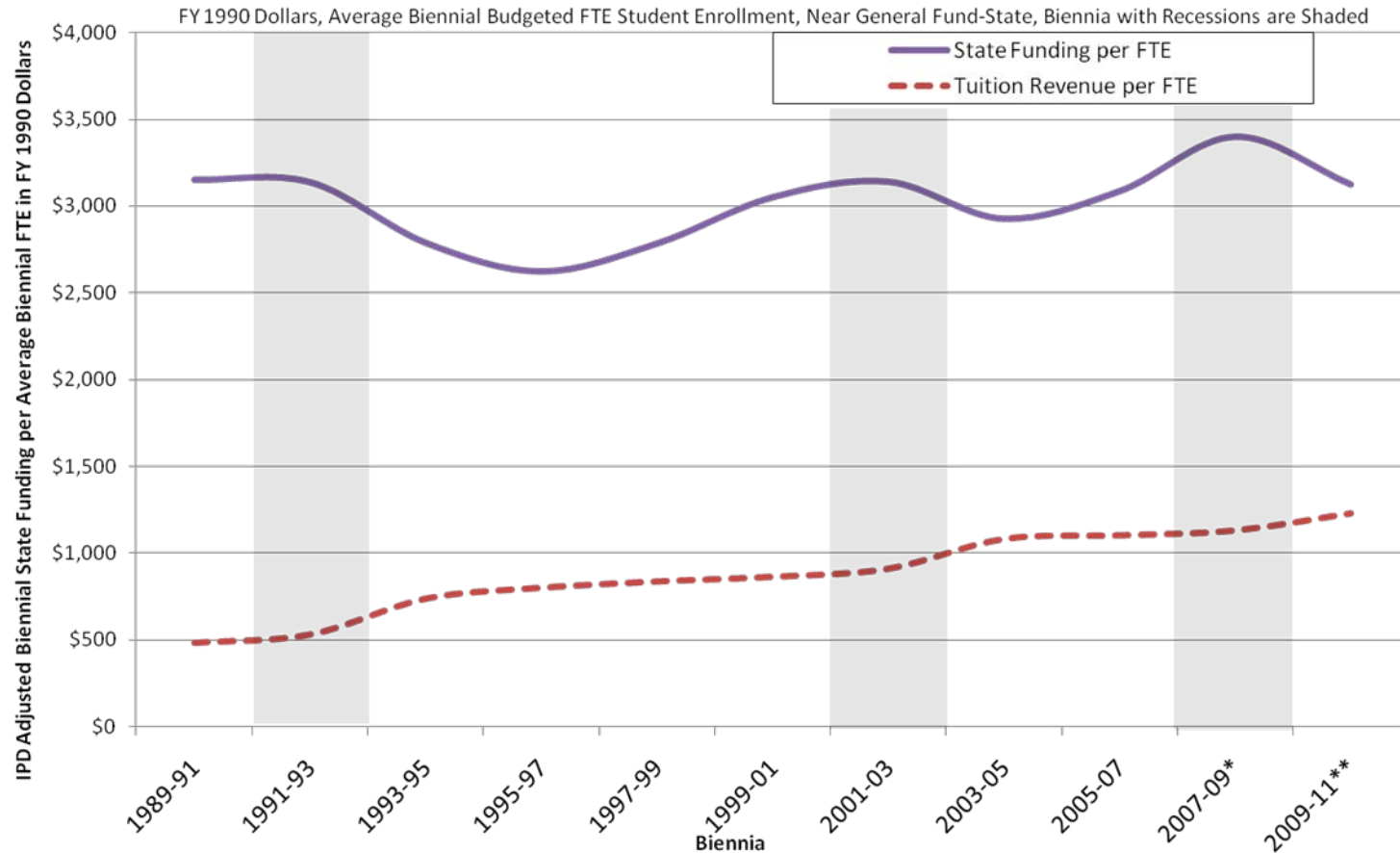
Notes:

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**2009-11 Funding and FTE Levels Reflect Appropriation Levels from 2009-11 Operating Budget as Passed Legislature.

Community and Technical Colleges continue to receive more state support than tuition revenue.

Community and Technical Colleges
 IPD Adjusted State Biennial Funding Per Budgeted FTE for Higher Education as
 Compared to IPD Adjusted Tuition Revenue per FTE



Notes:

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**2009-11 Funding and FTE Levels Reflect Appropriation Levels from 2009-11 Operating Budget as Passed Legislature.

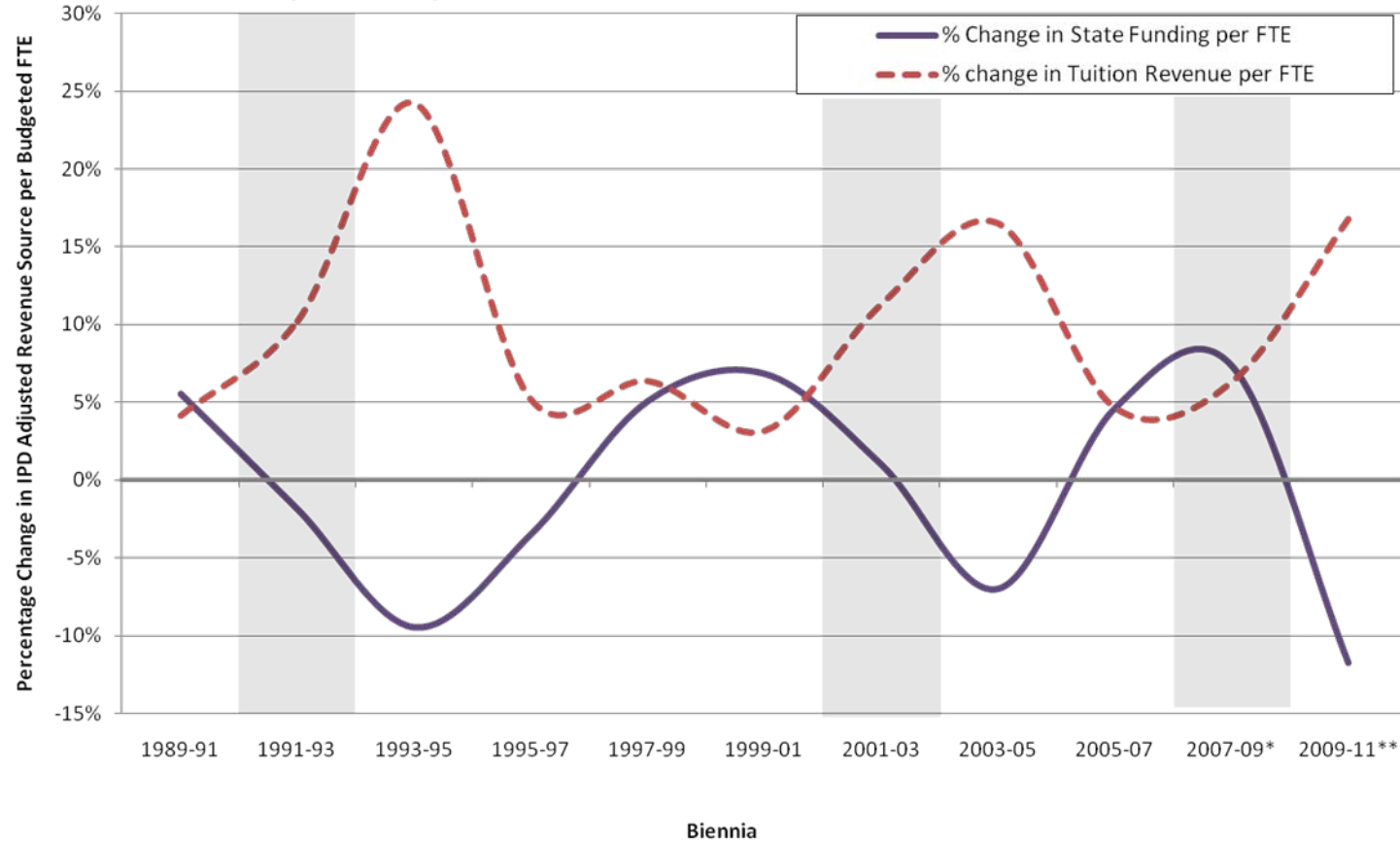
Source: LEAP data except as noted.

Washington has shifted cost to students as state support drops.

Higher Education in Washington

Percentage change in IPD Adjusted State Biennial Funding Per Budgeted FTE for Higher Education as Compared to Percentage change in IPD Adjusted Tuition Revenue per FTE

Average Biennial Budgeted FTE Student Enrollment, Near General Fund-State, Biennia with Recessions are Shaded



Notes:

*2007-09 Funding Reflects Appropriation Levels from 2009 Supplemental 2007-09 Operating Budget.

**2009-11 Funding and FTE Levels Reflect Appropriation Levels from 2009-11 Operating Budget as Passed Legislature.

Current Higher Education Funding Structure:

Program Cost

Costs by Major Program

Calculated every four years using indirect and direct costs per major classification instruction program codes. WSU and UW conduct faculty activity reports to determine faculty time spent on undergraduate education, research, graduate advisement, etc.

Undergraduate Costs[^] by Major CIP*

	<i>Research Institutions</i>	<i>Comprehensive Institutions</i>
Ag. and Natural Resources	\$10,381 to \$16,431	\$7,300 to \$10,516
Architecture	\$5,970 to \$12,834	Insufficient Cost Data
Arts and Letters	\$5,125 to \$7,943	\$8,262 to \$11,916
Business	\$7,583 to \$9,969	\$7,612 to \$10,317
Computer Sciences	up to \$11,801	\$10,283 to \$13,380
Education	\$7,573 to \$7,610	\$9,937 to \$11,892
Engineering	\$12,222 to \$18,044	\$13,171 to \$15,592
Health	\$5,998 to \$10,749	up to \$11,691
Sciences	\$5,775 to \$8,256	\$8,512 to \$9,850
Social Sciences	\$4,027 to \$5,688	\$6,633 to \$7,667

[^]Costs are based on the 2005-06 Cost Study and are adjusted to 2009 dollars using the Consumer Price Index for Seattle, Tacoma, and Bremerton as published by the Economic Revenue Forecast Council.

*Breakdown of Classification of Instruction Programs used in this analysis is available upon request.

The Cost Study methodology produces a ratio of graduate costs to total costs, which is higher than the ratio of undergraduate costs to total costs. The cost of instruction for graduate programs is much higher at all institutions.

Further, program costs vary by institution due to the different cost inputs into new versus older programs, programs with higher faculty salaries, programs with more FTE, etc.

Graduate Costs^ by Major CIP*

	<i>Research Sector</i>	<i>Comprehensive Sector</i>
Ag. and Natural Resources	\$16,825 to \$32,423	Up to \$19,075
Architecture	\$20,322 to \$24,811	Up to \$24,756
Arts and Letters	\$18,563 to 25,433	\$8,402 to \$26,400
Business	\$28,952 to \$33,234	\$8,596 to \$15,663
Computer Sciences	Up to \$22,081	\$15,163 to \$23,423
Education	\$23,074 to \$25,089	\$10,641 to \$13,712
Engineering	\$25,345 to \$28,484	\$8,104 to \$24,573
Health	\$18,539 to \$25,677	Up to \$11,024
Law	Up to \$27,018	Not offered
Sciences	\$24,890 to \$26,400	\$10,549 to \$18,078
Social Sciences	\$15,663 to \$24,737	\$8,833 to \$13,698

^Costs are based on the 2005-06 Cost Study and are adjusted to 2009 dollars using the Consumer Price Index for Seattle, Tacoma, and Bremerton as published by the Economic Revenue Forecast Council.

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Health Sciences

Health science programs are presented separate from other fields for each of the four-year institutions. Health science expenditures related to hospital expenditures, health science departmental research, and instructional activities and health science equipment and supplies are included in this range of instructional costs by sector.

Undergraduate Costs[^] by Major CIP*

	<i>Research Institutions</i>	<i>Comprehensive Institutions</i>
Health Sciences – All Disciplines	\$18,703 to \$33,660	\$10,756 to \$14,995

Graduate Costs[^] by Major CIP*

	<i>Research Institutions</i>	<i>Comprehensive Institutions</i>
Health Sciences – All Disciplines	\$21,578 to \$34,334	\$9,551 to \$13,536

Research institution expenditures related to health sciences are substantially more than those at comprehensive institutions due to the University of Washington Medical Center as well as the level of health science related research that occurs on both campuses.

[^]Costs are based on the 2005-06 Cost Study and are adjusted to 2009 dollars using the Consumer Price Index for Seattle, Tacoma, and Bremerton as published by the Economic Revenue Forecast Council.

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Current Higher Education Funding Structure:

Cost Per Student

2008-09 Disclosure Report

Calculated annually using annual budgeted appropriations by major program, budgeted FTEs, anticipated tuition revenue, anticipated 3 ½% fund amounts, and estimates of state-supported financial aid based on prior year disbursements.

<i>Undergraduate Resident</i>	<i>Average State Support per FTE</i>	<i>Average State Appropriated Financial Aid per FTE</i>	<i>Institutional Aid per FTE (3 1/2%)</i>	<i>Total State plus Institution (3 1/2%) aid per FTE</i>
University of Washington	\$4,948	\$1,482	\$380	\$6,810
Washington State University	\$3,673	\$1,660	\$292	\$5,625
Central Washington University	\$6,001	\$1,380	\$168	\$7,549
Eastern Washington University	\$6,147	\$1,570	\$171	\$7,888
The Evergreen State College	\$8,208	\$1,853	\$244	\$10,305
Western Washington University	\$6,063	\$1,005	\$186	\$7,254
Community and Technical Colleges [^]	\$4,852	\$1,801 ^{^^}	\$ 74	\$4,926

- State support for undergraduate residents varies by institution because of the number of budgeted FTEs, state appropriations, and anticipated tuition revenue.
- Institutional financial aid varies by institution based on anticipated tuition revenue.

[^] General FTE includes Apprenticeships & High Demand. It also includes U-Contract and NSIS students, as these students are supported by state appropriations and tuition. Worker Retraining includes Worker Training FTEs and Variable Worker Training FTEs. It also includes FTEs allocated by the SBCTC to private colleges as these students are supported by state appropriations and tuition. This was a change to the methodology of the Disclosure Report in 2007.

^{^^}Includes State Work Study, State Need Grant, EOG, and all other financial aid programs administered by the HECB, and four SBCTC administered programs: Work-based Learning Tuition Assistance, Opportunity Grants, Worker Retraining Financial Aid, and Worker Retraining Private College Funding.

2008-09 Disclosure Report results: When Cost Study ratios (including indirect and direct costs) of graduate and undergraduate costs compared to total costs are applied to the average cost per FTE at the institutions, graduate student education is much more expensive to fund and those students consume far less state-based financial aid.

<i>Undergraduate Resident</i>	<i>Average State Support per FTE</i>	<i>Average State Appropriated Financial Aid per FTE</i>	<i>Institutional Aid per FTE (3 1/2%)</i>	<i>Total State plus Institution (3 1/2%) Aid per FTE</i>
Research Average	\$4,311	\$1,571	\$336	\$6,218
Comprehensive Average	\$6,605	\$1,452	\$192	\$8,249
Community and Technical Colleges^	\$4,852	\$1,801^^	\$74	\$6,727
<i>Undergraduate Nonresident</i>				
Research Average	*	\$6	N/A	\$6
Comprehensive Average	*	\$54	N/A	\$54
Community and Technical Colleges^	\$34	\$48	N/A	\$82
<i>Graduate Resident</i>				
Research Average	\$16,611	\$120	\$336	\$17,066
Comprehensive Average	\$7,170	\$241	\$192	\$7,603
<i>Graduate Nonresident</i>				
Research Average	\$4,981	\$33	N/A	\$5,014
Comprehensive Average	N/A	\$220	N/A	\$773

*Nonresident operating fee exceeds cost of instruction.

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