

Washington Public Baccalaureate Funding

House Educations Appropriations & Oversight Committee

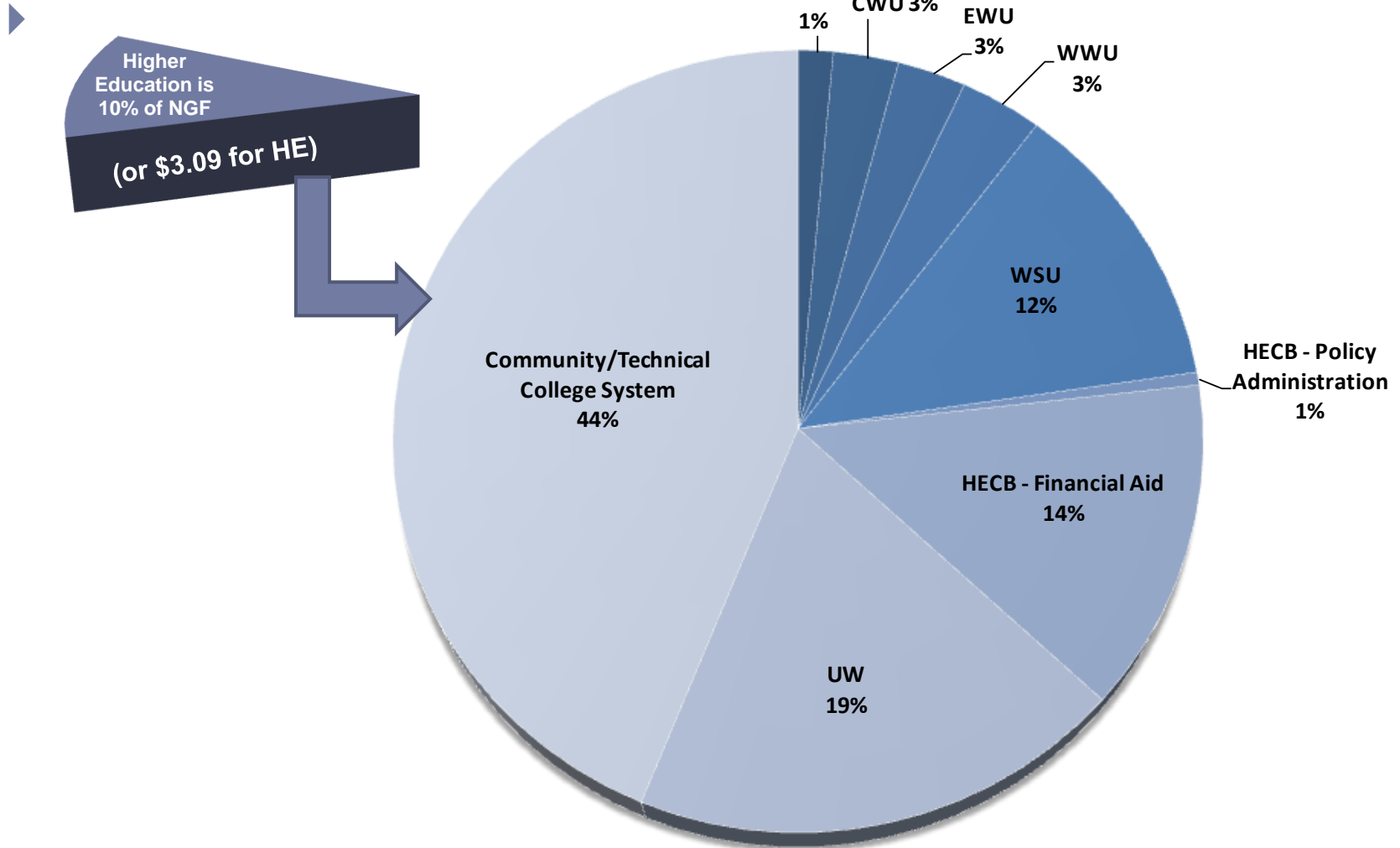
2/08/2011

Michael Reilly, Executive Director
Council of Presidents

Washington State 2009-11 Higher Education Operating Budget after 2010 Supp / Near General Fund-State

Total: \$3.09 billion, including \$101 million of one-time federal stimulus funding

Source: LEAP Data

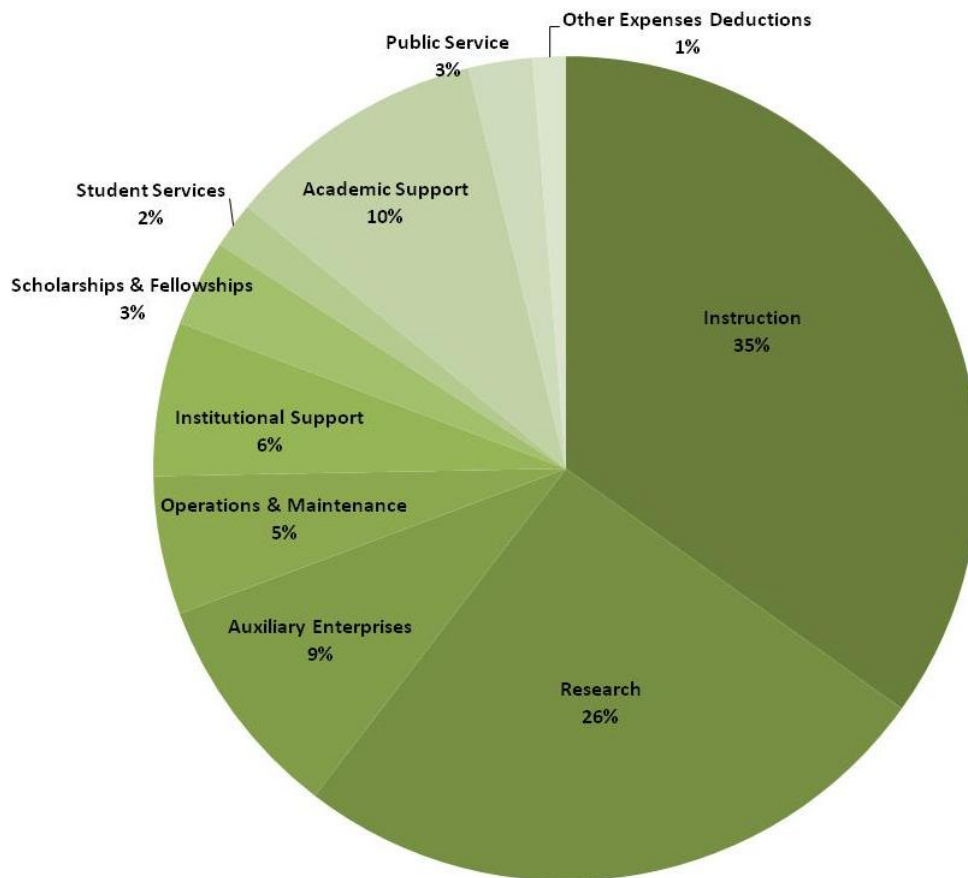


Public Baccalaureate Spending by Sector

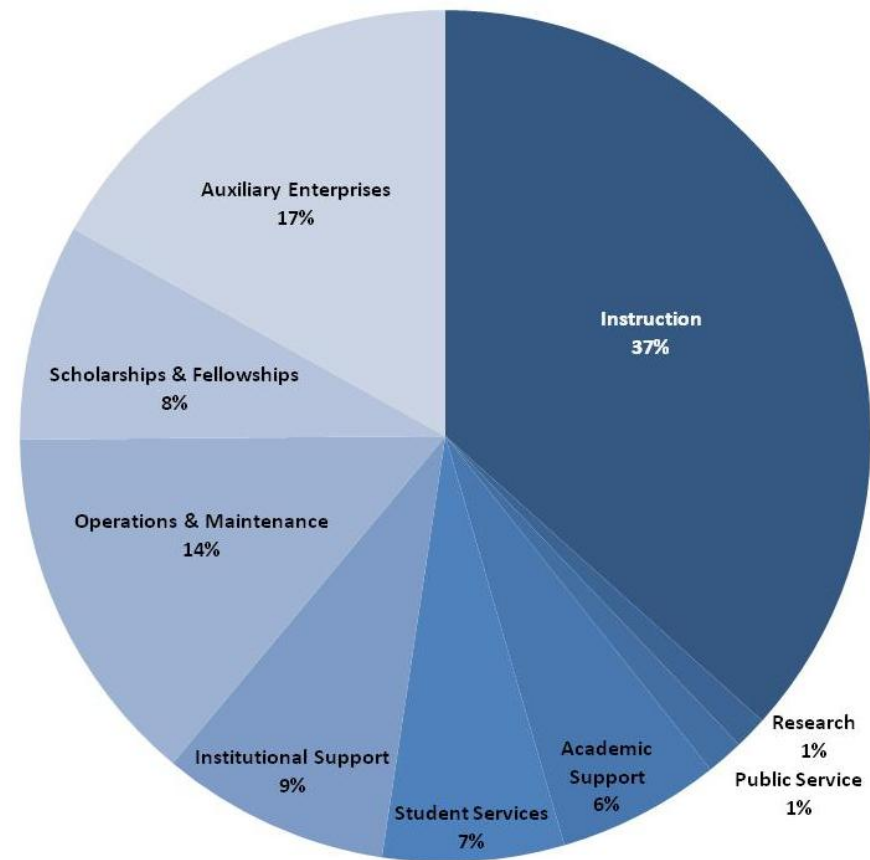
FY 2009 Actual Expenditures, All Units

Source: IPEDS

Research Institutions
Total: \$3.3 billion



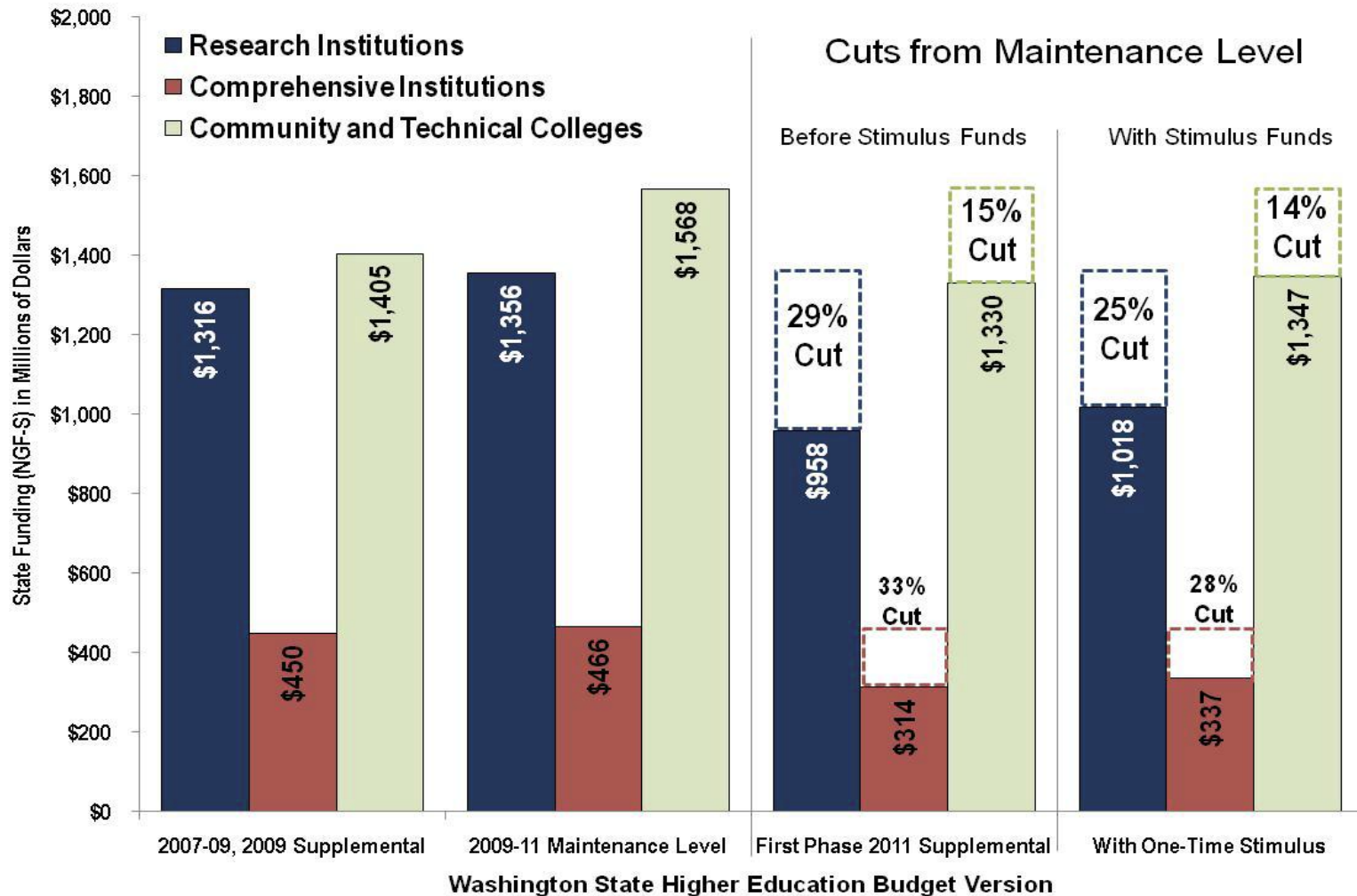
Comprehensive Institutions
Total: \$607 million



2009-11 State Funding Reductions for Public Higher Education Institutions from Maintenance Level, by Sector

Near General Fund-State, Dollars in Millions

Source: HECB Key Facts



Washington Public Baccalaureate Budget Reductions

- ▶ Since the 2007-09 biennium State funding for Washington's public baccalaureate institutions has been cut by nearly \$500 million. Our current GF-S funding is at the same level as it was in the 1999-01 biennium.
- ▶ The Governor's proposed 2011-13 budget would cut an additional \$360 million in state funds from our institutions (a nearly 50% reduction in state support since 2007-09) leaving GF-S support of approximately \$1 billion as part of a proposed \$32.1 billion state budget.

Washington Public Baccalaureate Budget Reductions

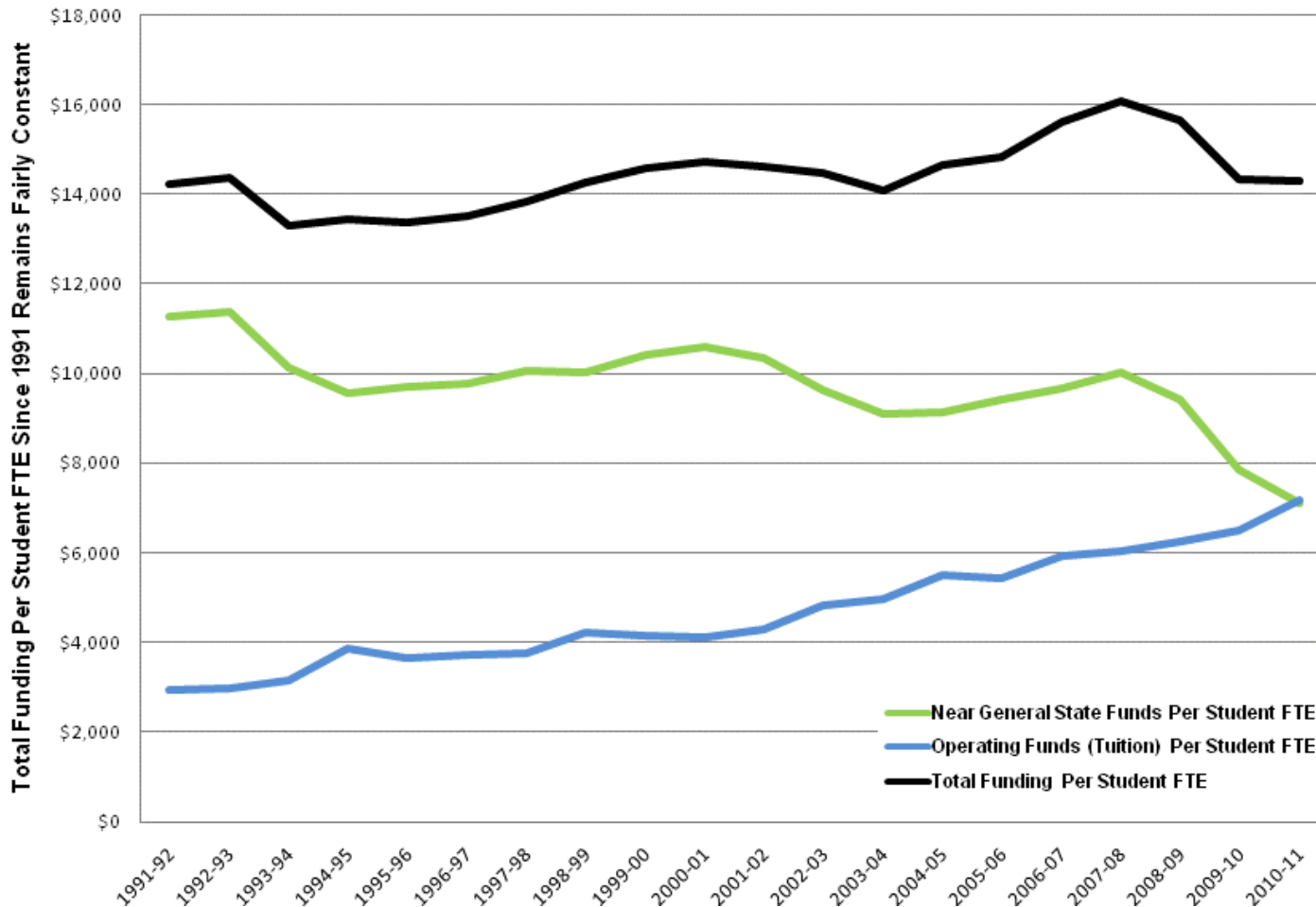
- ▶ For perspective, the public baccalaureates received a little over \$1 billion in General Fund state support in the 1989-91 biennium when total GF-S spending was \$12.7 billion.
- ▶ By the end of the 2011-13 biennium the state share of the cost of educating a student at our institutions will have dropped from around 70% a decade ago to approximately 30%.

Common Perceptions (or misperceptions) About our Public Baccalaureates

- ▶ Shortfalls in state funding and tuition can be made up with grant funds.
- ▶ Costs are escalating at our institutions more rapidly than inflation and other sectors of government.
- ▶ Washington's institutions are inefficient because degree production is low relative to other states.
- ▶ The level of Higher Education funding is comparable to other states.

Educational cost continues to shift to students while total funding remains constant

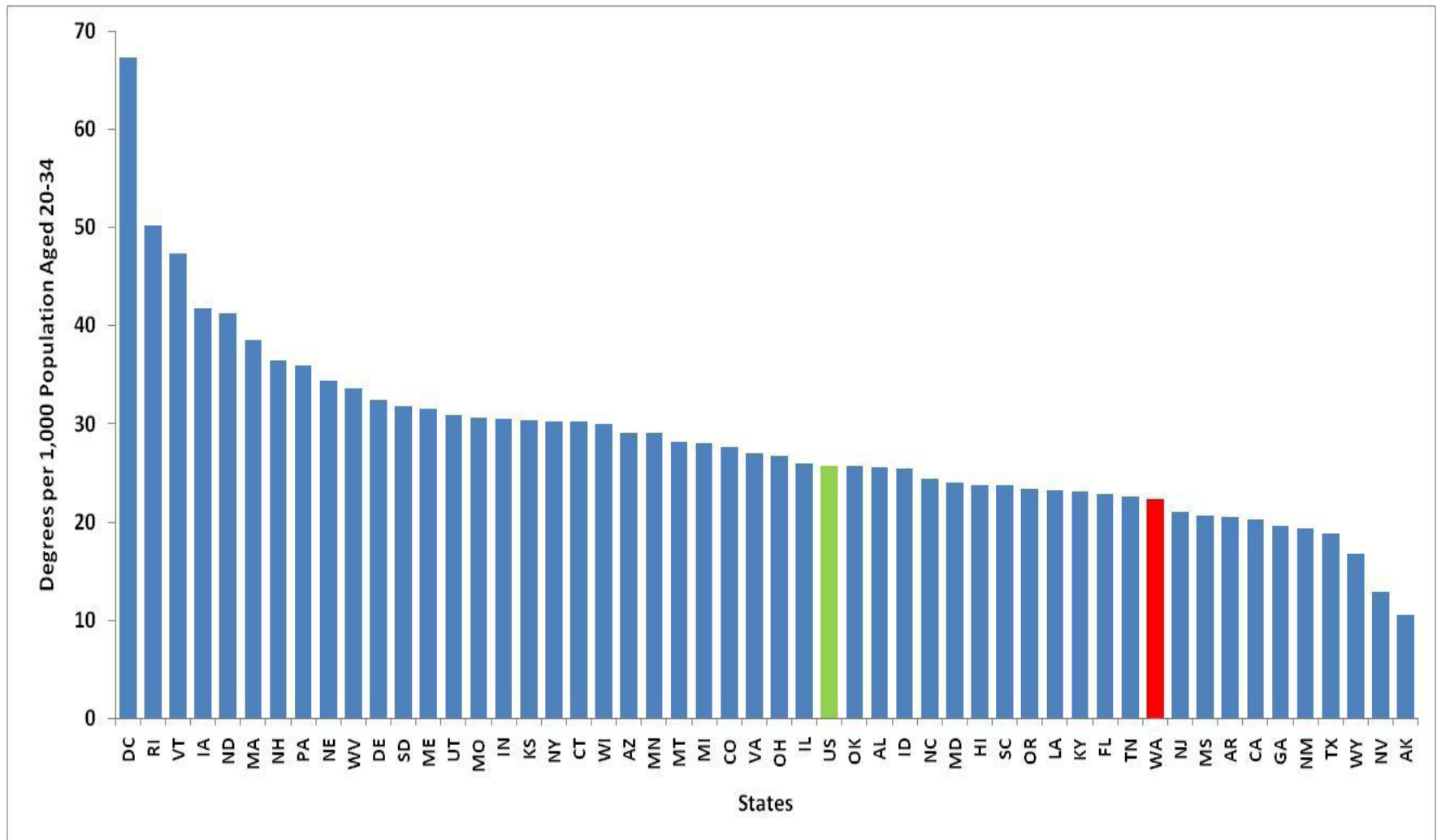
Near General Fund (State Investment) Per FTE Compared to Tuition Revenue Per FTE in Constant 2013 Dollars



Total Funding Per FTE (sometimes expressed as the “cost” per FTE) has remained **constant** over time. However, the burden of cost has **shifted to students.**

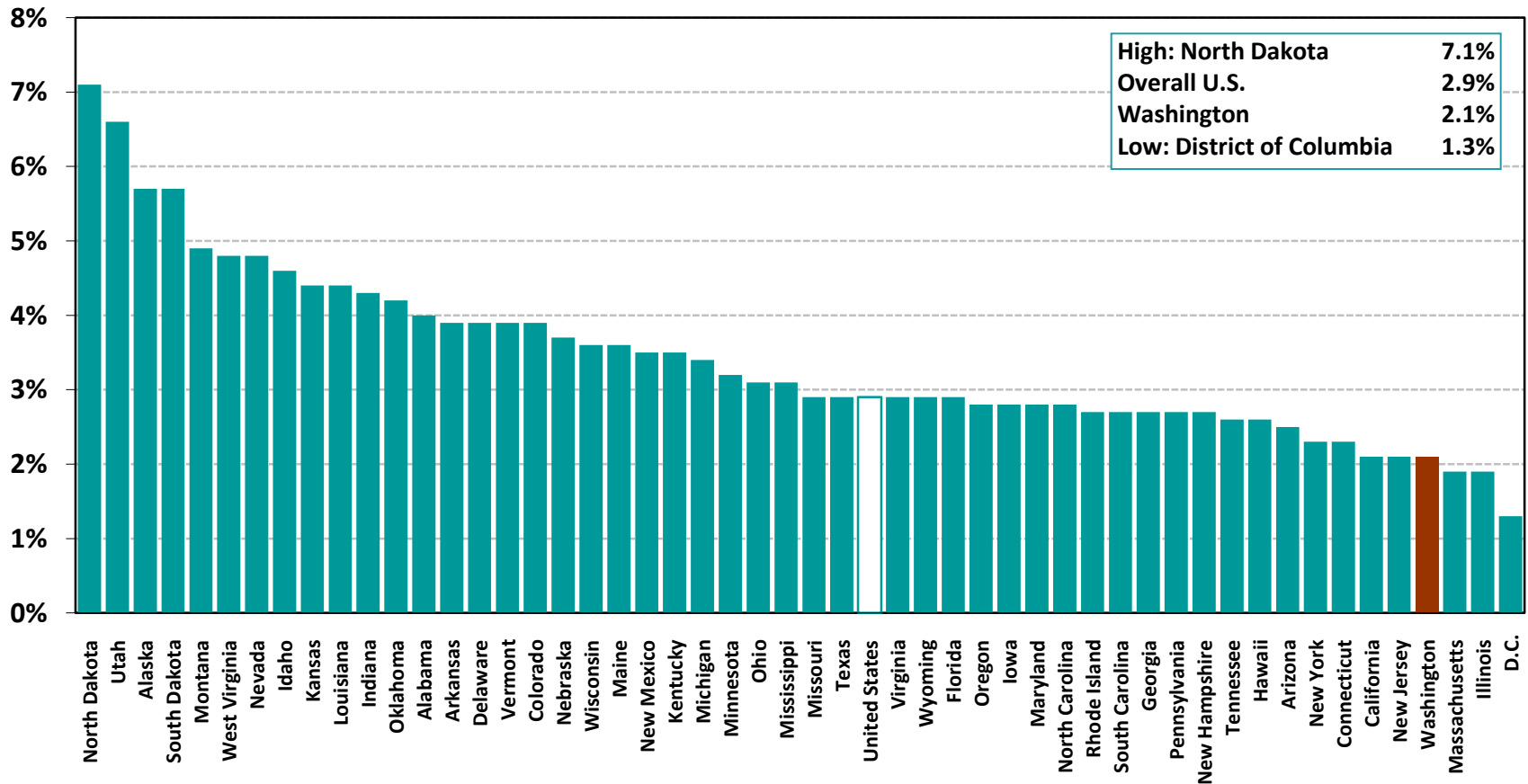
Bachelor's Degrees Produced per 1,000 Population Aged 20 to 34, 2007-08

Sources: National Center for Education Statistics, Digest of Education Statistics, 2008; U.S Census Bureau.



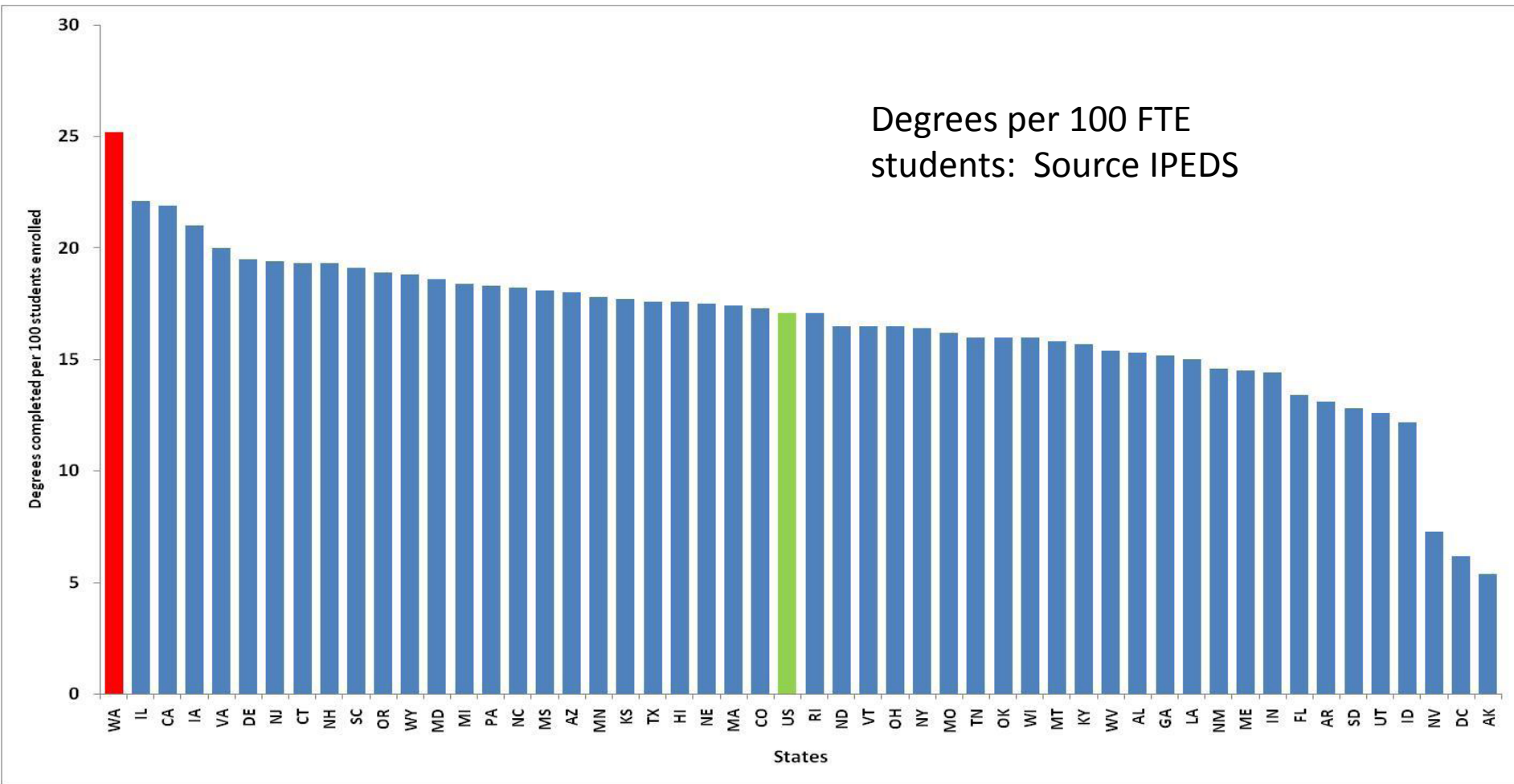
Washington ranks 48th in participation in public 4-year higher education at the undergraduate level.

Public undergraduate 4-year participation rates based on the population age 17-64, Fall 2005.



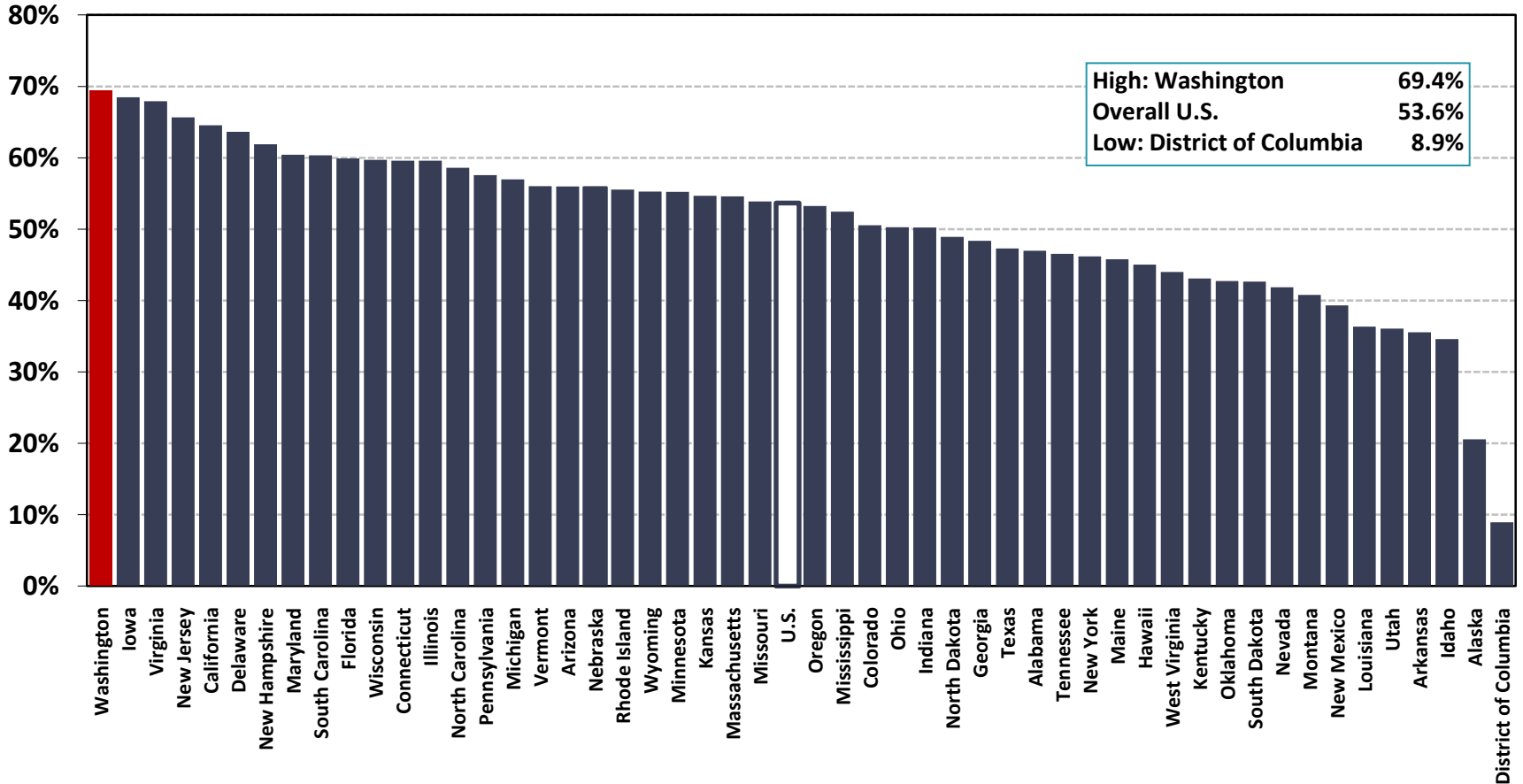
Sources: U.S. National Center for Education Statistics, U.S. Census Bureau.

Washington leads the nation in bachelor's degrees produced per FTE student at public baccalaureates.



Washington public baccalaureate institutions have the best graduation rates in the nation.

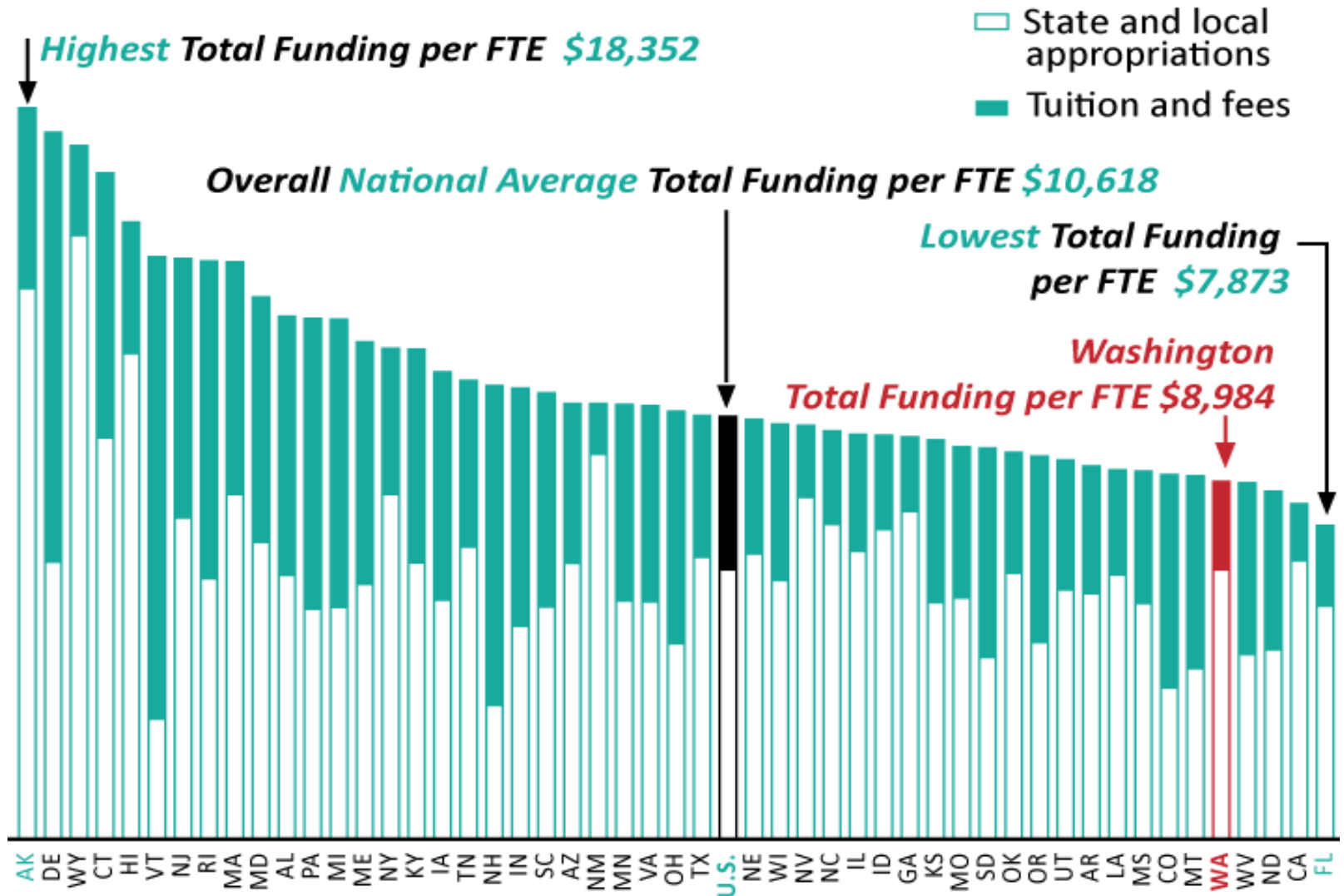
Percent of Fall 2003 freshman cohort graduating with a bachelor's degree within 6 years, public institutions.



Source: U.S. National Center for Education Statistics Integrated Postsecondary Education Data System preliminary data downloaded September 24, 2010.

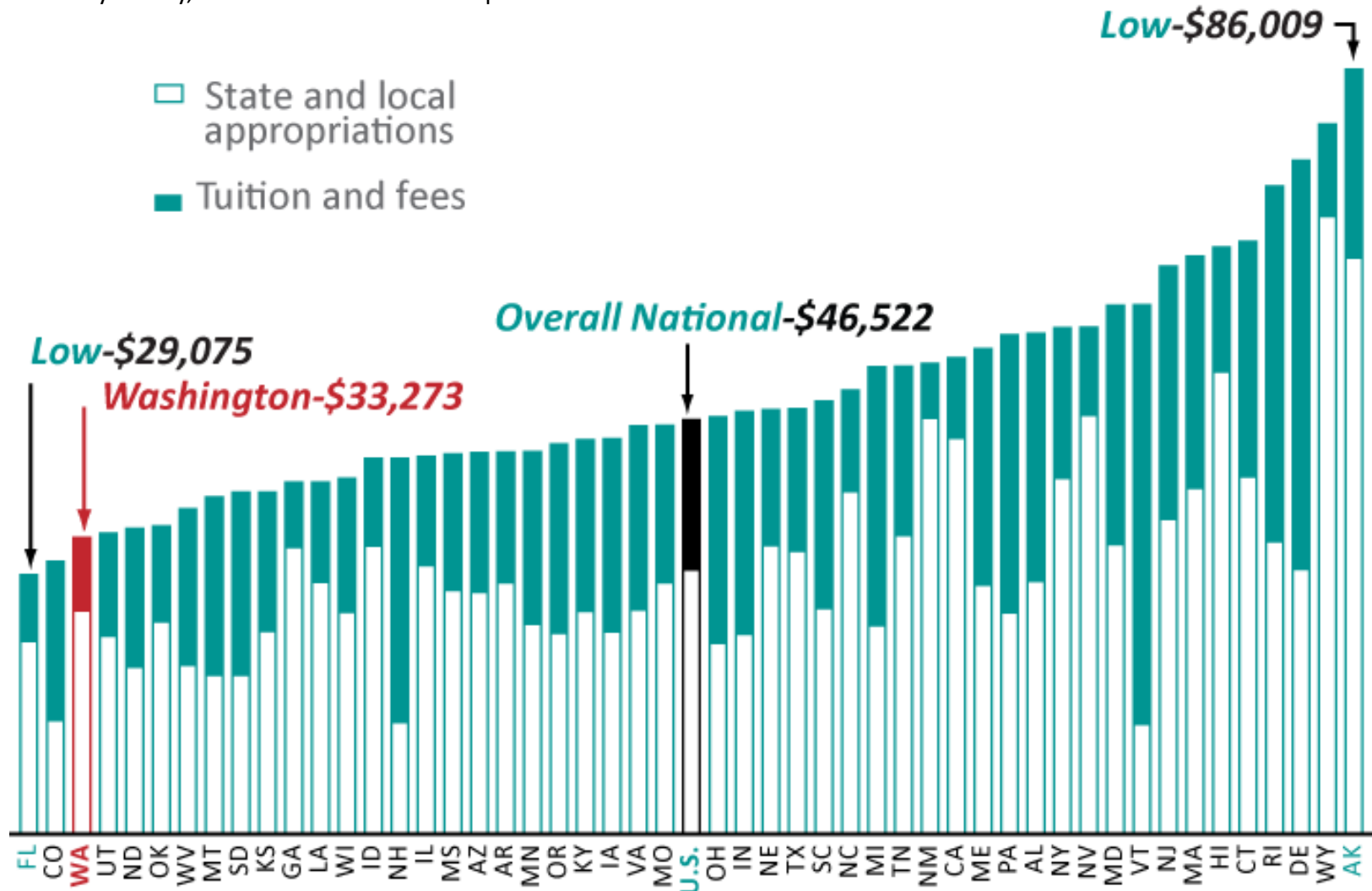
Funding per FTE student

Source: SHEEO State Higher Education Finance Survey 2008



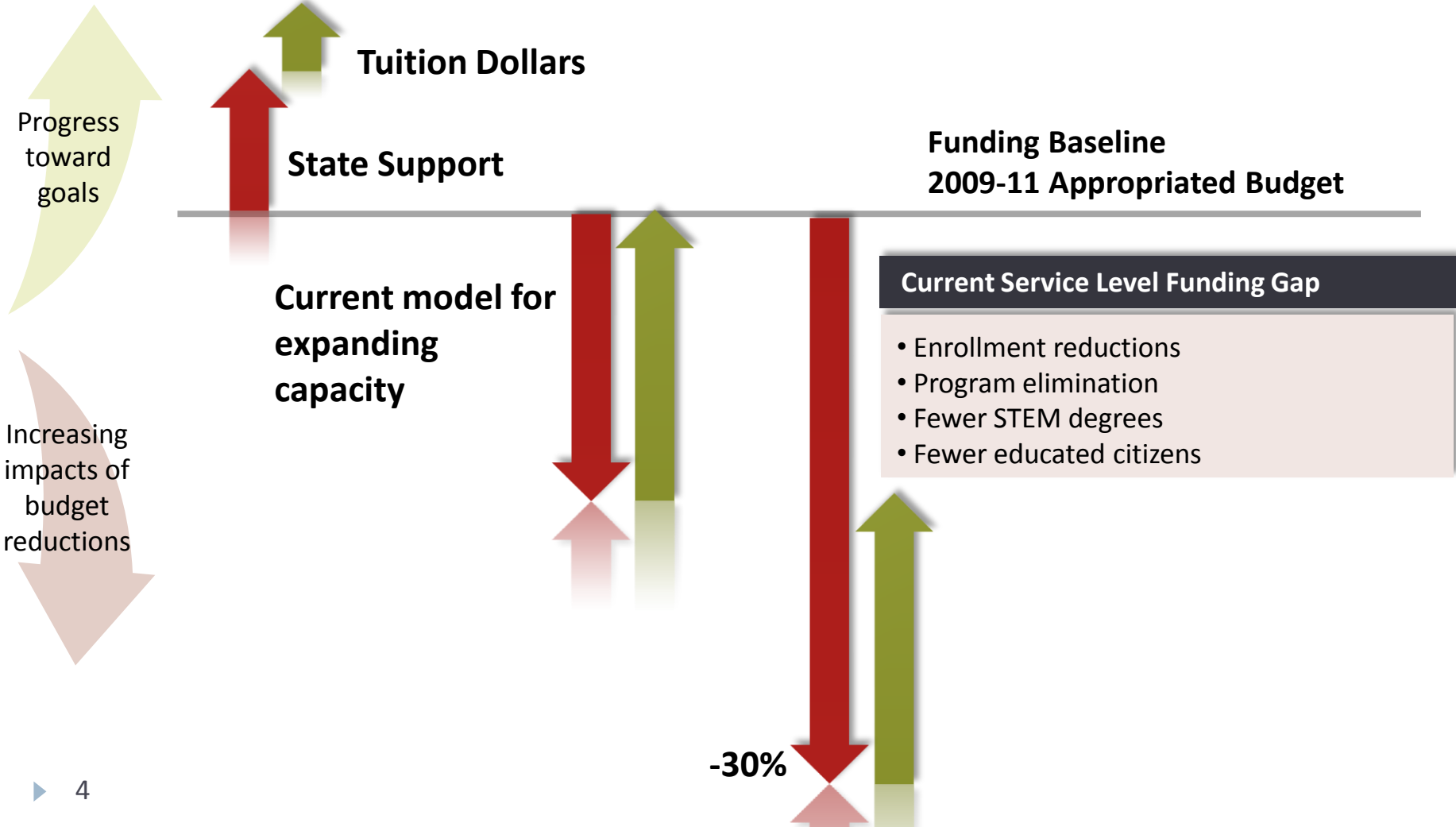
Funding per degree or certificate

Source: SHEEO State Higher Education Finance Survey 2008, NECS< IPEDS Completion Survey; U.S. Census Bureau, American Community Survey, Public Use Microdata Samples



Public Baccalaureate Funding Model

Washington State Economic and Degree Needs



Considerations When Developing Budgets for Higher Education

- ▶ Washington has already shifted nearly \$500 million in costs to our students and families in the last two years alone.
- ▶ We can't solve our higher education financing challenge with tuition alone: state funding drives access and affordability at our institutions.
- ▶ We have a very productive, efficient and cost-effective higher education system. Craft solutions that preserve this efficiency.
- ▶ Focus on the future and the educational needs of our state.