

Mike Reilly

Council of Presidents



## Washington Public Baccalaureate Budget Reductions

*“There is no better economic policy than one  
that produces more graduates”*

President Obama, March 2011



# 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 or 28%. 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 \$380 million in state funds (a reduction of nearly 50% 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 state support in the 1989-01 biennium when total GF-S spending was \$12.7 billion.



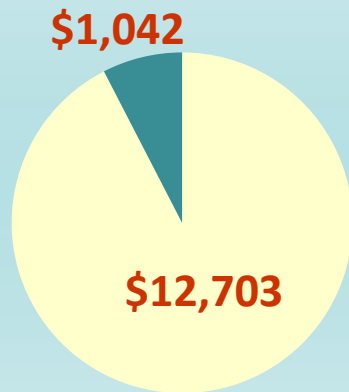
- By the end of the 11-13 biennium the state share of the cost of educating a student at our institutions will have dropped from around 70% a decade ago to approximately 30%.



Washington will invest **LESS** in its public baccalaureate institutions in 2011-13 than it did in 1989-91 (in actual dollars).

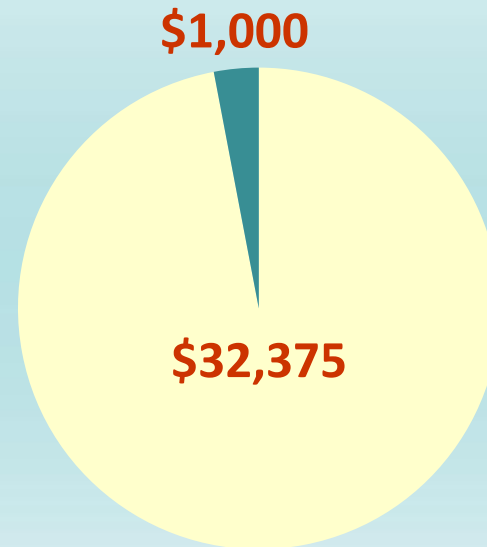
This is despite the fact that state spending will have grown from **\$12.7** billion to **\$32.4** billion and our institutions are serving **32,000** more students.

**1989-91 General Fund-State  
Budget (in millions)**



- Total General Fund-State Budget
- Four-Year Institution Funding

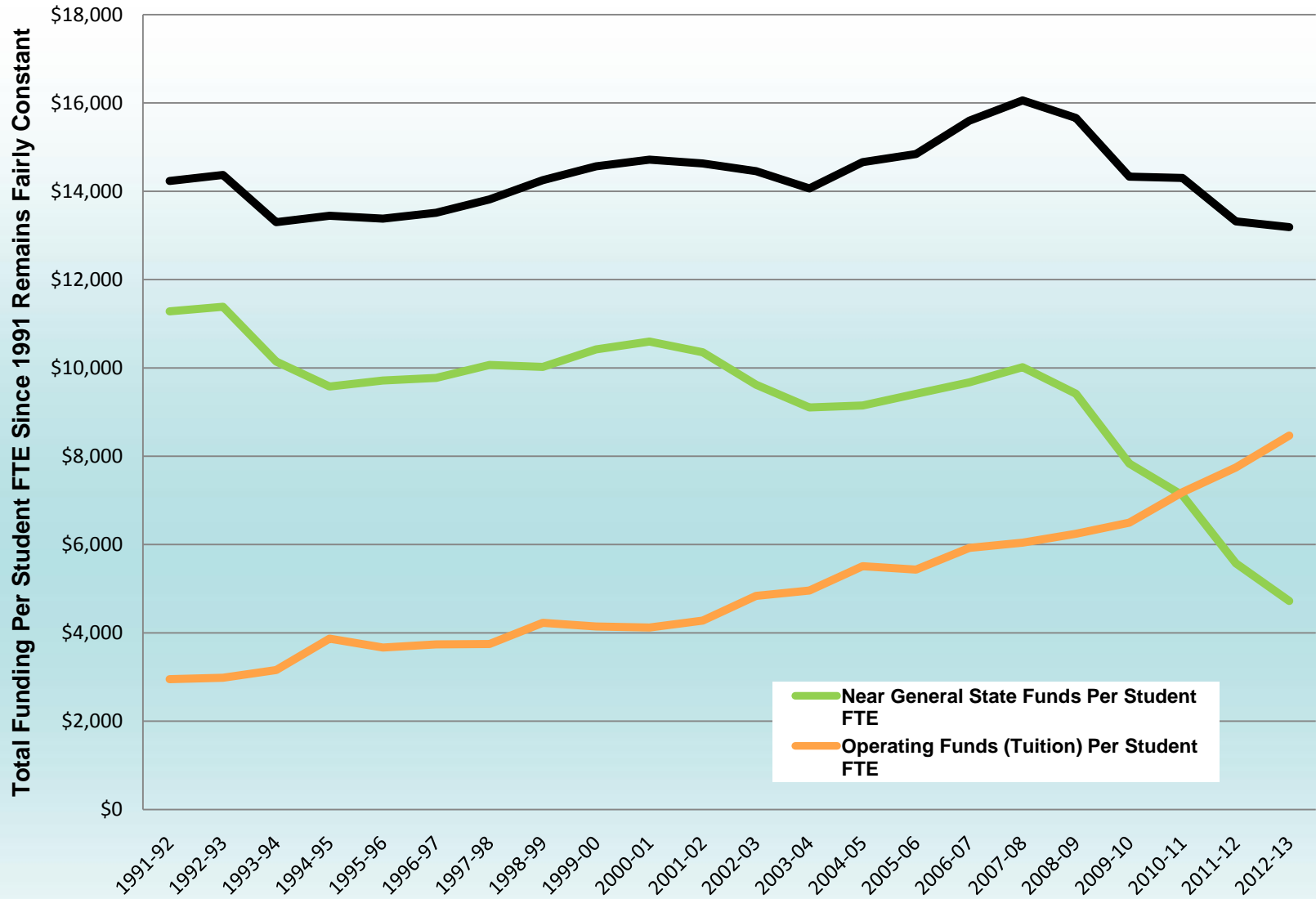
**2011-13 General Fund-State  
Budget (proposed, in millions)**



- Total General Fund-State Budget
- Four-Year Institution Funding

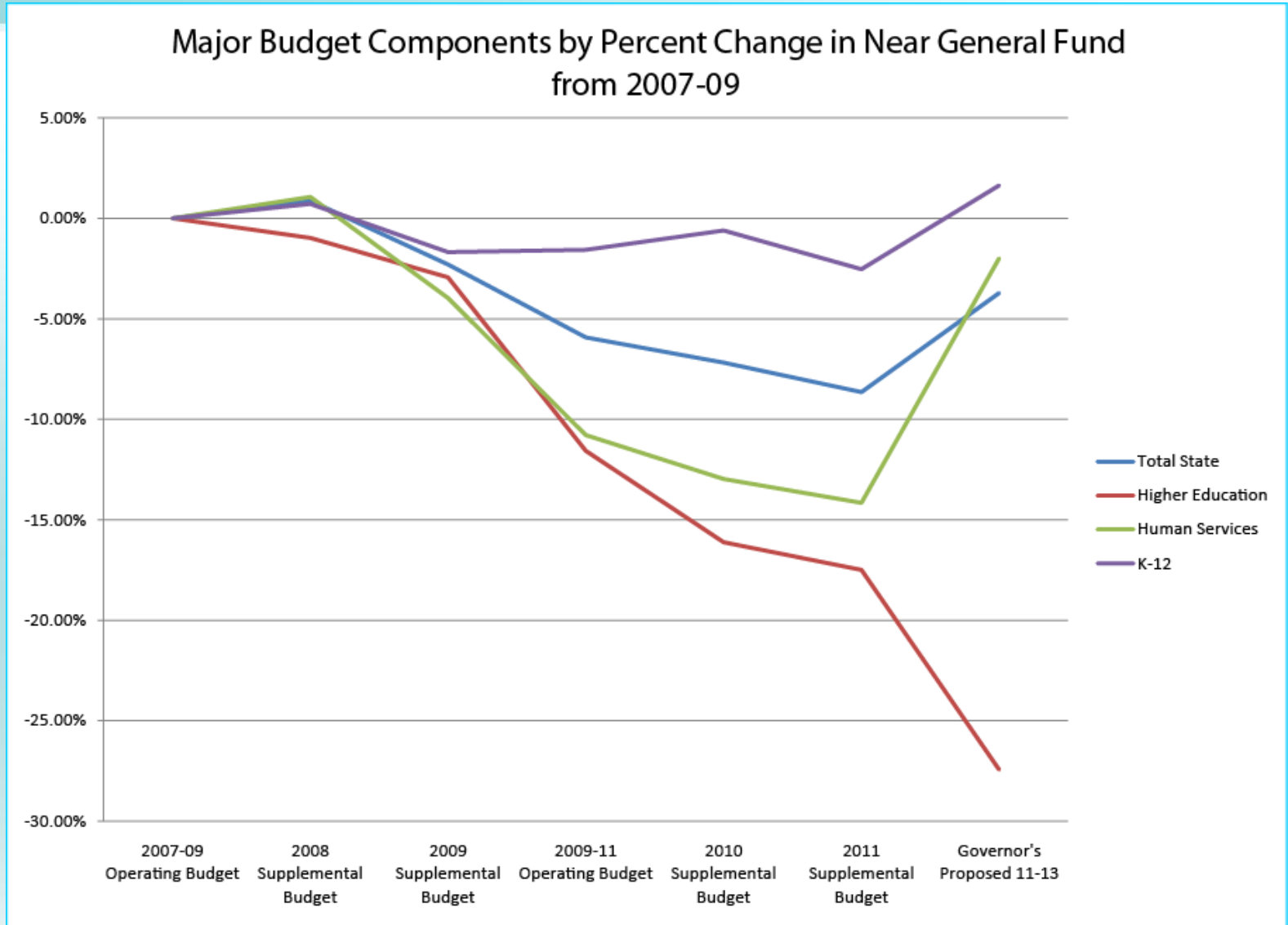


# Near General Fund (State Investment) Per FTE Compared to Tuition Revenue Per FTE in Constant 2013 Dollars



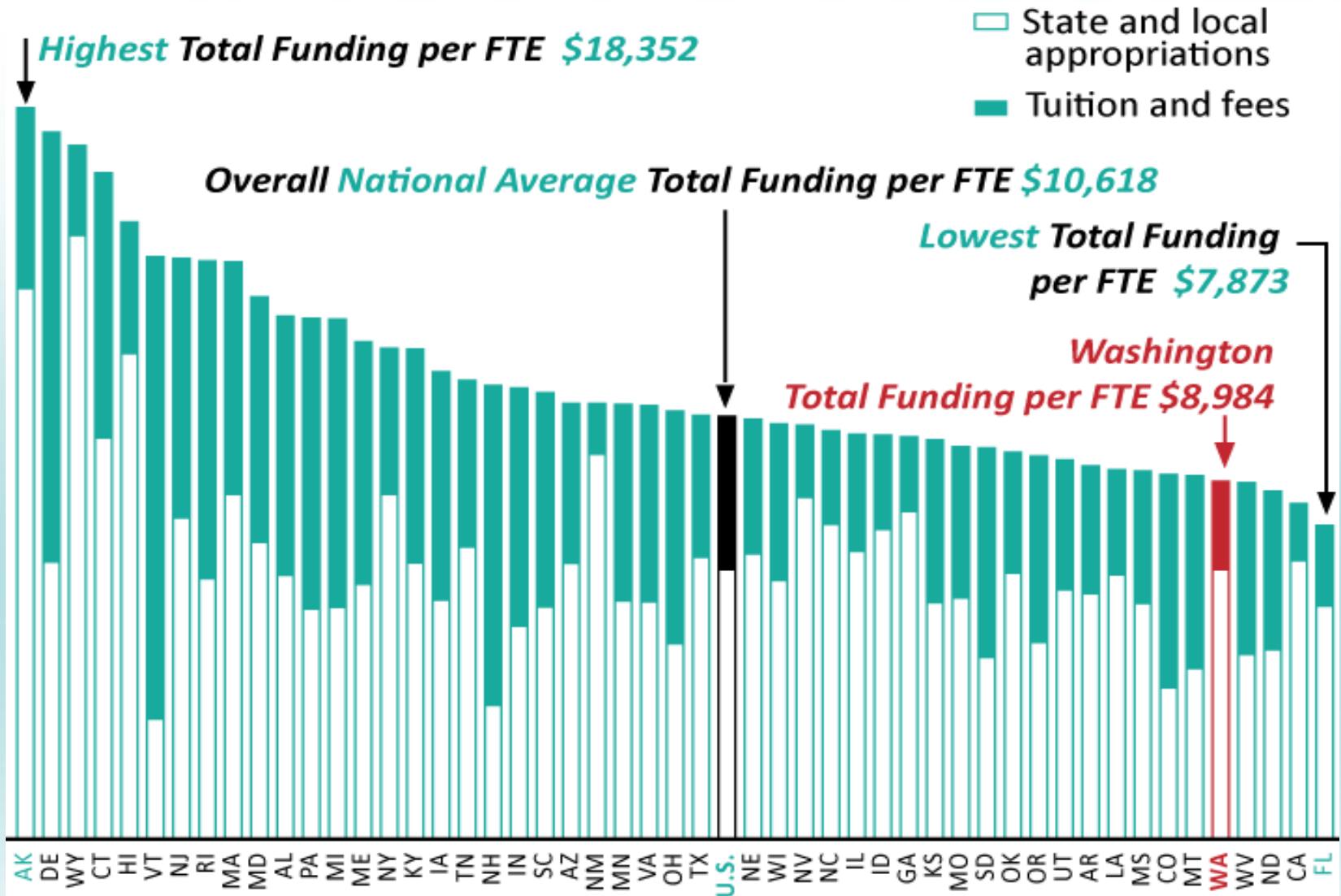


# Higher Education Will Take the Brunt of State Budget Cuts



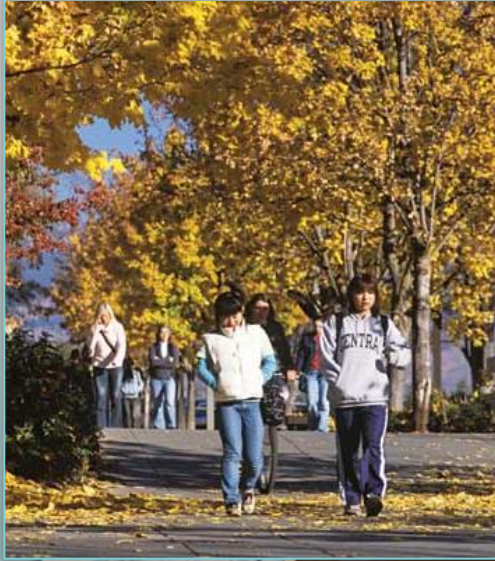


# Funding per FTE student





# Impacts To Students Will Be Significant

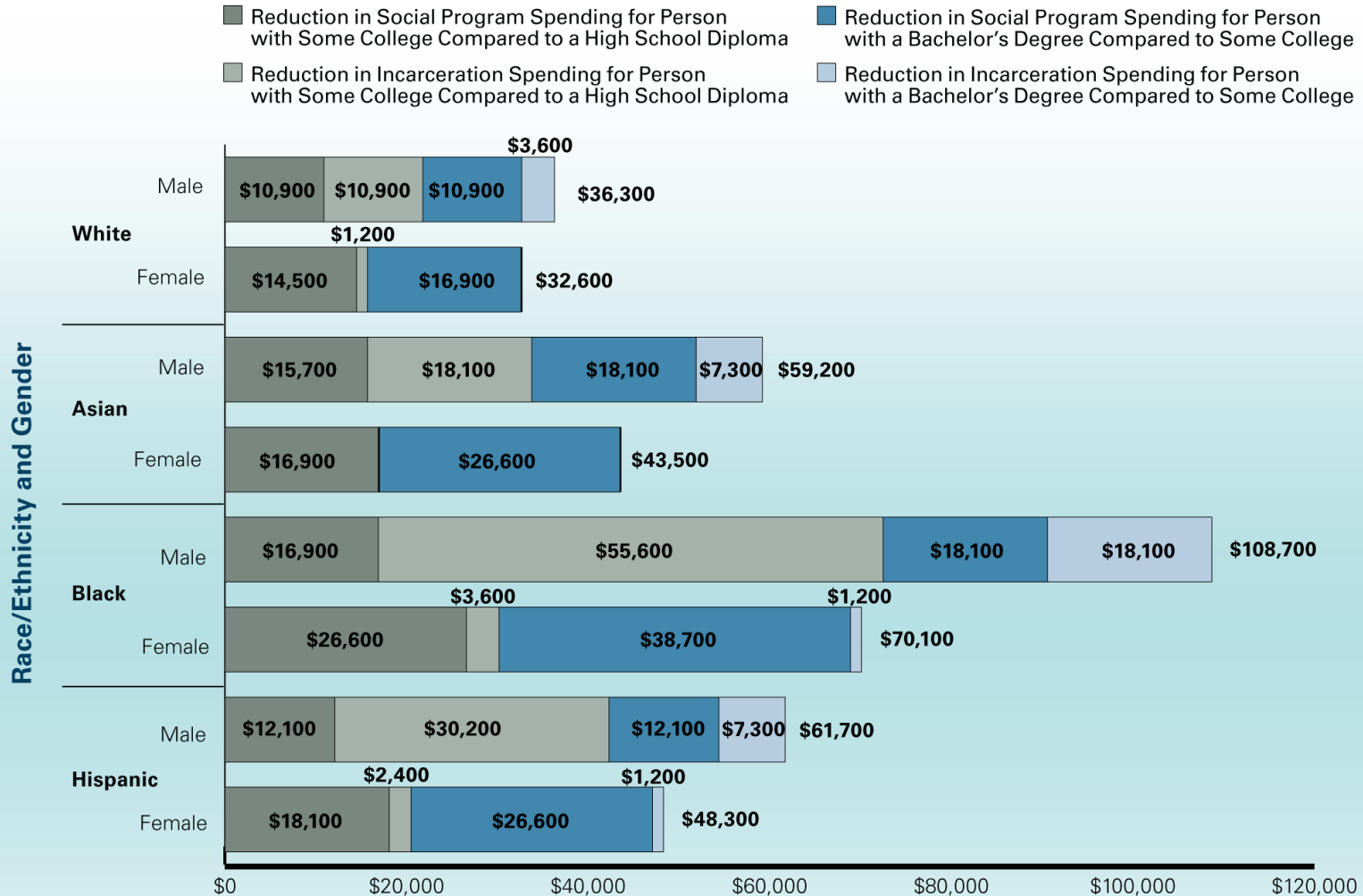


- Reduced access for resident undergraduates (up to 3,000 slots under the Governor's cut level alone)
- Fewer slots in STEM and other high-demand degree programs
- Increased time to degree (each additional term costs students \$6,000-\$8,000)
- Large increases in tuition
- Loss of thousands of jobs, less student support





# Estimated Reductions in Lifetime Public Expenditures per Person Associated with Increases in Educational Attainment, in 2010 Dollars

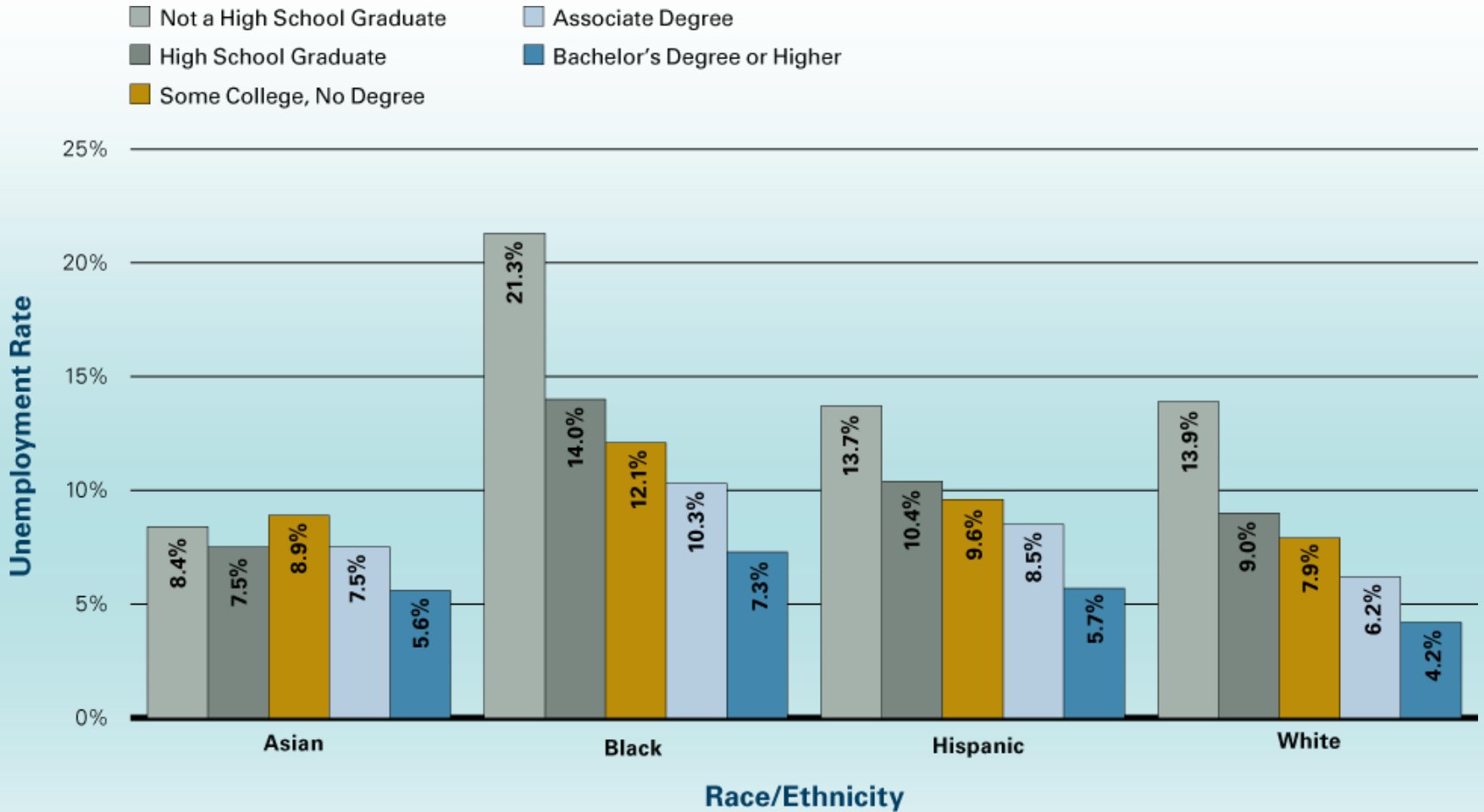


**Reductions in Per-Person Public Expenditures**

Sources: The College Board, *Education Pays 2010*, Figure 1.11; Carroll and Erkut, 2009; calculations by the authors.



# Unemployment Rates of Individuals Ages 25 and Older, by Education Level and Race/Ethnicity, 2009





# Tuition Flexibility is important to help mitigate cuts in state funding

- In 2009-10 tuition at our research institutions was 21% below comparable states (GCS average) and 5% below the national average.
- At our comprehensive institutions tuition was 24% below comparable states (GCS average) and 12% below the national average.



# The Future Prosperity of our State is at Risk

*“Let us put our minds together and see what life we can make for our children”*

Sitting Bull

