



July 2008

2009-11 Higher Education Institutional Presentations on Operating and Capital Budget Requests

Introduction

At the July 21 and 22 meeting of the Higher Education Coordinating Board (HECB), the public four-year college presidents and the executive director of the State Board for Community and Technical Colleges will present their operating and capital budget proposals for the next biennium. The purpose of these presentations is to assist the board in developing its 2009-11 budget recommendations. No action on the budget is required by the board at this meeting.

In preparation for the 2009-11 biennium recommendations, the HECB, with the guidance of its fiscal committee, previously identified budget priorities which have a direct relationship to the goals and strategies of the *2008 Strategic Master Plan for Higher Education*. The central goals of the strategic master plan are to:

Raise the level of educational attainment by:

- Helping more people achieve degrees.*
- Developing facilities, technology, distance learning.*
- Focusing on diversity.*
- Creating higher expectation for K-12 students.*
- Creating a system of support for lifelong learning.*
- Making college affordable and easy to access.*

Promote economic growth and innovation by:

- Filling unmet needs in high-demand fields.*
- Promoting student enrollments in STEM fields.*
- Expanding research capacity.*
- Contributing to the innovation economy.*
- Stimulating capital formation and creating an entrepreneurial environment.*
- Building a coherent approach to workforce development.*
- Finding new ways to finance work-related education and training.*

Monitor and fund higher education for results by:

Providing funding levels tied to Global Challenge States' benchmarks.

Exploring financial incentives for educational attainment.

Focusing accountability on master plan goals and implement institutional performance agreements.

Questions for the board to keep in mind are how each institution's or the SBCTC's budget proposals:

- Further the goals of the state strategic master plan.
- Address the specific mission and strategic goals of the institution and its governing board.
- Are prioritized by the institution, given limitations in state funding.
- Relate to each other; that is, how do the operating and capital projects relate.

2009-11 Budget Development Process

At this two-day meeting, public four-year institutions and the State Board for Community and Technical Colleges will make presentations to the board on their planned budget requests for the 2009-11 biennium. Presentations will cover requests for both the operating budget and capital budget funding levels that institutions are seeking during the upcoming legislative session.

To date, the four year colleges and community colleges have submitted budget outlines to the Higher Education Coordinating Board, which will be further developed and funding levels finalized by the institutions.

In September, staff will discuss with the fiscal committee and the board preliminary recommendations on funding priorities for higher education operating and capital budgets.

The full board will be asked to take final action on budget recommendations at their November 2008 meeting. These final recommendations will be forwarded to the Governor and Legislature.

Attachment 1: 2009-11 OFM Carryforward Operating Funding Budget Levels for Higher Educational Institutions, Near General Fund-State

Attachment 2: Summary of Preliminary Institution Operating Budget Proposals, as Received by the HECB as of 7/12/08, State Funds Only

Attachment 1

**2009-11 OFM Carryforward Operating Funding Budget Levels
For Higher Educational Institutions
Near General Fund-State
(dollars in thousands)**

<u>Institution</u>	<u>2009-11 Biennium Funds</u>	<u>Total Funds Added</u>	<u>% Funds Change</u>
University of Washington	\$847,198	\$54,781	6.9%
Washington State University	\$527,357	\$23,986	4.8%
Central Washington University	\$127,076	\$10,938	9.4%
Eastern Washington University	\$123,491	\$6,190	5.3%
The Evergreen State College	\$65,273	\$1,500	2.4%
Western Washington University	\$155,046	\$8,654	5.9%
Four-Year Public Total	\$1,845,441	\$106,049	6.1%
Community and Technical Colleges	\$1,571,229	\$134,505	9.4%
Public Higher Education Total	\$3,352,944	\$176,828	5.6%
Higher Education Coordinating Board	\$493,211	\$19,044	4.0%
Total	\$3,840,180	\$189,897	5.2%

Source: OFM BASS SYSTEM, Budget Version CF 2009-11, Released 6/20/2008, Accessed 6/23/08.

Attachment 2

**Summary of Preliminary Institution Operating Budget Proposals,
as Received by the HECB as of 7/12/08, State Funds Only**

This is a quick summary of the budget outlines submitted to the Higher Education Coordinating Board in anticipation of institutional budget proposals. This is not a full list of items, only a summary of some the trends contained in the institution budget outlines. These numbers are incomplete and strictly preliminary and as such they are subject to change and should not be taken as final estimates for either the total magnitude of requests or individual requests.

Raise the Level of Educational Attainment

The institutions propose a nearly 2,300 full-time equivalent (FTE) student increase in high-demand programs. 1,700 of these FTEs would be located at community and technical colleges in I-BEST, Apprenticeship, Workforce Development, Workforce Development, Applied Baccalaureate, and Science, Technology, Engineering, and Math (STEM) programs. Baccalaureate institutions plan a 494 FTE expansion of high-demand undergraduate programs, like Geographic Information Systems and Financial Economics. The University of Washington also plans to add 100 new high-demand graduate FTEs.

Institutions propose a net increase of 2,270 FTE increase in general undergraduate enrollments, with 1,600 of those at community and technical colleges, and 870 at baccalaureate institutions, along with a 200 FTE conversion of general enrollments to high-demand enrollments at the University of Washington.

150 additional graduate FTEs have also been proposed at Western Washington University and at the branch campuses of the University of Washington.

Programs to recruit diverse students have been proposed at Western Washington University, The Evergreen State College, and the University of Washington.

Retention is also a primary concern, especially among first-generation students. Eastern Washington University, The Evergreen State College, Western Washington University, and the community and technical colleges all have potential decision packages concerning student retention.

Create Higher Expectations for K-12 Students

Teacher shortages in K-12 are a major concern in the 2009-11 biennium.

The University of Washington proposes \$2 million to expand teacher programs in areas like math and science and special education.

Attachment 2
(continued)

Western Washington University hopes to expand their Teach Washington program, which aims to improve both the quality and quantity of high school math and science teacher in Washington State, from 50 to 100 teachers a year at a cost of \$1.3 million. Western also hopes to use \$500,000 to utilize 500 student teachers from the College of Education to mentor and provide support for aspiring first-generation college students through their Student Teachers Enhancing Possibilities (STEP) program. Additionally, Western wants to add the equivalent of 35 FTEs for English as a Second Language teacher certifications.

Community and technical colleges are requesting an additional \$15 million to help defray the costs of the wildly successful Running Start Program for high school students.

Create a System of Lifelong Learning

Western Washington University, the University of Washington, and community and technical colleges all make explicit proposals to increase access and improve child care for students – for a total of \$3.9 million.

The University of Washington also proposes \$1 million to bring academic support services into students' learning communities.

Eastern Washington University proposes \$185,000 to streamline teacher education programs to offer a faster, outcome-based alternative to traditional programs.

The community and technical colleges propose to expand their adult basic education programs by 1,800 FTEs and increase existing funding per student to improve educational quality. These changes would total \$43 million in the next biennium. Additionally, the community and technical colleges would like \$4 million to offer Adult Basic Education and English as a Second Language in the Workplace Basics Program while supporting additional college and employer partnerships.

Make College Affordable and Easy to Access

Community and technical colleges propose to double existing financial aid for the worker retraining program to \$2,600 per FTE for an estimated cost of \$16 million in the 2009-11 biennium.

Additionally, community and technical colleges would like expand existing opportunity grants, both by increasing funding among already eligible students and extending eligibility to Adult Basic Education students for an estimated cost of \$15 million.

The University of Washington proposes \$1.2 million to more quickly process undergraduate admissions.

Attachment 2
(continued)

Promote Economic Growth and Innovation

The University of Washington, Washington State University, and Western Washington University all propose several projects and initiatives that support research and economic development in Washington.

Among these projects, projects related to the environment are prevalent, including:

- \$6 million for the College of the Environment, UW
- \$2 million for Clean Technology and Alternative Energy, UW
- \$2 million for Sensor Networks in Environmental Science, UW
- \$4 million for Emerging Issues in Agriculture, WSU
- \$2 million for Phase 1 of the Clean Technology Initiative, WSU
- \$1 million for the Beach Watchers program, WSU
- Continued support for the development of the Waterfront Campus, WWU
- \$1.8 million for the Washington Biodiversity Institute, WWU
- \$2.3 million for curriculum development in high-demand fields and research related to earthquake monitoring, wine faults, and renewable energy, CWU

Health issues are also addressed by institution budget proposals, including:

- \$2 million for Healthcare Informatics, WSU
- \$1.7 million for the Vancouver Autism Center, WSU
- \$5 million for the School of Global Animal Health, WSU
- \$4.5 million for Life Sciences Research, UW
- \$2 million for Health Metrics and Evaluation, UW
- \$1 million for the safe nanotechnology initiative, UW
- \$3 million in support for teaching hospitals, UW
- \$6 million for clinical professional training programs, UW

Attachment 2
(continued)

The University of Washington also proposes additional research infrastructure:

- \$2 million additional dollars for the eScience initiative
- \$1 million for large-scale data preservation with the National Science Foundation
- \$800,000 to expand opportunities for undergraduates to participate in research, internships, and community-based learning

Improve Facilities and Equipment

Safety is a major concern in higher education in Washington. All the institutions propose additional spending for staff, emergency notification systems, and student services – for a total of \$13 million.

Libraries and other learning resources are another primary area of concern in institution proposals, including:

- \$200,000 for Library Collections at Eastern Washington University, and
- 21st Century learning environments at community and technical colleges at nearly \$30 million.

Both The Evergreen State College and Washington State University propose substantial upgrades to administrative technology:

- \$18 million for Phase 1 of WSU Core Computer Student Systems, and
- Over \$2 million for system upgrades at TESC. Evergreen proposes additional funds for equipment replacements, network bandwidth, and back-up systems for servers.

Retain Staff and Faculty

- Compensation is a primary concern in these budget proposals. All institutions have listed compensation increases for faculty and exempt staff, as well as collective bargaining agreements for WSFE employees, labor relations staff, part-time faculty conversion, recruitment and retention funds, and additional funding for employee services as important.
- Cost calculations are ongoing, but proposals in this category are expected to be well above \$200 million.