

## How financial aid increases plus an expanded federal educational tax credit will help offset a 14 percent tuition increase at the UW.



A fourteen percent increase in resident undergraduate tuition at the UW will result in an additional charge of \$875 per year per student (\$438 more than the planned 7%). As shown below, we believe that expected increases in available financial aid dollars combined with the expansion of the federal HOPE tax credit will offset this \$875 to different degrees depending on a student's household income.

### How financial aid and an expanded tax credit will help offset an \$875 tuition increase for students and their families:

Family Income	Current UW Tuition	14% Tuition Increase	Expected Financial Aid Increase	Tuition Increase after Aid	Potential Federal Educational Tax Credit	Total Average Net Effect of Tuition Increase
<\$52,500 <sup>1</sup> Husky Promise Eligible	\$6,250	\$875	Husky Promise eligible students will not have to pay increase	\$0	\$700-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$6,250	\$875	UW tuition waivers and grants will increase at the same rate as tuition	<\$875	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$6,250	\$875	\$0	\$875	\$2,500	\$0
>\$160,000	\$6,250	\$875	\$0	\$875	\$0	\$875

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four. Many students in this income range are eligible for the Husky Promise. Those students who do not receive sufficient financial aid to cover the tuition increase but who come from families with no tax liability are newly eligible for a refundable credit of up to \$1,000; those with tax liability are eligible for an additional \$700 tax credit for eligible expenses.

<sup>2</sup> Students in this group were previously able to receive the HOPE tax credit up to \$1,800 for two years. New policy increases their potential tax credit by \$700 and extends the benefit to four years.

<sup>3</sup> Students in this group were not previously able to receive the HOPE tax credit. They or their families are now eligible to receive up to \$2,500 per year in tax credits.