



PART 3:

WHY WE MUST ACT

We must act today to meet new global challenges. The economic playing field has changed. It costs more to educate students so that they're prepared for high-demand jobs.

It's our responsibility to ensure that every student has access to a top-notch education that helps them reach their potential.

Because the world is changing, the UW won't be able to stay a highly-ranked institution unless all of us recognize the need to invest more in core academic programs at the UW. Like the visionaries of the past, we must be committed not only to keeping the UW as good as it is now, but to making it better and better at educating our children, caring for patients, and serving the state. Now is the time to make sure our knowledge economy will be driven by home-grown talent.

Ensuring the State's Future

Today, Washington faces a challenge very similar to the one the United States faced during the Cold War era that saw the creation of the GI Bill and the National Science Foundation. New technology and consumer demands are fundamentally transforming the U.S. job market. The nation not only has new economic competitors in places like China and India, but the nation's research universities are also getting new academic competition from the universities in those places. If the late 20th century was the heyday of institutions like Harvard or Stanford or the University of Washington, the early 21st might be the age of the Indian Institutes of Technology and Beijing University.

Newspapers and the media are constantly reporting on the effects of globalization and outsourcing. Bookstore shelves are filled with titles like "The World is Flat," "China, Inc.," and "Exporting America." In the past, Washington state has been a leader in challenging the status quo in order to ensure that our children succeed in the global economy. Leaders in business and politics understand the role of universities in job creation as well as in education.

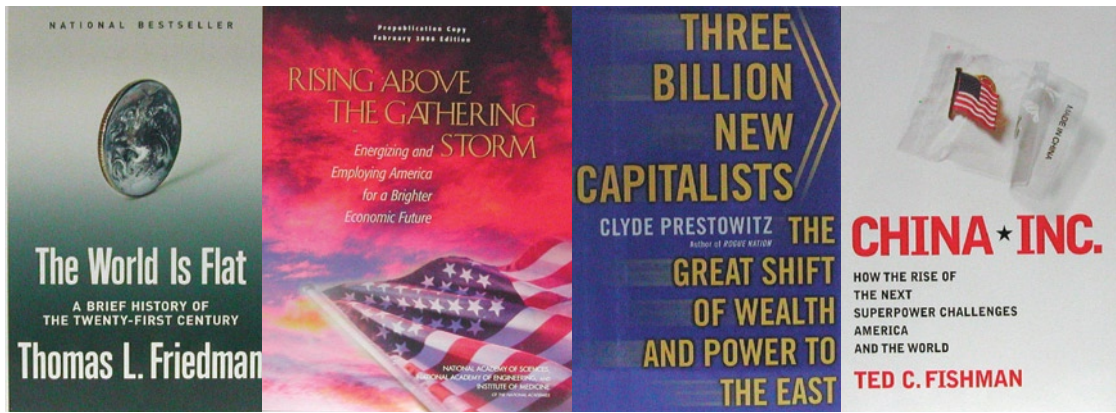
Washington is more attuned to this new economic reality than other states – and indeed many nations – and has a clearer sense of the opportunities and challenges that this new economy will bring.

Washington's political and business leaders are reaching out to leaders in other nations and forming important partnerships that position the state to be competitive in the new global economy. International leaders are coming to Washington to see and hear what we are doing, and our leaders are traveling across the globe to make the critical connections in business, public

service and education that will keep our state competitive in the future.

Washington has recently pursued several important and powerful initiatives designed to improve the state's global economic competitiveness, increase the production of engineers and scientists, foster research in the life sciences, and improve K-12 education. These initiatives depend on a UW that is strong in both teaching and in research:

- Recognizing that educational excellence is crucial to the state's competitiveness, Governor Gregoire created **Washington Learns** to conduct a top-to-bottom review of the state's education system, from kindergarten to college. The initiative is calling for a refocused, purposeful investment in higher education to prepare all of Washington's children to succeed in the global economy. Investment in the academic core of the UW – which enrolls more undergraduate students than any other four-year university in the state – will be crucial to meeting the goals of Washington Learns.



- In 2006, the **Governor’s Global Competitiveness Council** – chaired by business leaders Alan Mulally and Judith Runstad – reminded Washingtonians that the state “must act quickly and purposefully” to capitalize on the new global economy. Investment in higher education was an important theme of its policy recommendations, which included strategies to recruit top academic researchers, support the production of more high-demand degrees like those in engineering and the life sciences, and reevaluate higher education funding.
- Government, business, labor and non-profit leaders in the central Puget Sound area formed the **Prosperity Partnership** in 2004. The Partnership’s review of the area’s core competencies demonstrated how important the UW has been to the state and local economy. The strategy the Partnership adopted in September 2005 identified investment in higher education – particularly the number of four-year degrees awarded – as a key strategy in reaching its goals of long-term economic prosperity and attracting

100,000 new jobs. As they put it, “we cannot trust our region’s future to luck.”

- In 2005, the state established the **Life Sciences Discovery Fund** that will award \$350 million in grants over the next 10 years to support life sciences research in the state. The UW is one major institution where this discovery takes place. Competitive funding for the UW is a necessary counterpart to ensure that this \$350 million investment pays off.

The necessary next step in preparing for the new global economy is to renew and increase our investment in university research and teaching. And the fiscal reality is that Washington’s current investment in the UW cannot come close to meeting what is needed to stay competitive.

But the states and nations that we compete with for jobs, for talent, and for economic vitality are outspending us – by a lot – when it comes to higher education.

Why The Resource Gap Matters

Right now, Washingtonians are investing about \$4,000 less in state appropriations and tuition each year for every one of the UW's students than residents of other states are investing in their students. Comparable universities in the "Global Challenge" states have more resources available for their undergraduates.

The existing resource gap doesn't mean that Washingtonians and their elected leaders do not value higher education. In fact, all major public and private economic development plans of the past several years show that people in Washington are keenly aware of how valuable the UW is to the state and its citizens. But there are many deserving people and programs that the state of Washington must support. We know state leaders have to make tough choices every year. The people of Washington may also feel that there are more urgent public education needs than funding student education at the UW.

However, other public priorities are affected by our level of investment in higher education. As initiatives like Washington Learns are telling us, there is a complementary and interdependent relationship between all levels of education, from early childhood and K-12, to community colleges and four-year universities. Investments in education will be much less effective if Washington's research universities cannot increase the number of bachelor's and graduate degrees that are needed for many high-demand jobs, business leadership positions, and family economic security. Public priorities like health

care and public safety benefit from the positive social and economic indicators associated with attainment of four-year degrees. Having more Washingtonians with degrees in high-demand fields brings benefits to all parts of the Washington economy, keeping our job market dynamic and our tax base growing.

The funding gap between the UW and similar universities in other states is a warning signal to Washingtonians that we cannot continue our low investments in higher education. The UW may seem to be "doing okay" with current levels of state appropriations and tuition, but it actually is not able to do what it should for Washington's students. Economic changes are affecting the lives and futures of every single Washingtonian and demanding a higher level of excellence in, and access to, four-year degrees. Investments in the UW will prepare our children for these new realities.

W vs. Ucla: COMPARING THE STUDENT EXPERIENCE

One way to look at the funding gap is to compare the UW freshman experience with that of a typical UCLA freshman.

The two schools are a lot alike – major research universities with top faculty and diverse student bodies that include a good number of low-income undergraduates. But the UW and UCLA are very different in how much each spends per student.

Total resources available per student at UCLA are about \$6,500 more than at the UW. UCLA has a widely-hailed Freshman Cluster program, a year-long course that introduces students to a number of interdisciplinary perspectives on a topic, and allows them to develop close relationships with faculty. UCLA freshmen can choose from 200 freshman seminars of no more than 20 students. And they get advice from

professors, counselors and peers through academic advising and the “Academics in the Commons” program run by students, for students. Faculty are given the time, resources and support they need to teach and advise these students.

The UW provides innovative programs like these, but limited resources mean that they reach only a small portion of the total student body, and may only reach students by their junior or senior years. Schools like UCLA have the resources to bring these individualized programs to more undergraduates and provide them earlier in their education. They can provide faculty with incentives to teach specialized first-year courses and to closely advise students from freshman year on.

That’s the difference that the funding gap makes: serving the many, or serving just a few.

WHERE WE RANK

THE DIFFERENCE BETWEEN UW AND UCLA

Global Challenge Peer Institutions and their funding per full-time-equivalent student in fiscal year 2004-2005.

INSTITUTION	FUNDING PER STUDENT
Rutgers University	\$27,608
UCLA	\$24,067
University of Connecticut	\$23,704
UC, Davis	\$21,803
University of Maryland	\$21,134
University of Massachusetts	\$20,648
UC, San Diego	\$18,563
University of Virginia	\$18,044
UNIVERSITY OF WASHINGTON	\$17,709
UC, Irvine	\$16,554
University of Colorado	\$13,287

THE \$6,358 DIFFERENCE

Results For Students

We don't have to pay the additional \$6,500 that institutions like UCLA pays to ensure that all UW freshmen – and sophomores, juniors and seniors – are reached by programs like these. Because of the UW's revenue from federal and private sources, and because of efficiencies in the way the UW does business, Washington students can see these kinds of real, measurable improvements with an investment of just \$4,000 more per student.

If we make this \$4,000-per-student investment, we'll see immediate and positive impacts on the quality of education at the UW:

- More financial aid for middle-class families while staying committed to support for low-income families;
- More students getting into competitive majors in high-demand fields;
- More faculty to teach and advise UW students;
- Research and service experience for the majority of UW undergrads;
- More access to international experiences;
- Accessible and extensive advising and counseling;
- Smaller classes;

WHAT \$4,000 BUYS FOR STUDENTS

EDUCATIONAL EXCELLENCE AT THE UW

Increased financial aid
Increased enrollments
Availability of high-demand majors
Smaller class sizes
More student access to faculty
Opportunities outside the classroom
research, international experience, professional education
Top-notch teaching faculty
Better educational technology
Better facilities for learning and living

OPPORTUNITIES IN LIFE

Education in high-demand fields
Good jobs and good wages
High quality of life
Home-grown leadership
Entrepreneurial opportunities



- Classrooms and labs that meet 21st century technology standards;
- Learning experiences and faculty-student interactions that continue out of the classroom, into dorms, dining halls and the wider community.

IF WE MAKE THIS \$4,000-PER-STUDENT INVESTMENT, WE'LL SEE IMMEDIATE AND POSITIVE IMPACTS ON THE QUALITY OF EDUCATION AT THE UW.



Accountability and Performance

With increased investment comes the responsibility of improved performance and accountability. The UW stands ready to meet this challenge. In 2005, the state established a link between increased resources for the university and improved performance on several important indicators. We strongly believe that students, their families and Washington taxpayers have every right to expect the UW to perform at even higher levels in exchange for closing the \$4,000-per-student gap.

What can students and taxpayers expect for an increased investment in the UW? Additional faculty, smaller classes and more frequent advising will lead to improvements in the time it takes for students to complete their degrees and better retention of both freshmen and sophomores. Even with marginally higher tuition rates, financial aid will increase to insure that the UW will preserve the economic diversity of the student body.

Increasing academic quality and increasing the size of high-demand majors will insure that more students earn bachelor's degrees so that they are better prepared for the state's changing workforce requirements. This in turn leads to an improved state economy as more Washington children stay in the state and contribute to the tax base.

WHAT \$4,000 RETURNS TO THE STATE

Increased bachelor's degrees
(with emphasis on high-demand fields)

Improved time to degree

Improved student retention

Improved quality of academic programs.

Increased access for low-income students

Improved student workforce preparation

Increased tax base

Increased family economic security

Sustained quality of research programs



Washington's citizens are committed to excellence in education, to the knowledge economy, and to preserving the state's unique resources and quality of life. We should be similarly committed to investing the same amount in our children's futures as the people of Virginia, California, Maryland or New Jersey.

As the global playing field changes, the UW's funding shortfall hurts our state more and more. Our competitor institutions are in a better position to offer small classes, top faculty, and quality facilities to their students. It is

unthinkable that the UW could not maintain its status as a major research and teaching institution, just as it was unthinkable that Boeing could ever move its headquarters from the state – until they left for Chicago.

But the evidence sends a clear message. Total funding – from both tuition and state appropriations – must be set at a competitive level if the University is to continue to remain a top-tier institution that prepares its students for the global challenges ahead.

WE SHOULD BE SIMILARLY COMMITTED TO INVESTING THE SAME AMOUNT IN OUR CHILDREN'S FUTURES AS THE PEOPLE OF VIRGINIA, CALIFORNIA, MARYLAND OR NEW JERSEY.