

**April 8, 2009**

**To: The Honorable Members of the Washington State Senate and  
the Washington State House of Representatives**

**From: Members of the Boards of Higher Education**

**Greetings:**

Balancing a budget with a shortfall of nearly \$9 billion dollars is a difficult task, to say the least. We have great respect for the enormity of your challenge, and we are very appreciative of your efforts. Nonetheless, as appointed stewards of Washington State's public four-year higher educational institutions, we are deeply concerned that the magnitude of the reductions to higher education in the Senate and House operating budget proposals would result in significantly reduced access and quality at our state's public colleges and universities. *We ask that you give the institutions the tools and the opportunity to manage through this period of economic adversity so as to keep the door to higher education open to students from all backgrounds.* The key to this is tuition.

We firmly believe that if you will grant the institutions the option to increase resident undergraduate tuition up to the amount that has been suggested by the Governor and some legislators, not only would access to higher education be maintained to a significant degree, but it would be achieved without impacting the economic diversity of our students. Our institutions remain steadfast in their commitment to expand educational opportunity for low- and middle-income students. Unequivocally, an increase in tuition would be accompanied by an increase in financial aid. This authority would also help ensure that students already enrolled in the institutions do not suffer a significant decline in the quality of their educational experience.

Furthermore, through increases in aid and an expanded educational tax credit, the federal stimulus program has made it even more expedient for states facing budget crises to raise tuition at their public universities without passing the burden on to students and their families. Analyses by some of the institutions conclude that, with the new federal stimulus funding options available for students, resident undergraduates attending in the coming academic year from households making less than \$160,000 a year generally would not be impacted by a tuition increase of as much as 14 percent. The attached charts illustrate how tuition increases in amounts up to 14 percent would be offset for families at different income levels.

We pledge to you our continuing efforts to foster efficiency, cost-effectiveness, and innovation in the way that the institutions serve the citizens of Washington. If we are given the tools to do so, we can manage through this economic crisis. *We ask that you grant the institutions the flexibility to implement a fair and sensible solution—the option to increase undergraduate resident tuition.*

Thank you for your consideration.

**Respectfully,**

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



A 14 percent increase in resident undergraduate tuition at EWU will result in an additional charge of \$590 per year per student (\$295 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 \$590 to different degrees depending on a student's household income.

### How financial aid and an expanded tax credit will help offset a \$590 tuition increase for students and their families:

Family Income	Current EWU Tuition	14% Tuition Increase	Expected Financial Aid Increase	Tuition Increase After Aid	Potential Federal Education Tax Credit	Total Average Net Effect of Tuition Increase
<\$52,500 <sup>1</sup> Federal PELL Eligible	\$4,215	\$590	Eligible Federal PELL Grant Students will not have to pay a tuition increase	\$0	\$800-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$4,215	\$590	EWU tuition waivers and grants will increase at the same rate as tuition	<\$590	\$700-\$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$4,215	\$590	\$0	\$590	\$2,500	\$0
>\$160,000	\$4,215	\$590	\$0	\$590	\$0	\$590

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four. Those students who do not receive sufficient financial aid to cover the tuition increase but who come from families with no tax liability are eligible for a refundable credit of up to \$1,000; those with a 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 their benefits to four years.

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

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

A fourteen percent increase in resident undergraduate tuition at WWU will result in an additional charge of \$601 per year per student (\$300 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 \$601 to different degrees depending on a student’s household income.

### How financial aid and an expanded tax credit will help offset a \$601 tuition increase for students and their families:

Family Income	Current WWU Tuition	14% Tuition Increase	Expected Financial Aid Increase	Tuition Increase After Aid	Potential Federal Education Tax Credit	Total Average Net Effect Of Tuition Increase
< \$52,500 <sup>1</sup> Federal PELL Grant Eligible	\$4,290	\$601	Eligible Federal PELL Grant students will not have to pay a tuition increase	\$0	\$700 - \$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$4,290	\$601	WWU tuition waivers and grants will not increase at the same rate as tuition	< \$601	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$4,290	\$601	\$0	\$601	\$2,500	\$0
> \$160,000	\$4,290	\$601	\$0	\$601	\$0	\$601

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

## How financial aid increases plus an expanded federal educational tax credit will help offset a 7 percent tuition increase at WSU.

A seven percent increase in resident undergraduate tuition at the WSU will result in an additional charge of \$435 per year per student. As shown below, the expected increases in available financial aid combined with the 2009 & 2010 expansion of the federal HOPE tax credit will offset this \$435 to different degrees depending on a student's household income.

Family Income	Current WSU Annual Tuition (excludes S&A fee)	7% 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> Cougar Commitment Eligible	\$6,218	\$435	Cougar Commitment eligible students will not have to pay increase	\$0	\$700-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$6,218	\$435	WSU institutional grants will increase at the same rate as tuition	<\$435	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$6,218	\$435	\$0	\$435	\$2,500	\$0
>\$160,000	\$6,218	\$435	\$0	\$435	\$0	\$435

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four (used in determining 2008-2009 State Need Grant eligibility). Many students in this income range are eligible for the Cougar Commitment. 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 will be 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.



## How financial aid increases plus an expanded federal educational tax credit will help offset a 10 percent tuition increase at WSU.

A ten percent increase in resident undergraduate tuition at the WSU will result in an additional charge of \$621 per year per student (\$186 more than the planned 7%). As shown below, the expected increases in available financial aid combined with the 2009 & 2010 expansion of the federal HOPE tax credit will offset this \$621 to different degrees depending on a student's household income.

Family Income	Current WSU Annual Tuition (excludes S&A fee)	10% 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> Cougar Commitment Eligible	\$6,218	\$621	Cougar Commitment eligible students will not have to pay increase	\$0	\$700-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$6,218	\$621	WSU institutional grants will increase at the same rate as tuition	<\$621	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$6,218	\$621	\$0	\$621	\$2,500	\$0
>\$160,000	\$6,218	\$621	\$0	\$621	\$0	\$621

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four (used in determining 2008-2009 State Need Grant eligibility). Many students in this income range are eligible for the Cougar Commitment. 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 will be 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.



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

A fourteen percent increase in resident undergraduate tuition at the WSU will result in an additional charge of \$870 per year per student (\$435 more than the planned 7%). As shown below, the expected increases in available financial aid combined with the 2009 & 2010 expansion of the federal HOPE tax credit will offset this \$870 to different degrees depending on a student's household income.

Family Income	Current WSU Annual Tuition (excludes S&A fee)	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> Cougar Commitment Eligible	\$6,218	\$870	Cougar Commitment eligible students will not have to pay increase	\$0	\$700-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$6,218	\$870	WSU institutional grants will increase at the same rate as tuition	<\$870	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$6,218	\$870	\$0	\$870	\$2,500	\$0
>\$160,000	\$6,218	\$870	\$0	\$870	\$0	\$870

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four (used in determining 2008-2009 State Need Grant eligibility). Many students in this income range are eligible for the Cougar Commitment. 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 will be 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.

# 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.