

## V. REPORT OF THE UNIVERSITY PRESIDENT

### Proposed Fiscal Year 2010 Operations and Capital Budgets and Tuition 2009-2010

For information only.

Attachments:

Background Information Related to Proposed Tuition Increases for Academic Year  
2009-10

Proposed FY 2010 Operating and Capital Budgets



## **Content of This Item**

The proposed fiscal year 2010 University of Washington budget will be discussed in the May, 2009 meeting of the Board of Regents. As part of that discussion, additional background information relating to the proposed tuition increases for the 2009-10 academic year is provided within this item.

## **Broad Context**

Decisions about level of tuition need to be considered in the context of the University's current competitive funding situation. Funding for the University of Washington must be set at a competitive level if the University is to continue to provide a high quality education to students and to address the vision and goals set for the institution.

The bulk of the University of Washington's core educational funding comes from the combination of state appropriations and tuition paid by students. In fiscal year 2009, 58 percent of core educational funding is from state appropriations and 42 percent is from tuition paid by students. Both the University of Washington's state funding per student FTE and its tuition are below that of our competitor institutions.

In order for the University of Washington to reach a competitive funding level, both state appropriations and our tuition need to increase as these two funding sources are interrelated. To illustrate, if state support for the University of Washington continues to lag behind the level of state support for our competitors, the University of Washington's tuition would need to be above that of competitor institutions in order for total funding per student FTE to reach a competitive level.

During the 2007 legislative session, the Legislature enacted Second Senate Substitute Bill (SSSB) 5806 which implements the major higher education recommendations resulting from the Governor's Washington Learns Initiative. Specifically, the bill:

- Establishes the "Global Challenge States" as the official benchmark for comparing per student funding for higher education institutions in the state.
- Sets a goal of bringing per student funding for all higher education institutions to at least the 60th percentile of peer schools in the Global Challenge States within at least ten years.
- Imposes a cap on tuition increases for resident undergraduates of no more than 7 percent per year through the 2016-17 academic year.
- Requires tuition statements for public colleges to clearly display the state taxpayer subsidy along with other relevant costs.

Based on this legislation, the state Office of Financial Management was directed to develop funding goals for higher education institutions. In 2008-09, the UW's per student funding level lagged behind our competitors in the Global Challenge States by almost \$2,000 per student.

The financial circumstances that the state legislature found itself in during the 2009 legislative session in effect suspended any implementation of SSSB 5806. The UW's state funding for FY 2010 was reduced substantially. In addition, in the 2009 legislative session the state legislature changed the undergraduate resident tuition increase cap in SSSB 5806 for Fiscal Year 2010 and Fiscal Year 2011; specifically, the UW was authorized to increase undergraduate resident tuition in each of these fiscal years by up to 14%.

## **Background**

On May 12, 2003, the state legislature passed Engrossed Substitute Senate Bill (ESSB) 5448 giving the Board of Regents authority to set tuition for all tuition categories except undergraduate resident tuition. The bill granted tuition setting authority for a six year time period, through the 2008-09 academic year.

During the 2009 legislative session, the state legislature passed SSB 5734 which gives the Board of Regents authority to set tuition for all tuition categories except undergraduate resident tuition. This bill extended tuition setting authority for a four year time period, through the 2012-13 academic year.

The Board of Regents first utilized this tuition setting authority in June 2003 when it established tuition rates for the 2003-04 academic year for the undergraduate non-resident category and for all of the graduate and professional tuition categories. Because ESSB 5448 did not pass until early May, the Board of Regents was not able to have an extensive discussion of tuition setting policy as part of the adoption of the university's fiscal year 2004 budget.

The Board of Regents had an extensive discussion of tuition setting policy in February and March 2004 as part of the adoption of tuition rates for the 2004-05 academic year. This discussion was revisited in February 2005 when proposed tuition rates for the 2005-06 academic year were considered. During the process of adopting the University of Washington's fiscal year 2006 budget, the President recommended, and the Board of Regents agreed, to move the discussion and approval of tuition rates for fiscal year 2007 and subsequent years to May and June, after the state legislative session was completed.

For the tuition comparisons included in this document, the University of Washington continues to compare itself to institutions included in the Higher Education Coordinating Board 24 comparison group for consistency with past presentations. There are only ten universities on the list of Global Challenge State peer institutions, so overall it is a much smaller comparison group. In addition, many of these ten universities do not have all of the academic programs offered by the University of Washington, so for some tuition comparisons, the comparison groups are quite small.

## **Supporting Information in Appendices**

Supporting tuition-related information is provided in appendices at the end of this information item:

- Appendix 1: Current Tuition Category Structure
- Appendix 2: Factors Considered When Tuition Increases are Proposed
- Appendix 3: Tuition and Fee Waiver Summary for Academic Years 2003-04 through 2008-09
- Appendix 4: Financial Aid Grant Summary for Fiscal Years 2004 Through 2008
- Appendix 5: Financial Aid Grants from Gift/Endowment Funds for Fiscal Years 2004 through 2008
- Appendix 6: Loan Debt at Graduation (for Various Degree Categories) For Academic Years 2003-04 through 2007-08
- Appendix 7: Annual Tuition and Fee Comparison (summary) for Academic Years 2004-05 through 2008-09
- Appendix 8: Annual Tuition and Fee Comparison for Academic Years 2004-05 through 2008-09
- Appendix 9: State Funding Per Student FTE for Academic Year 2006-07

A few comments on some of the data included in these appendices are provided below.

### **Comments on Appendix 3**

Information on tuition and fee waivers that were awarded over the fiscal year 2004 through 2008 time period is shown in Appendix 3. Note that in fiscal year 2008, a total of \$71,720,085 in tuition and fees was waived with \$58,390,159 (82 percent of the total) going to graduate/professional students and \$13,329,926 (18 percent of the total) going to undergraduate students. Over this five-year time period, the amount of tuition and fees waived increased by \$25,875,723.

### **Comments on Appendix 4**

State law requires that 3.5 percent of the tuition dollars actually collected be used to provide financial aid grants to students. Information on the total amount of financial aid grants provided over the fiscal year 2004 through 2008 time period is provided in Appendix 4. In fiscal year 2008, \$7,589,582 in financial aid grants were provided to undergraduate students and \$3,466,647 to graduate and professional students for a total amount of financial aid grants of \$11,056,229. Over this five year period, the amount of

financial aid grants from this source of funds increased by \$3,998,275, a 64 percent increase over the five year period!

### **Comments on Appendix 5**

Financial aid grants are provided to many students through gift/endowment funds. Information on the total amount of financial aid grants from gift/endowment funds by tuition category in fiscal years 2004 through 2008 is provided in Appendix 5. In fiscal year 2008, \$48,618,165 in financial aid grants were provided to students from gift/endowment funds with \$28,965,005 (60 percent) of this total going to undergraduate students. Over the same five year period, the amount of financial aid grants provided annually to students increased by \$18,061,668, a 63 percent increase. Financial aid grants provided to graduate and professional students grew significantly over this time period although the percentage increase slowed during fiscal year 2007.

### **Comments on Appendix 6**

Information on loan debt at graduation for various degree categories is provided in Appendix 6, with six years of historical data shown in this table. A few comments on interpreting the information in Appendix 6 are needed. First, while both “mean” and “median” loan debt figures are presented, given the characteristics of the data the “median” loan debt figures are probably the best measure of average loan debt. Second, it is important to look at both the average loan debt and the percentage of students getting degrees in a particular category who graduate with debt.

For undergraduate students receiving degrees at the end of the 2007-08 academic year, median loan debt decreased by \$133 compared to an increase of \$400 in the previous year; the percentage of students graduating with debt decreased slightly to 48.1 percent compared to 48.7 percent the previous year. Students receiving degrees in most graduate and professional tuition categories saw increases in median loan debt for the 2007-08 academic year.

### **Comments on Appendices 7 and 8**

Appendices 7 and 8 present tuition and fee comparisons with the Higher Education Coordinating (HEC) Board 24 comparison institutions. Note that when the HEC Board established this comparison group many years ago they used two criteria: 1) the institution had to be a “flagship” public university in the state it was located and 2) the institution had to have a medical school.

Appendix 7 presents five years of HEC Board 24 and University of Washington tuition and fee averages for each tuition category and displays the gap between the University of Washington and the comparison group. Appendix 8 provides more detailed information for each tuition category for the same period, with the tuition and fees for each of the HEC Board 24 comparison institutions shown as well as the average for the whole group. For the Undergraduate Resident and the Undergraduate Non-resident tuition categories,

Appendix 8 also presents tuition and fee comparisons with the Global Challenge State comparison group.

### **Comments on Appendix 9**

Information on the level of state funding per student FTE at the Higher Education Coordinating Board 24 comparison institutions for the 2006-07 academic year is provided in Appendix 9; this is the most recent year for which comparison data are available. The average state funding per student FTE at the HEC Board 24 comparison institutions for the 2006-07 academic year was \$12,118 per student FTE compared to the University of Washington average FTE of \$9,585 for the same year. In the 2006-07 academic year, the HEC Board 24 comparison group institutions on average received \$2,533 more in state funding per student FTE than did the University of Washington.

## Appendix 1

### Current Tuition Category Structure

The UW currently has a number of tuition categories and there is a resident/non-resident distinction within each category. The tuition categories are:

- Undergraduate
- Graduate Tier I
- Graduate Tier II
- Graduate Tier III
- Public Affairs Master
- Business Administration Master
- Nursing Master and Doctor of Nursing Practice
- Doctor of Pharmacy
- Law Master and Professional
- Medical and Dental Professional

In the Business Administration Master and Nursing Master categories, there are some differences in tuition levels across the Seattle, Bothell and Tacoma campuses. The Board of Regents also establishes tuition rates for post baccalaureate and non-matriculated students.

The current graduate tuition “tier” categorizations are listed below. The tier categorizations for some masters programs recognize differences in the cost of some programs and in the personal value of the degree to the graduates.

<u>Tier I</u>	All PhD students Master degrees not specified below
<u>Tier II</u>	Education masters Forest Resources masters Non-professional School of Medicine masters Ocean & Fishery Sciences masters [ <i>Master of Marine Affairs (GTTL) and Master of Marine Affairs</i> ]
<u>Tier III</u>	Architecture & Urban Planning masters Information School masters UW/Tacoma Masters in Computing and Software Systems Public Health & Community Medicine masters



## Appendix 2

### **Factors Considered When Tuition Increases are Proposed**

As has been discussed with the Board of Regents over the last few years, a variety of factors are considered when tuition increases are proposed. The factors considered when proposing tuition increases include, but are not limited to:

- What is the institution's current competitive funding situation?

Tuition is a significant component of the funding that supports the UW's Core Education Budget. Decisions about proposed tuition increases need to be linked to decisions that the state makes on the level of General Fund support for the UW. In order to offer competitive programs, the UW must be competitively funded. Both General Fund support and student-paid tuition need to increase; how much tuition will increase depends on General Fund support increases. Greater increases in General Fund support put less pressure on tuition increases, smaller increases in General Fund support put more pressure on tuition.

- What is the program's quality goal and is it achieving that goal?
- What does it cost to deliver the program?
- What is the program's current competitive position?
- What is the value of the program to students?
- What is the market demand for graduates of the program?
- What is the student demand for the program?
- What is the average loan debt of students graduating from the program?
- How much financial aid are colleges/schools able to offer students in their programs?
- To what extent can we make tuition predictable for students?

These factors are not considered on any formulaic basis, but rather evaluated more subjectively as whole.

## Appendix 3

University of Washington  
**TUITION AND FEE WAIVER SUMMARY**  
 Academic Years 2003-04 through 2007-08

Waiver Category	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Graduate/Professional</b>					
TA/RA NonResident Differential	21,616,344	23,623,052	27,393,122	30,470,951	31,258,697
TA/RA Operating Fee	10,287,728	12,593,165	13,973,640	14,998,019	15,846,985
WWAMI Interstate Agreement	2,704,099	3,120,122	3,357,441	3,682,548	4,238,790
4% Merit/Need Graduate/Professional	2,745,596	2,943,716	3,187,351	3,674,768	4,174,836
Grad/Prof Residency Classification	0	0	953,606	1,571,654	2,510,382
Over 18 Credit Hours	176,933	199,091	183,435	205,025	221,275
WICHE Prof Student Exchange	125,828	125,034	115,614	121,645	139,194
<b>Subtotal</b>	<b>37,656,528</b>	<b>42,604,180</b>	<b>49,164,209</b>	<b>54,724,610</b>	<b>58,390,159</b>
<b>Undergraduate</b>					
4% Merit/Need Undergraduate	4,929,501	5,466,902	5,876,688	6,344,737	7,197,440
ICA Gender Equity	1,356,673	1,460,173	1,584,626	1,704,282	1,849,894
International Exchange	1,176,884	1,500,783	1,635,073	1,838,026	2,003,026
University Faculty/Staff	452,339	496,233	389,853	450,042	631,860
Veteran, WNG, Child/Spouse (Inj/MIA)	0	0	239,370	712,142	1,458,374
Washington Achievement Award	154,500	158,610	233,832	252,500	116,502
Faculty/Staff Dependents	69,011	74,120	45,433	68,129	35,811
Children of Police/Firefighters	23,347	27,888	23,502	42,650	37,019
SE Asia Veteran	6,083	6,674	2,273	0	0
Persian Gulf Veteran	15,283	3,887	2,447	0	0
Child of POW/MIA	4,213	0	0	0	0
<b>Subtotal</b>	<b>8,187,834</b>	<b>9,195,270</b>	<b>10,033,097</b>	<b>11,412,507</b>	<b>13,329,926</b>
<b>TOTAL</b>	<b>45,844,362</b>	<b>51,799,450</b>	<b>59,197,306</b>	<b>66,137,117</b>	<b>71,720,085</b>

This data does NOT include summer quarter waivers

Appendix 4

University of Washington  
**FINANCIAL AID GRANT SUMMARY**  
Fiscal Years 2004 through 2008

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Undergraduate	4,688,935	5,443,672	5,478,112	6,252,639	7,589,582
Graduate	2,369,019	2,702,808	2,844,617	3,082,126	3,466,647
<b>TOTAL</b>	<b>7,057,954</b>	<b>8,146,480</b>	<b>8,322,729</b>	<b>9,334,765</b>	<b>11,056,229</b>

This data does NOT include summer quarter financial aid  
Financial aid represents 3.5 percent of actual collected tuition

## Appendix 5

University of Washington  
**FINANCIAL AID GRANTS FROM GIFT/ENDOWMENT FUNDS**  
 Fiscal Years 2004 through 2008

<b>Degree</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Business Administration ( <i>graduate</i> )	974,136	2,250,804	3,383,930	2,479,498	3,255,969
Dentistry ( <i>doctor</i> )	116,450	147,600	204,771	248,177	247,550
Law ( <i>juris doctor</i> )	769,935	527,688	661,405	655,275	1,028,775
Medicine ( <i>doctor</i> )	1,426,673	1,512,833	1,511,945	1,591,245	1,996,817
Nursing ( <i>graduate</i> )	291,717	358,980	417,371	474,181	660,423
Pharmacy ( <i>doctor</i> )	220,093	224,698	228,896	263,268	273,781
All Other Graduate Programs	8,178,762	8,622,930	10,302,696	11,324,498	12,189,844
Undergraduate	18,578,731	21,999,077	22,724,462	25,840,769	28,965,005
<b>TOTAL</b>	<b>30,556,497</b>	<b>35,644,610</b>	<b>39,435,476</b>	<b>42,876,911</b>	<b>48,618,165</b>

Appendix 6  
University of Washington  
**LOAN DEBT AT GRADUATION**

**Bachelor Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	7,646	3,679	48.1	16,481	13,625
2006-07	7,789	3,796	48.7	16,116	13,758
2005-06	7,771	3,749	48.2	15,948	13,358
2004-05	8,005	4,019	50.2	15,669	13,356
2003-04	7,787	3,880	49.8	15,210	13,364

**Graduate Degrees\***

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	2,909	1,541	53.0	36,369	28,298
2006-07	2,894	1,563	54.0	36,619	30,000
2005-06	2,941	1,411	48.0	36,735	30,224
2004-05	2,787	1,480	53.1	33,258	27,557
2003-04	2,704	1,394	51.6	31,835	26,283

\*Master and PhD degrees in fields other than Medicine, Dentistry, Law, Nursing, Pharmacy and Business

**Medicine Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	169	156	92.3	118,809	129,187
2006-07	166	145	87.3	106,083	114,441
2005-06	183	173	94.5	104,656	110,205
2004-05	158	151	95.6	91,276	99,207
2003-04	174	154	88.5	85,953	90,311

**Dentistry Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	51	49	96.1	144,328	146,409
2006-07	56	52	92.9	143,154	145,254
2005-06	53	50	94.3	130,149	133,273
2004-05	54	49	90.7	113,128	119,630
2003-04	51	48	94.1	97,257	101,847

Appendix 6 (continued)

University of Washington  
**LOAN DEBT AT GRADUATION**

**Law Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	168	133	79.2	68,662	66,523
2006-07	178	145	81.5	65,507	65,846
2005-06	176	140	79.5	64,206	64,400
2004-05	162	145	89.5	57,637	54,646
2003-04	175	150	85.7	47,068	47,739

**Nursing Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	142	81	57.0	38,846	33,586
2006-07	165	79	47.9	38,298	32,595
2005-06	127	55	43.3	32,157	30,930
2004-05	141	61	43.3	30,617	29,612
2003-04	142	62	43.7	25,687	22,168

**MBA Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	415	176	42.4	32,705	33,854
2006-07	397	165	41.6	36,769	37,000
2005-06	414	169	40.8	38,013	37,218
2004-05	356	150	42.1	36,028	37,000
2003-04	394	149	37.8	31,819	33,812

**Pharmacy Degrees**

<b>Academic Year</b>	<b>Total Students</b>	<b>Students with Loan Debt</b>	<b>Percentage with Loan Debt</b>	<b>Mean Debt at Graduation</b>	<b>Median Debt at Graduation</b>
2007-08	110	74	67.3	63,869	70,259
2006-07	90	75	83.3	69,762	72,510
2005-06	102	79	77.5	63,196	68,709
2004-05	96	72	75.0	54,112	51,890
2003-04	89	58	65.2	49,019	49,684

## Appendix 7

### University of Washington ANNUAL TUITION AND FEE COMPARISON SUMMARY UW and HECB 24 Universities

Tuition Category	Academic Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Undergraduate Resident</b>					
HEC BOARD 24 Group Average	6,592	7,041	7,532	8,093	8,665
University of Washington	5,286	5,610	5,985	6,385	6,802
Gap	<b>1,306</b>	<b>1,431</b>	<b>1,547</b>	<b>1,708</b>	<b>1,863</b>
<b>Undergraduate Nonresident</b>					
HEC BOARD 24 Group Average	18,613	19,653	20,764	22,065	23,137
University of Washington	17,916	19,907	21,283	22,131	23,219
Gap	<b>697</b>	<b>(254)</b>	<b>(519)</b>	<b>(66)</b>	<b>(82)</b>
<b>Graduate Resident</b>					
HEC BOARD 24 Group Average	7,842	8,509	9,059	9,420	10,043
University of Washington	7,616	8,257	8,818	9,417	10,047
Gap	<b>226</b>	<b>252</b>	<b>241</b>	<b>3</b>	<b>(4)</b>
<b>Graduate Nonresident</b>					
HEC BOARD 24 Group Average	18,390	19,252	19,862	20,489	21,302
University of Washington	17,816	19,307	20,641	21,464	22,519
Gap	<b>574</b>	<b>(55)</b>	<b>(779)</b>	<b>(975)</b>	<b>(1,217)</b>
<b>MBA Resident</b>					
HEC BOARD 24 Group Average	14,581	16,737	17,590	18,611	20,528
University of Washington	12,616	15,287	17,825	19,843	21,782
Gap	<b>1,965</b>	<b>1,450</b>	<b>(235)</b>	<b>(1,232)</b>	<b>(1,254)</b>
<b>MBA Nonresident</b>					
HEC BOARD 24 Group Average	24,361	26,771	27,950	29,119	30,626
University of Washington	21,516	25,224	27,525	29,543	32,452
Gap	<b>2,845</b>	<b>1,547</b>	<b>425</b>	<b>(424)</b>	<b>(1,826)</b>
<b>PharmD Resident</b>					
HEC BOARD 24 Group Average	11,981	13,428	14,436	15,319	16,376
University of Washington	10,216	11,177	12,262	13,454	14,754
Gap	<b>1,765</b>	<b>2,251</b>	<b>2,174</b>	<b>1,865</b>	<b>1,622</b>
<b>PharmD Nonresident</b>					
HEC BOARD 24 Group Average	24,413	26,048	27,682	28,763	30,157
University of Washington	19,716	21,627	23,757	26,098	28,663
Gap	<b>4,697</b>	<b>4,421</b>	<b>3,925</b>	<b>2,665</b>	<b>1,494</b>

Appendix 7 (continued)

University of Washington  
**ANNUAL TUITION AND FEE COMPARISON SUMMARY**  
 UW and HECB 24 Universities

Tuition Category	Academic Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Law Resident</b>					
HEC BOARD 24 Group Average	15,050	16,490	17,711	19,192	20,990
University of Washington	13,516	14,807	16,255	17,846	19,585
Gap	<b>1,534</b>	<b>1,683</b>	<b>1,456</b>	<b>1,346</b>	<b>1,405</b>
<b>Law Nonresident</b>					
HEC BOARD 24 Group Average	26,247	27,932	29,550	31,297	33,597
University of Washington	19,816	21,737	23,878	26,231	28,809
Gap	<b>6,431</b>	<b>6,195</b>	<b>5,672</b>	<b>5,066</b>	<b>4,788</b>
<b>Dentistry Resident</b>					
HEC BOARD 24 Group Average	18,947	20,923	22,397	24,230	27,084
University of Washington	13,316	14,459	15,872	17,425	19,122
Gap	<b>5,631</b>	<b>6,464</b>	<b>6,525</b>	<b>6,805</b>	<b>7,962</b>
<b>Dentistry Nonresident</b>					
HEC BOARD 24 Group Average	36,996	38,574	40,626	42,792	46,702
University of Washington	31,516	34,297	37,694	41,429	45,527
Gap	<b>5,480</b>	<b>4,277</b>	<b>2,932</b>	<b>1,363</b>	<b>1,175</b>
<b>Medicine Resident</b>					
HEC BOARD 24 Group Average	20,135	21,595	22,739	24,478	26,243
University of Washington	13,316	14,459	15,872	17,425	19,122
Gap	<b>6,819</b>	<b>7,136</b>	<b>6,867</b>	<b>7,053</b>	<b>7,121</b>
<b>Medicine Nonresident</b>					
HEC BOARD 24 Group Average	36,519	37,450	39,263	40,912	43,381
University of Washington	31,516	34,297	37,694	41,429	45,527
Gap	<b>5,003</b>	<b>3,153</b>	<b>1,569</b>	<b>(517)</b>	<b>(2,146)</b>



## Appendix 8

### Annual Tuition and Fee Comparison University of Washington and Global Challenge States

Tuition Category	<b>UNDERGRADUATE RESIDENT</b>	
Academic Year	2008-09	
		2008-09 Tuition and Fees
Rutgers University		11,540
University of Virginia		9,490
University of Connecticut		9,338
University of Massachusetts		9,131
University of California Davis		8,639
University of California San Diego		8,056
University of California Irvine		8,050
University of Maryland College Park and Baltimore		8,005
University of California Los Angeles		7,554
University of Colorado Boulder and Denver		7,278
<b>University of Washington</b>		<b>6,802</b>
University of Washington Ranking		11 of 11
Global Challenge Group Average		8,708
Global Challenge States Median		8,056

University of Washington tuition and fees would have to increase by \$1,906 to be at the average level of this comparison group.

NOTE: These data are accurate as of midNovember 2008. Due to the economic situation of many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

## Appendix 8 (continued)

### Annual Tuition and Fee Comparison University of Washington and Global Challenge States

Tuition Category	<b>UNDERGRADUATE NONRESIDENT</b>
Academic Year	2008-09
	2008-09 Tuition and Fees
University of Connecticut	48,100
University of Virginia	29,608
University of California Davis	29,247
University of California San Diego	28,663
University of California Irvine	28,654
University of California Los Angeles	28,150
University of Colorado Boulder and Denver	26,756
<b>University of Washington</b>	<b>23,219</b>
University of Maryland College Park and Baltimore	23,076
University of Massachusetts	21,729
Rutgers University	21,488

University of Washington Ranking	8 of 11
Global Challenge Group Average	28,547
GCS MEDIAN	28,150
University of Washington tuition and fees would have to increase by \$6,112 to be at the average level of this comparison group.	

NOTE: These data are accurate as of midNovember 2008. Due to the economic situation of many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

## Appendix 8 (continued)

### Annual Tuition and Fee Comparison University of Washington and HECB 24 Universities

Tuition Category	<b>UNDERGRADUATE RESIDENT</b>
Academic Year	2008-09
	2008-09 Tuition and Fees
Cornell University Contract Colleges	20,364
University of Pittsburgh Main Campus	13,642
University of Michigan	11,738
University of Illinois Chicago	11,716
Michigan State University	10,690
University of Minnesota Twin Cities	10,634
University of Virginia	9,490
University of Cincinnati Main Campus	9,399
Ohio State University Main Campus	8,679
University of California Davis	8,639
University of Missouri Columbia	8,467
University of California San Diego	8,055
University of California Irvine	8,046
Texas A&M University Main Campus	7,844
University of Kentucky	7,736
University of Wisconsin Madison	7,569
University of California Los Angeles	7,554
<b>University of Washington</b>	<b>6,802</b>
University of Iowa	6,544
University of Hawaii at Manoa	6,258
University of Arizona	5,542
University of North Carolina	5,397
University of Utah	5,355
University of New Mexico Albuquerque	4,832
University of Florida	3,777
University of Washington Ranking	18 of 25
HEC BOARD 24 Group Average	8,665

University of Washington tuition and fees would have to increase by \$1,863 to be at the average level of this comparison group.

NOTE: These data are accurate as of midNovember 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	2008-09	2008-09 Tuition and Fees
<b>UNDERGRADUATE NONRESIDENT</b>		
Academic Year	2008-09	
Cornell University Contract Colleges		35,404
University of Michigan		33,069
University of Virginia		29,790
University of California Davis		29,247
University of California San Diego		28,663
University of California Irvine		28,654
University of California Los Angeles		28,150
Michigan State University		25,672
University of Illinois Chicago		24,106
University of Cincinnati Main Campus		23,922
University of Pittsburgh Main Campus		23,290
<b>University of Washington</b>		<b>23,219</b>
University of North Carolina		22,295
Texas A&M University Main Campus		22,184
Ohio State University Main Campus		21,918
University of Wisconsin Madison		21,818
University of Iowa		20,658
University of Missouri Columbia		19,558
University of Arizona		18,676
University of Florida		18,392
University of Hawaii at Manoa		16,914
University of Utah		16,670
University of Kentucky		15,884
University of New Mexico Albuquerque		15,708
University of Minnesota Twin Cities		14,634
University of Washington Ranking		12 of 25
HECB 24 Group Average		23,137

University of Washington tuition and fee would have to decrease by \$83 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>GRADUATE RESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
Cornell University Contract Colleges		20,870
University of Michigan		16,541
University of Pittsburgh Main Campus		16,462
University of Minnesota Twin Cities		12,603
University of Cincinnati Main Campus		12,354
University of Virginia		12,140
Michigan State University		11,300
University of California Irvine		11,262
University of California Davis		10,616
Ohio State University Main Campus		10,440
University of California San Diego		10,076
<b>University of Washington</b>		<b>10,047</b>
University of Wisconsin Madison		10,023
University of California Los Angeles		9,670
University of Kentucky		8,360
University of Florida		8,191
University of Missouri Columbia		8,154
University of Illinois Chicago		7,960
Texas A&M University Main Campus		7,712
University of Iowa		7,436
University of North Carolina		6,693
University of Arizona		6,332
University of New Mexico Albuquerque		5,930
University of Hawaii at Manoa		5,590
University of Utah		4,327
University of Washington Ranking		12 of 25
HECB 24 Group Average		10,043

University of Washington tuition and fees would have to decrease by \$4 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>GRADUATE NONRESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of Michigan		33,255
University of Pittsburgh Main Campus		28,686
University of California Irvine		26,268
University of California Davis		25,624
Ohio State University Main Campus		25,302
University of California San Diego		25,082
University of Wisconsin Madison		24,944
University of California Los Angeles		24,676
<b>University of Washington</b>		<b>22,519</b>
University of Cincinnati Main Campus		22,385
Michigan State University		22,310
University of Virginia		22,140
University of Florida		21,892
University of North Carolina		21,091
Cornell University Contract Colleges		20,870
University of Iowa		20,318
University of Minnesota Twin Cities		19,701
University of Missouri Columbia		19,494
University of Arizona		18,969
University of Kentucky		17,228
University of Illinois Chicago		15,960
Texas A&M University Main Campus		14,456
University of New Mexico Albuquerque		14,059
University of Utah		13,578
University of Hawaii at Manoa		12,950
University of Washington Ranking		9 of 25
HECB 24 Group Average		21,302

University of Washington tuition and fees would have to decrease by \$1,217 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>MASTER OF BUSINESS ADMINISTRATION RESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
Cornell University Statutory		NA
University of Virginia		40,500
University of Michigan		40,439
University of California Los Angeles		31,851
University of Minnesota Twin Cities		28,413
University of California Irvine		27,815
University of California Davis		26,504
University of California San Diego		25,962
Ohio State University Main Campus		22,434
University of North Carolina		22,355
<b>University of Washington</b>		<b>21,782</b>
University of Pittsburgh Main Campus		21,660
University of Kentucky		20,560
Michigan State University		20,438
University of Utah		17,977
Texas A&M University Main Campus		17,976
University of Cincinnati Main Campus		17,904
University of Arizona		15,832
University of Iowa		14,387
University of Illinois Chicago		13,318
University of Wisconsin Madison		11,479
University of New Mexico Albuquerque		9,056
University of Hawaii at Manoa		8,934
University of Florida		8,191
University of Missouri Columbia		8,154
University of Washington Ranking		10 of 24
HECB 24 Group Average		20,528

University of Washington tuition and fees would have to decrease by \$1,254 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category **MASTER OF  
BUSINESS ADMINISTRATION NONRESIDENT**

Academic Year 2008-09

	2008-09 Tuition and Fees
Cornell University Statutory	NA
University of Virginia	45,500
University of Michigan	45,439
University of North Carolina	41,879
University of Minnesota Twin Cities	39,263
University of California Los Angeles	39,041
University of California Irvine	38,949
University of California Davis	38,749
University of California San Diego	37,443
Ohio State University Main Campus	37,323
<b>University of Washington</b>	<b>32,452</b>
University of Utah	31,747
University of Pittsburgh Main Campus	31,486
Michigan State University	29,152
University of Arizona	28,469
Texas A&M University Main Campus	28,092
University of Wisconsin Madison	26,568
University of Iowa	25,717
University of Cincinnati Main Campus	22,038
University of Florida	21,892
University of Illinois Chicago	21,318
University of Kentucky	20,560
University of Missouri Columbia	20,325
University of New Mexico Albuquerque	19,895
University of Hawaii at Manoa	13,542
University of Washington Ranking	10 of 24
HECB 24 Group Average	30,626

University of Washington tuition and fees would have to decrease by \$1,826 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.



Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>DOCTOR OF PHARMACY RESIDENT</b>
Academic Year	2008-09
	2008-09 Tuition and Fees
University of California Davis	NA
University of California Irvine	NA
University of California Los Angeles	NA
Cornell University	NA
University of Hawaii at Manoa	NA
Michigan State University	NA
Texas A&M University Main Campus	NA
University of Virginia	NA
University of California San Francisco	23,421
University of California San Diego	22,792
University of Pittsburgh Main Campus	20,310
University of Kentucky	19,376
University of Minnesota Twin Cities	19,329
University of Michigan	18,601
University of Iowa	18,050
University of Missouri Kansas City	17,146
Ohio State University Main Campus	15,777
<b>University of Washington</b>	<b>14,754</b>
University of Arizona	14,632
University of Utah	13,466
University of North Carolina	13,462
University of Illinois Chicago	13,332
University of Wisconsin Madison	13,125
University of Florida	13,095
University of Cincinnati Main Campus	12,354
University of New Mexico Albuquerque	10,126
University of Washington Ranking	10 of 18
HECB 24 Group Average	16,376

University of Washington tuition and fees would have to increase by \$1,622 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>DOCTOR OF PHARMACY NONRESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of California Davis		NA
University of California Irvine		NA
University of California Los Angeles		NA
Cornell University		NA
University of Hawaii at Manoa		NA
Michigan State University		NA
Texas A&M University Main Campus		NA
University of Virginia		NA
University of Missouri Kansas City		36,616
University of Florida		36,239
University of California San Francisco		35,666
University of Kentucky		35,270
University of California San Diego		35,037
University of Michigan		34,201
University of Iowa		32,686
Ohio State University Main Campus		31,587
University of Minnesota Twin Cities		30,717
University of North Carolina		29,797
University of Utah		28,742
<b>University of Washington</b>		<b>28,663</b>
University of Arizona		27,269
University of New Mexico Albuquerque		26,381
University of Wisconsin Madison		25,585
University of Pittsburgh Main Campus		24,320
University of Cincinnati Main Campus		22,383
University of Illinois Chicago		20,168
University of Washington Ranking		12 of 18
HECB 24 Group Average		30,157

University of Washington tuition and fees would have to increase by \$1,494 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>LAW RESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of California Irvine		NA
University of California San Diego		NA
University of Illinois Chicago		NA
Michigan State University		NA
Texas A&M University Main Campus		NA
University of Michigan		41,499
University of Virginia		36,800
University of California Los Angeles		31,103
University of California Davis		28,515
University of Minnesota Twin Cities		25,253
University of Pittsburgh Main Campus		24,122
Ohio State University Main Campus		20,892
<b>University of Washington</b>		<b>19,585</b>
University of Arizona		19,582
University of Cincinnati Main Campus		19,362
University of Iowa		17,916
University of Missouri Columbia		15,462
University of Kentucky		15,258
University of North Carolina		15,045
University of Wisconsin Madison		14,730
University of Hawaii at Manoa		14,720
University of Utah		13,624
University of Florida		12,352
University of New Mexico Albuquerque		11,593
University of Washington Ranking		8 of 19
HECB 24 Group Average		20,990

University of Washington tuition and fees would have to increase by \$1,405 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>LAW NONRESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of California Irvine		NA
University of California San Diego		NA
University of Illinois Chicago		NA
Michigan State University		NA
Texas A&M University Main Campus		NA
University of Michigan		44,499
University of Virginia		41,800
University of California Los Angeles		41,624
University of California Davis		40,760
Ohio State University Main Campus		35,869
University of Minnesota Twin Cities		35,656
University of Iowa		34,684
University of Wisconsin Madison		34,654
University of Cincinnati Main Campus		33,764
University of Pittsburgh Main Campus		32,266
University of Arizona		32,219
University of Florida		31,704
University of Missouri Columbia		29,496
University of Utah		29,134
<b>University of Washington</b>		<b>28,809</b>
University of North Carolina		27,863
University of Hawaii at Manoa		26,624
University of Kentucky		26,436
University of New Mexico Albuquerque		25,693

University of Washington Ranking	15 of 19
HECB 24 Group Average	33,597

University of Washington tuition and fees would have to increase by \$4,788 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

## Appendix 8 (continued)

### Annual Tuition and Fee Comparison University of Washington and HECB 24 Universities

Tuition Category	<b>DENTISTRY RESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of Arizona		NA
University of California Davis		NA
University of California Irvine		NA
University of California San Diego		NA
University of Cincinnati Main Campus		NA
Cornell University		NA
University of Hawaii at Manoa		NA
Michigan State University		NA
University of Missouri Columbia		NA
University of New Mexico Albuquerque		NA
Texas A&M University Main Campus		NA
University of Utah		NA
University of Virginia		NA
University of Wisconsin Madison		NA
University of Minnesota Twin Cities		34,514
University of Pittsburgh Main Campus		34,448
University of Illinois Chicago		29,166
University of California Los Angeles		28,093
University of Michigan		27,883
University of Iowa		26,681
Ohio State University Main Campus		26,598
University of Florida		24,202
University of Kentucky		22,780
<b>University of Washington</b>		<b>19,122</b>
University of North Carolina		16,474

University of Washington Ranking	10 of 11
HECB 24 Group Average	27,084

University of Washington tuition and fees would have to increase by \$7,962 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>DENTISTRY NONRESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of Arizona		NA
University of California- Davis		NA
University of California- Irvine		NA
University of California-San Diego		NA
University of Cincinnati- Main Campus		NA
Cornell University		NA
University of Hawaii at Manoa		NA
Michigan State University		NA
University of Missouri- Columbia		NA
University of New Mexico- Albuquerque		NA
Texas A&M University -Main Campus		NA
University of Utah		NA
University of Virginia		NA
University of Wisconsin- Madison		NA
Ohio State University -Main Campus		57,111
University of Illinois- Chicago		56,806
University of Minnesota-Twin Cities		56,528
University of Florida		50,683
University of Kentucky		46,474
<b>University of Washington</b>		<b>45,527</b>
University of Iowa		44,871
University of Michigan		43,553
University of Pittsburgh- Main Campus		42,068
University of California-Los Angeles		38,069
University of North Carolina		30,856
University of Washington Ranking		6 of 11
HECB 24 Group Average		46,702

University of Washington tuition and fees are equal to increase by \$1,175 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>MEDICINE RESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
Texas A&M University -Main Campus		NA
Cornell University (Endowed)		42,890
University of Pittsburgh- Main Campus		37,442
University of Virginia		32,650
University of Minnesota Twin Cities		32,360
Michigan State University		30,408
University of Illinois Chicago		30,360
Ohio State University Main Campus		28,563
University of Cincinnati Main Campus		27,987
University of California Davis		27,658
University of Florida		26,439
University of Kentucky		26,344
University of Iowa		26,113
University of Michigan		26,005
University of California Irvine		25,795
University of Missouri Columbia		24,856
University of California San Diego		24,579
University of California Los Angeles		24,173
University of Wisconsin Madison		23,102
University of Utah		21,933
<b>University of Washington</b>		<b>19,122</b>
University of Arizona		18,776
University of New Mexico Albuquerque		16,423
University of Hawaii at Manoa		15,834
University of North Carolina		12,891
University of Washington Ranking		20 of 24
HECB 24 Group Average		26,243

University of Washington tuition and fees would need to increase by \$7,121 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.

Appendix 8 (continued)

Annual Tuition and Fee Comparison  
University of Washington and HECB 24 Universities

Tuition Category	<b>MEDICINE NONRESIDENT</b>	
Academic Year	2008-09	2008-09 Tuition and Fees
University of Arizona		NA
Texas A&M University Main Campus		NA
Michigan State University		65,622
University of Illinois Chicago		60,702
University of Florida		55,679
University of Kentucky		49,219
University of Missouri Columbia		48,368
<b>University of Washington</b>		<b>45,527</b>
University of New Mexico Albuquerque		43,795
Ohio State University Main Campus		43,701
University of Cincinnati Main Campus		42,987
Cornell University (Endowed)		42,980
University of Virginia		42,650
University of Iowa		41,927
University of Michigan		41,485
University of Pittsburgh Main Campus		41,462
University of Utah		40,840
University of California Davis		39,903
University of Minnesota Twin Cities		39,893
University of California Irvine		38,040
University of North Carolina		36,957
University of California San Diego		36,824
University of California Los Angeles		36,418
University of Wisconsin Madison		34,226
University of Hawaii at Manoa		30,712
University of Washington Ranking		6 of 23
HECB 24 Group Average		43,381

University of Washington tuition and fees would need to decrease by \$2,146 to be at the average level of this comparison group.

NOTE: These data are accurate as of mid-November 2008. Due to the economic situation in many states, a number of institutions are considering midyear tuition increases.

The dollar figures shown include tuition and fees paid by all students.



## Appendix 9

### University of Washington State Funding per Student FTE Academic Year 2006-07

<b>Institution</b>	<b>2006-07 State &amp; Local Appropriations</b>	<b>2006-07 Student FTE</b>	<b>2006-07 State Support per Student FTE</b>
Cornell University	154,609,000	7,037	21,971
University of North Carolina at Chapel Hill	492,471,029	24,513	20,090
University of California-Los Angeles	630,413,000	35,817	17,601
University of California-Davis	443,516,000	27,846	15,927
University of Kentucky	332,676,715	23,291	14,283
University of Minnesota-Twin Cities	571,279,913	40,833	13,991
University of Florida	702,289,000	46,553	15,086
University of Hawaii at Manoa	224,625,236	16,512	13,604
University of New Mexico-Main Campus	272,421,396	20,479	13,302
University of Iowa	313,321,000	25,022	12,522
University of California-San Diego	301,598,000	25,444	11,853
University of Arizona	420,641,000	32,604	12,902
University of Illinois at Chicago	239,758,348	21,701	11,048
University of Utah	269,700,000	23,516	11,469
Texas A & M University	427,844,618	42,229	10,132
University of California-Irvine	247,412,000	24,512	10,094
University of Wisconsin-Madison	363,900,812	37,907	9,600
Ohio State University-Main Campus	427,138,372	47,397	9,012
University of Missouri-Columbia	229,991,644	25,468	9,031
Michigan State University	317,840,500	41,723	7,618
University of Michigan-Ann Arbor	290,538,000	38,222	7,601
University of Pittsburgh-Main Campus	182,986,261	23,702	7,720
University of Virginia-Main Campus	154,615,152	21,355	7,240
University of Cincinnati-Main Campus	169,250,357	23,732	7,132
<b>Peer Group Average</b>	<b>340,868,223</b>	<b>29,059</b>	<b>12,118</b>
University of Washington-Seattle Campus	365,782,566	38,163	9,585
Amount UW would need to increase tuition to reach peer average			2,533



## **Proposed FY 2010 Operating and Capital Budgets**

The FY 2010 Operating and Capital Budgets are being presented as an information item at the May, 2009 meeting of the Board of Regents. These budgets will be presented as an action item at the June, 2009 meeting of the Board of Regents.

### **Preview of the June 2009 Action Item**

The June 2009 action item adopting the FY 2010 Operating and Capital Budgets will ask the Board of Regents to do six things:

- Adopt the FY 2010 Operating Budget;
- Establish tuition rates for all tuition categories for the 2009-10 academic year;
- Approve certain fee increases for implementation during FY 2010;
- Provide guidelines for approving fee increases for FY 2010 for fee-based degree programs, fee-based courses and certificate programs, and various other academic fees under existing delegated authorities;
- Adopt the FY 2010 Capital Budget;
- Authorize the administration to proceed with construction of the Molecular Engineering Building under the assumption that the construction costs for the building will be funded through \$53.5 million in debt supported by student building fee revenues and \$20 million in debt supported by indirect cost recovery revenues; this will probably be a separate action item at the June Regents meeting.

## Financial Context for the Proposed FY 2010 Operating and Capital Budgets

The FY 2010 budget proposal that is being presented to the Board of Regents is divided into four areas:

- The three parts of the Operating Budget:
  - the Core Education Budget;
  - the Restricted Programs Budget;
  - the Academic Enhancement/Support Budget; and
- The Capital Budget.

The FY 2010 proposed operating budget is summarized in Table 1; the FY 2010 proposed capital budget is presented in Table 5. The financial context for FY 2010 is different for the Core Education, Restricted Programs, Academic Enhancement/Support, and Capital Budgets.

Core Education Budget Financial Context. The financial context for the FY 2010 Core Education Budget is primarily shaped by a number of actions that occurred in the recently completed session of the Washington State legislature. First, the UW's State General Fund allocation for FY 2010 reflects a reduction of just under \$95 million per year in state support compared to the originally adopted level of state support for FY 2009. Second, because of the magnitude of that reduction in state support for FY 2010, the legislature authorized the UW to increase undergraduate resident tuition by 14% for FY 2010. Third, the legislature extended the Board of Regents authority to set tuition for the undergraduate non-resident, graduate and professional tuition categories for another four years – through fiscal year 2013.

Restricted Operating Budget Financial Context. One of the few bright spots in the FY 2010 budget is the grant-related part of this budget. Direct expenditures on grants and contracts are projected to increase in FY 2010. The UW had been having a good year on grant and contract awards during FY 2009 even before the federal stimulus program provided a substantial increase to both the NSF and NIH research budgets. As a result, both the direct expenditures on grants and contracts and the associated indirect cost recovery are predicted to have increases in FY 2010.

Expenditures from gift and endowment budgets are predicted to decrease substantially in FY 2010. This decrease is a direct result of the change in endowment payout methodology that the Board of Regents has adopted in response to the projected returns for the Consolidated Endowment Fund during FY 2009 and over the next few years.

State restricted funds (small appropriations from the Accident Fund and the Medical Aid Fund that support certain public health-related activities as well as a small state appropriation for bio-toxin monitoring) change slightly in FY 2010 based on legislative actions.

Academic Enhancement/Support Budget Financial Context. Most of the University's Academic Enhancement/Support functions have been impacted by state and local economic conditions. Many of these functions have had to adjust their operations in both the current fiscal year and for Fiscal Year 2010. One example would be the decision that Intercollegiate Athletics has made to eliminate the men's and women's swimming programs in FY 2010. While they are having to make adjustments, the University's Academic Enhancement/Support functions have a stable outlook for FY 2010. The University's large auxiliary business enterprises (UW Medical Center, Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services) are all financially stable and slow growth is expected in FY 2010.

Capital Budget Financial Context. The proposed UW Capital Budget for FY 2010 provides funding for a number of capital projects. For state-supported capital projects, the proposed budget reflects actions taken by the legislature in the 2009-11 state capital budget. Unfortunately, in the 2009-11 state capital budget, significantly less funding was provided for UW projects than in recent state capital budgets. The proposed UW Capital Budget for FY 2010 also includes funding for a number of capital projects that are supported by non-state funds from enterprise units, donors, indirect cost recovery, student building fee and local bonds.

## Approach to FY 2010 Budget Decisions

Due to the economic circumstances that the UW faces in FY 2010, the primary focus of budget decisions is how to absorb budget reductions in a manner that is consistent with our vision and core values and that minimizes the impacts on students. The FY 2010 annual budget development process was guided by the university's vision statement and core values below:

*The University of Washington educates a diverse student body to become responsible global citizens and future leaders through a challenging learning environment informed by cutting-edge scholarship.*

*Discovery is at the heart of our university.*

*We discover timely solutions to the world's most complex problems and enrich the lives of people throughout our community, the state of Washington, the nation, and the world.*

The core values are:

*Integrity ~ Diversity ~ Excellence ~ Collaboration ~ Innovation ~ Respect*

The President and Provost described the principles that they wanted Deans, Vice Presidents, Vice Provosts and Chancellors to utilize in identifying potential budget reductions for FY 2010 in their 1/22/2009 letter to campus leaders:

As units begin to develop business plans that articulate the impact of budget reductions, it is important that we individually and collectively remain true to our vision: *Discovery is at the heart of our University*. Our shared values of *integrity, diversity, excellence, collaboration, innovation, and respect* must guide our decisions.

Keeping our vision and values in mind, we have developed the following principles, in consultation with the Board of Deans and Chancellors (BODC), the Senate Committee on Planning and Budgeting (SCPB), and the President's Cabinet, that will guide our difficult budget decisions. As a premier public research university, we must:

- Do our best to ensure access to excellence for new and continuing students.
- Promote and enable cutting-edge research and scholarship.
- Ensure that decisions that impact other programs and units are made in consultation with the impacted unit.
- Explore administrative efficiencies to allow larger cuts in these activities to preserve research and instruction.

- Use vacant positions and non-salary expenditures to achieve budget reductions and preserve existing faculty and staff. Filled tenure and tenure-track positions should not be reduced.
- Continue to invest very strategically to take advantage of opportunities that will position the UW as a world leader when the economy rebounds.

Campus units were asked to submit business plans by mid-February that were developed with consideration of these principles and that discussed how the unit would respond to an 8%, 10% or 12% reduction in central support. The business plans that were submitted to the provost were posted on the Office of Planning and Budgeting web site.

In March and April, the provost met with all Deans, Vice Presidents, Vice Provosts and Chancellors to discuss the business plans that they had prepared. After the completion of these meetings and the end of the legislative session, the Provost and President made decisions on how budget cuts that would be required to balance the FY 2010 budget would be distributed to colleges, schools, administrative units and to the UW Bothell and UW Tacoma campuses. The size and distribution of these cuts is discussed in more detail in the following section.

## FY 2010 Core Education Budget Discussion

The proposed FY 2010 Core Education Budget is presented in Table 2; proposed temporary investments from fund balance are shown in Table 3. Proposed tuition increases for the 2009-10 academic year are presented in Appendix 2.

### Changes in Revenues

The changes in revenues supporting the FY 2010 Core Education Budget are summarized below:

<b>Revenue Source</b>	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>	<b>Change</b>
State General Fund	401,707,000	320,627,000	(81,080,000)
Tuition Operating Fee	295,500,000	330,558,000	35,058,000
Designated Operating Fund	57,215,000	55,502,000	(1,713,000)
Subtotal: Ongoing Core Ed Revenues	754,422,000	706,687,000	(47,735,000)
Use of Fund Balance for Temp Exp	3,000,000	11,000,000	8,000,000
<b>TOTAL REVENUES</b>	<b>757,422,000</b>	<b>717,687,000</b>	<b>(39,735,000)</b>

### Comments on Changes in Revenues

Budgeted ongoing revenues in the proposed FY 2010 Core Education Budget are \$47,735,000 (6.3%) lower than budgeted revenues that supported this budget in FY 2009. State General Fund revenues (which in this presentation also include Education Legacy Trust Account and General Fund-Federal Stimulus appropriations) decrease by \$81,080,000 and Designated Operating Fund revenues decrease by \$1,713,000. These decreases in ongoing revenues are partially offset by an increase in tuition operating fee revenue. In the proposed FY 2010 budget, \$11,000,000 in fund balance is used for temporary expenditures. These proposed changes in revenues for FY 2010 are discussed below.

State General Fund. State General Fund revenue for FY 2010 reflects actions taken by the state legislature when it adopted the 2009-11 state operating budget. State General Fund support for FY 2010 decreased by \$81,080,000 compared to the level of support in adopted FY 2009 budget.

Note: cross-referencing numbers between the state biennial budget and the UW budget is a complicated endeavor. The actual State General Fund budget cut for FY 2010 (after factoring out federal stimulus funds) for the UW in the 2009-11 State Operating Budget was \$94,724,000. The change in State General Fund in the table above is a lower figure than that because the State budget also provided additional State support to the UW in FY 2010 – primarily a large allocation to restore a temporary reduction in benefits expenses that was implemented for FY 2009, but some other smaller allocations as well.

Tuition Operating Fee. The proposed FY 2010 Core Education Budget assumes that the proposed tuition increases for the 2009-10 academic year shown in Appendix 2 are adopted. Appendix 2 shows the proposed tuition change for all tuition categories for the 2009-10



academic year; for informational purposes, both the percentage increase and the dollar increase recommended for each tuition category are shown. Appendix 2 also shows how the proposed tuition and fees for the university would compare to the projected 2009-10 academic year tuition and fee rates for the Higher Education Coordinating Board 24 Comparison Group.

In the 2009-11 state operating budget bill, the legislature limited the amount that undergraduate resident tuition could be increased for the 2009-10 academic year to a 14% increase. In the 2009 legislative session, the legislature passed Substitute Senate Bill 5734 which grants the Board of Regents authority to set tuition for the undergraduate non-resident, and for all graduate and professional tuition categories for the 2009-10 academic year through the 2012-13 academic year.

For the 2009-10 academic year, the administration is recommending that:

Undergraduate resident tuition be increased by 14% (an increase of \$875);

Undergraduate non-resident tuition be increased by 5% (an increase of \$1,133);

Both resident and non-resident tuition for Graduate Tier 1 be increased by 7%;

The tuition differential between Graduate Tier II and Graduate Tier I remain at \$500 (for both the resident and non-resident categories);

The tuition differential between Graduate Tier III and Graduate Tier II remain at \$500 (for both the resident and non-resident categories);

Both resident and non-resident tuition for Pharm.D., Law, Medicine and Dentistry be increased by 10 percent;

Both the resident and the non-resident tuition for incoming students in Public Affairs Master categories be increased by 10% (this is a program that has a cohort-based tuition model; as a result, there is no tuition increase for continuing students);

At UW Seattle, both resident and the non-resident tuition for the Master of Nursing/Doctor of Nursing Practice category increase by 14%;

The tuition for the Master of Nursing programs at UW Bothell and UW Tacoma continue to be set at the Graduate Tier 2 level;

At UW Seattle, both resident and non-resident tuition for incoming students in the Business Administration Master category increase by 10% (this is a program that has a cohort-based tuition model; as a result, there is no tuition increase for continuing students);

At UW Bothell, both resident and non-resident tuition for incoming students in the Business Administration Master category increase by 7% (this is a program that has a

cohort-based tuition model; as a result, there is no tuition increase for continuing students);

At UW Tacoma, both resident and non-resident tuition for the Business Administration Master category increase by 7%;

A new tuition category be established for selected Master degree programs in the College of Built Environments (Master degree programs in Architecture, Landscape Architecture and Urban Planning would be in this new category);

A new tuition category be established for the Master of Library and Information Science degree program;

Tuition charges for post-baccalaureate and non-matriculated students be adjusted consistent with the policy that has been used for tuition for these students since these tuition categories were established. Under this policy, post-baccalaureate and non-matriculated students taking undergraduate courses pay at the resident or non-resident undergraduate tuition rate established for that academic year; post-baccalaureate and non-matriculated students taking one or more graduate courses pay at the resident or non-resident Graduate Tier III tuition rate established for that academic year;

Master and Ph.D. students in the College of Engineering (both resident and non-resident) be charged at the Graduate Tier 3 rate; these students are currently charged at the Graduate Tier 1 rate;

Master of Science and Ph.D. students in the School of Nursing (both resident and non-resident) be charged at the Graduate Tier 3 rate; these students are currently charged at the Graduate Tier 1 rate.

Designated Operating Fund. The Designated Operating Fund revenues that support the Core Education Budget are shown in the table below:

<b>Revenue Source</b>	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>	<b>Change</b>
Summer Quarter Tuition	27,270,000	29,997,000	2,727,000
Investment Income	20,000,000	15,000,000	(5,000,000)
Miscellaneous Fees	4,800,000	5,595,000	795,000
UWB & UWT Admin Overhead	4,490,000	4,255,000	(235,000)
Administrative Allowances	655,000	655,000	0
<b>TOTAL REVENUES</b>	<b>57,215,000</b>	<b>55,502,000</b>	<b>(1,713,000)</b>

Summer Quarter tuition revenue is projected to increase by \$2,727,000 for FY 2010 due to increased tuition rates. The investment income revenue estimate for FY 2010 is decreased by \$5,000,000 over the FY 2009 level. We expect that because of continued uncertainty and volatility in the financial markets, investment income in FY 2010 will be somewhat below historical levels. Overhead revenue from the UW/Bothell and UW/Tacoma campuses is

projected to decrease by \$235,000. This overhead calculation is based on the size of the core education budget at the UW Bothell and UW Tacoma campuses – and as these budgets are decreasing due to budget cuts, the overhead assessment that each campus pays decreases slightly in FY 2010. The expected revenue from administrative allowances related to certain financial aid programs is not anticipated to increase for FY 2010.

The “miscellaneous fees” category is projected to increase by \$795,000 due to increases in three fees:

A proposed increase for the undergraduate application fee from \$50 to \$60 for US students and from \$50 to \$75 dollars for international students;

A proposed increase for the graduate application fee from \$50 to \$65; and

A proposed increase for the transcript fee from \$4 to \$7.

At the proposed levels, all three of these fees are below the average of peer institutions.

Use of Fund Balance. The proposed FY 2010 budget uses \$11 million of fund balance: \$1 million in support for the Chief Investment Office Pilot Project (the final year of a five-year commitment) and \$10 million that will be used to bridge the impact of budget reductions on our academic mission.

## FY 2010 Core Education Budget Allocations

The new allocations in the FY 2010 Core Education Budget are summarized below:

<u>Core Education Budget</u>	<u>FY 2010 Proposed</u>
<b><u>UW Seattle Budget Reductions:</u></b>	
FY 2009 Reductions - Academic Units	(2,775,000)
FY 2009 Reductions - Administrative Units	(2,713,000)
FY 2010 Reductions - Academic Units	(35,922,000)
FY 2010 Reductions - Administrative Units	(26,187,000)
FY 2010 Reductions - Eliminate Equipment Allocation	(4,000,000)
<u>Subtotal for UW Seattle Budget Reductions</u>	<u>(71,597,000)</u>
<b><u>UW Bothell Budget Reductions</u></b>	
FY 2009 Reductions	(822,000)
FY 2010 Reductions	(3,117,000)
<u>Subtotal for UW Bothell Budget Reductions</u>	<u>(3,939,000)</u>
<b><u>UW Tacoma Budget Reductions</u></b>	
FY 2009 Reductions	(1,057,000)
FY 2010 Reductions	(3,994,000)
<u>Subtotal for UW Tacoma Budget Reductions</u>	<u>(5,051,000)</u>
 TOTAL BUDGET REDUCTIONS	 (80,587,000)
<b><u>Compensation Adjustments</u></b>	
Restoration of temporary benefit reduction of FY2009	17,356,000
Other Benefit Budget Adjustments	582,000
TA/RA Salary Increase (2.5%)	664,000
Faculty Promotions	650,000
<u>Subtotal</u>	<u>19,252,000</u>
<b><u>Other Adjustments</u></b>	
Required Cost Increases/Adjustments	10,409,000
Legislative Actions	3,893,000
<u></u>	<u>14,302,000</u>
 <b><u>Use of Fund Balance</u></b>	 11,000,000

## Comments on FY 2010 Core Education Budget Allocations

The incremental FY 2010 Core Education Budget changes are listed in the table above and are discussed in more detail below. The base budget against which these changes are applied is the Regents adopted budget for FY 2009. Because of this, in the budget reductions sections below, both budget reductions that were implemented in FY 2009 after the Board of Regents adopted the budget and budget reductions that will need to be implemented in FY 2010 are shown.

UW Seattle Budget Reductions. The total budget reduction for the UW Seattle campus is \$71,597,000. Of this amount, \$5,488,000 has already been implemented in FY 2009. In FY 2009, academic units budgets were cut by 0.75% and administrative unit budgets were cut by 1.5%; the total FY 2009 cut for academic units, including UW Medical Center and Harborview Medical Center was \$2,775,000 and for administrative units was \$2,713,000.

In FY 2010, budget cuts range from 9% to 14% for academic units. The specific budget cut levels are as follows:

9.0% cut: College of Arts and Sciences;

9.5% cut: Business School, College of Engineering, School of Medicine, Medical Affairs, School of Public Health, and the academic support allocation that is provided to UW Medical Center and Harborview Medical Center;

10% cut: School of Dentistry, School of Nursing, and School of Pharmacy;

11% cut: College of Built Environments, College of Education, College of the Environment, College of Forest Resources, College of Ocean and Fisheries Sciences, School of Social Work, and Undergraduate Academic Affairs;

12% cut: Educational Outreach, Evans School of Public Affairs, Information School and Law School;

14% cut: Graduate School.

As is discussed in one of the sections that follows, in FY 2010 the administration is proposing that for academic units the budget cuts listed above be partially offset for one year through an allocation from fund balance. With this one year allocation, the effective budget cut rate for academic units for FY 2010 range from 5% - 9%.

In FY 2010, the budget cuts range from 8% to 16% for administrative units. The specific budget cut levels are as follows:

8% cut: Office of Research;

10% cut: UW Technology;

11% cut: University Advancement;

12% cut: University Libraries, Student Life, and Minority Affairs;

15% cut: Health Sciences Administration and Office of Technology Transfer;

16% cut: Attorney General's Office, External Affairs, Human Resources, Planning and Budgeting, President's Office, Provost's Office, Office of Information Management, and Finance and Facilities.

In addition to the budget cuts discussed above, the \$4,000,000 equipment allocation that has been distributed annually to colleges, schools and administrative units is eliminated.

UW Bothell Budget Reductions. The total budget reduction for the UW Bothell campus is \$3,939,000. Of this amount, \$822,000 was implemented in FY 2009 and \$3,117,000 will be implemented in FY 2010. The Chancellor's Office is conducting a process at the UW Bothell campus to determine how these cuts will be distributed between academic and administrative functions.

UW Tacoma Budget Reductions. The total budget reduction for the UW Tacoma campus is \$5,051,000. Of this amount, \$1,057,000 was implemented in FY 2009 and \$3,994,000 will be implemented in FY 2010. The Chancellor's Office is conducting a process at the UW Tacoma campus to determine how these cuts will be distributed between academic and administrative functions.

Compensation Adjustments. The large change in this category, an increase of \$17,356,000, is a restoration of a temporary reduction in benefits costs that the legislature implemented in the FY 2009 budget. As the governor and the legislature constructed the FY 2010 budget, funding to restore this temporary reduction was provided in FY 2010.

Only two pay increase allocations are made in this proposed budget. First, \$650,000 is provided for faculty promotions. Secondly, the University has a contractual commitment to provide teaching and research assistants a 2.5% pay increase in FY 2010.

Other Adjustments. This category includes \$14,302,000 in adjustments in the FY 2010 budget. Of that total, \$3,893,000 is associated with specific legislative budget allocations and \$10,409,000 is associated with changes in various institutional budgets. Details of the specific allocations for both of these subcategories are provided in Appendix 1 and are discussed below.

There were a number of specific budget actions that the State legislature took in the 2009-11 state operating budget. These actions are: an allocation of \$2,175,000 of additional support for the School of Medicine's WWAMI program and the School of Dentistry's RIDE program in Spokane; an allocation of \$218,000 for operations and maintenance costs for the Assembly Hall Building at UW Tacoma; an allocation of \$150,000 to the Ruckelshaus Center for work with the Nurse Staffing Committee; an allocation of \$50,000 to the Center for International Trade in Forest Products.

In addition to the allocations specified in the previous paragraph, the 2009-11 state budget required that a portion of the revenue associated with undergraduate resident tuition increases greater than 7% be set aside for additional financial aid for undergraduate resident students. The proposed tuition increase for undergraduate resident students in this budget proposal is 14% - and under the legislative language, this would require that \$1.3 million be set aside for additional financial aid for undergraduate resident students.

FY 2010 changes for various institutional budgets are shown in Appendix 1. "Institutional" budgets include cost changes for utilities, property rentals, risk management, debt service and other institutional budgets. In FY 2010, \$2,860,000 is provided for increased utility costs, \$971,000 is provided for increased risk management/insurance costs, \$347,000 is provided for increased debt service costs and \$1,400,000 is provided for UW Tower operations costs. The allocation of FY 2010 tuition increase revenue to the UW Bothell campus (\$1,531,000) and the UW Tacoma campus (\$1,962,000) is also reflected in this category.

Use of Fund Balance for Temporary Expenditures. The proposed budget for FY 2010 includes a temporary allocation of \$11,000,000 of fund balance to support two activities, shown in Table 3. A number of years ago, the Board of Regents made a commitment to provide \$1,000,000 per year for five years to support the Chief Investment Office Pilot Project; FY 2010 is the final year of that five-year commitment.

As part of the FY 2010 budget, the President and Provost are proposing that \$10 million in fund balance be used to bridge the impact of budget reductions on our academic mission. This one-time allocation will be differentially allocated across academic units based on a weighted calculation of the student credit hours taught at the lower division, upper division and graduate level. Deans will be directed to utilize this temporary allocation to fund teaching assistants, lecturers, and other academic positions that would have otherwise been eliminated in FY 2010. This one-time allocation will give academic units some additional time to transition to a lower permanent funding level.

### **Increases in Financial Aid Allocations for FY 2010**

The level of financial aid that the university can offer to students is an important component of its ability to attract a diverse and excellent student body. The proposed FY 2010 Core Education Budget increases financial aid allocations for both undergraduate and graduate/professional students by providing both additional financial aid grants and additional tuition waivers. The total amount of financial aid provided from these two sources and the incremental increase in the FY 2010 budget are shown in the table below:

### Increases in Financial Aid Allocations for FY 2010

(Based on the Application of Current Financial Aid Policy and the Tuition Increases in the Proposed FY 2010 Budget)

	FY 2009 Adopted	FY 2010 Proposed	Difference
Undergraduate Merit/Need Waivers	\$8,136,000	\$9,039,600	\$903,600
<u>Undergraduate Financial Aid Grants</u>	<u>\$8,300,600</u>	<u>\$9,090,200</u>	<u>\$789,600</u>
Subtotal: Undergraduate Merit/Need Waivers & Grants	\$16,436,600	\$18,129,800	\$1,693,200
Graduate Merit/Need Waivers	\$3,917,000	\$4,352,400	\$435,400
<u>Graduate Financial Aid Grants</u>	<u>\$3,557,400</u>	<u>\$3,895,800</u>	<u>\$338,400</u>
Subtotal: Graduate Merit/Need Waivers & Grants	\$7,474,400	\$8,248,200	\$773,800
TA/RA Tuition Waivers	\$49,760,000	\$53,204,000	\$3,444,000
<u>Other Tuition Waivers</u>	<u>\$12,414,000</u>	<u>\$13,531,000</u>	<u>\$1,117,000</u>
Subtotal: Teaching/Research & Other Tuition Waivers	\$62,174,000	\$66,735,000	\$4,561,000
Total All Waivers	\$86,085,000	\$93,113,000	\$7,028,000

The UW's current financial aid policy of utilizing 3.5 percent of tuition operating fee collections for financial aid grants and providing merit/need tuition waivers equal to 4 percent of tuition costs will provide \$1,693,200 in additional financial aid resources to needy undergraduate resident students in the 2009-10 academic year.

The 14 percent increase in the undergraduate resident tuition for the 2009-10 academic year will generate \$2,200,000 in additional unfunded need for undergraduate students in the 2009-10 academic year. The Regents have adopted a policy of meeting at least 55 percent of this additional need through financial aid grants and tuition waivers. To meet this policy goal next year given a 14 percent increase in undergraduate resident tuition, \$1,210,000 in additional grant and tuition waiver financial aid has to be made available to undergraduate resident students next year. The increase of \$1,693,200 in financial aid grants and tuition waivers available for undergraduate students in FY 2010 exceeds the commitment made by the Regents by \$483,200. Note that these figures do not include an additional \$1,300,000 in financial aid grants that will be provided to needy undergraduate resident students as a result of the legislative requirement to utilize a portion of the tuition revenue generated by the undergraduate resident tuition increase for financial aid grants.



Given the proposed tuition levels for the 2009-10 academic year, graduate appointees qualifying for the non-resident tuition differential waiver and for the operating fee tuition waiver will have \$3,444,000 in additional tuition waiver benefits in FY 2010. In addition, the UW's current financial aid policy of utilizing 3.5 percent of tuition operating fee collections for financial aid grants and providing merit/need tuition waivers equal to 4 percent of tuition will make \$773,800 of additional financial aid available to graduate and professional students in the 2009-10 academic year.

## FY 2010 Restricted Operating Budget Discussion

The proposed FY 2010 Restricted Programs Budget is presented in Table 4.

### Changes in Revenues

The changes in revenues supporting the FY 2010 Restricted Programs Budget are summarized below:

<u>Revenue Source</u>	<u>FY 2009 Adopted</u>	<u>FY 2010 Proposed</u>	<u>Change</u>
Grant and Contract Direct Costs	832,402,000	898,994,000	66,592,000
Grant and Contract Indirect Costs	203,000,000	211,000,000	8,000,000
Gifts	130,485,000	84,815,000	(45,670,000)
State Restricted Funds	6,742,000	6,855,000	113,000
<b>TOTAL REVENUES</b>	<b>1,172,629,000</b>	<b>1,201,664,000</b>	<b>29,035,000</b>

### Comments on Changes in Revenues

Budgeted revenues in the proposed FY 2010 Restricted Programs Budget increase by \$29,035,000 over the FY 2009 budgeted level: grant and contract direct cost increases by \$66,592,000; grant and contract indirect cost increases by \$8,000,000; gift and endowment revenue is projected to decrease by \$45,670,000; and State Restricted Funds increase by \$113,000. These proposed changes in revenues are discussed below.

Grant and Contract Direct Cost. Direct costs for grants and contracts are projected to increase by 8 percent in FY 2010 – an increase of \$66,592,000 over the current fiscal year. Even prior to seeing the effects of any federal stimulus related grants, grant and contract awards in FY 2009 were up substantially.

Grant and Contract Indirect Cost. As direct costs for grants and contracts are projected to be slightly higher in FY 2010 than in FY 2009, and as new indirect cost rates are still phasing in, grant and contract indirect cost recovery is expected to increase by \$8,000,000 - an increase of 4 percent over the budgeted level for FY 2009.

Gifts. Revenues to gift and endowment spending accounts are projected to decrease by \$45,670,000 in FY 2010. This decrease is a direct result of the change in endowment payout methodology that the Board of Regents has adopted in response to the projected returns for the Consolidated Endowment Fund during FY 2009 and over the next few years.

State Restricted Funds. The School of Public Health receives a small amount of appropriated state funding from the Accident Account and the Medical Aid Account for specific activities performed by the Department of Environmental Health. In addition, there is a small appropriation from the Biotoxin Account that is part of this category. Changes in revenues for

FY 2010 (an increase of \$113,000 over FY 2009) for these State Restricted Funds simply reflect changes in state appropriations.

FY 2010 Restricted Programs Budget Allocations

The discussion in this section is limited to how the administration proposes to allocate additional indirect cost recovery resources that are anticipated in FY 2010. Expenditures for grant and contract direct cost, almost all gifts, and state restricted funds budgets can only be used for the purposes specified by the granting agency, donor or legislature. Thus, annual expenditures for these areas are assumed to be equal to budgeted levels. The university does have discretion over how indirect cost recovery revenues are allocated.

The new allocations in FY 2010 supported by indirect cost recovery resources are summarized below.

<u>Restricted Budget - Indirect Cost Recovery</u>	<u>FY 2010 Proposed</u>
 <u>Compensation Adjustments</u>	
Restoration of temporary benefit reduction of FY2009	1,083,000
 <u>Investments in Research Excellence</u>	
Research Cost Recovery Allocation Change	3,558,000
Dedicated Indirect Cost Recovery Changes	2,000,000
Subtotal	5,558,000
 <u>Required Cost Increases/Adjustments</u>	 1,659,000

Comments on FY 2010 Indirect Cost Recovery Budget Allocations

Compensation Adjustments. The change in this category, an increase of \$1,083,000, is a restoration of a temporary reduction in benefits costs that the legislature implemented in the FY 2009 budget.

Investments in Research Excellence. By policy, the university allocates the portion of indirect cost recovery revenues that is associated with college/school grant administration back to the colleges/schools based on their actual grant activity in the prior fiscal year. This allocation is called the “research cost recovery” allocation and it is increased by \$3,558,000 in FY 2010 in order to get the budgeted level equal to the actual research cost recovery allocation for FY 2009.

Annual adjustments to certain budgets that are dedicated to specific purposes, such as paying for the operations and maintenance costs of particular buildings (South Lake Union buildings, Harborview Research and Training, other Harborview research space, etc.), are also included in this category. As research activity at the South Lake Union 2 building has been ramping up, the allocation of revenue to support operations and maintenance of that building has been increased.

Required Cost Increases. The indirect cost recovery budget picks up a share of estimated cost increases for utilities, risk management and for other critical institutional investments approved by the President and Provost – these allocations are shown in Appendix 1.

## FY 2010 Academic Enhancement/Support Budget Discussion

There are four areas included in the Academic Enhancement/Support Budget: UW Medical Center, auxiliary enterprises, auxiliary educational activities, and institutional overhead activities that support the other functions. Auxiliary enterprises include: Housing and Food Services, Intercollegiate Athletics, Parking, internal service units (Stores, Motor Pool, Publication Services, etc.), Student Government, Recreational Sports, and miscellaneous other activities. Auxiliary educational activities include: continuing education, conferences, the medical resident program, the WWAMI Program in the School of Medicine, and miscellaneous activities. The University charges institutional overhead to all of these activities to recover the cost of central services utilized by these academic enhancement/support activities.

The projected changes in revenue for academic enhancement/support activity are shown in the table below:

<b>Revenue Source</b>	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>	<b>Change</b>
UW Medical Center	637,798,000	663,310,000	25,512,000
Auxiliary Enterprises	317,112,000	329,796,000	12,684,000
Auxiliary Educational Activities	190,161,000	197,767,000	7,606,000
Institutional Overhead	15,268,000	15,768,000	500,000
<b>TOTAL REVENUES</b>	<b>1,160,339,000</b>	<b>1,206,641,000</b>	<b>46,302,000</b>

Based on financial results over the last few years, inflationary increases in revenues have been projected for FY 2010 for UW Medical Center, auxiliary enterprise, and auxiliary educational activities. The projected increase in institutional overhead revenue is based on both actual collections in the current fiscal year and projected revenue increases for those units that pay institutional overhead.

With the exception of institutional overhead resources, the Academic Enhancement/Support Budget resources can only be spent for specified purposes and annual expenditures are assumed to be equal to budgeted levels.

## **Fiscal Year 2010 Capital Budget Discussion**

The proposed FY 2010 Capital Budget is presented in Table 5 and includes approval of \$65,500,000 in state capital funding appropriated in the 2009 legislative session. The FY 2010 Capital Budget also includes \$491,630,013 in non-state funds from the UW building account, indirect cost recovery, enterprise unit funds, unrestricted operating funds, UW local bonds, and federal stimulus grants, for a total of \$557,130,013 in capital funds for FY 2010 from both state and non-state sources. The revenue assumed from the various non-state funds categories are shown on Table 5.

Note that in the display of the capital budget, dollar amounts are shown in the year in which the commitment to proceed with a project is made.

### State Funding for Major Projects

State funding of \$34 million was appropriated for a portion of UW Tacoma Phase 3 (the renovation of the Joy Building), \$5 million for the design phase for UW Bothell Phase 3, and pre-design funding for two Seattle campus projects - \$200,000 for the Anderson Hall renovation and \$300,000 for the House of Knowledge Longhouse. Taken together, these allocations of state funding for major projects total \$39,500,000. In the state capital budgeting framework, a “major” project is one with a total cost of \$5,000,000 or more.

Note that as is listed in the initial paragraph of this section, the total state capital funding appropriated for the UW in the 2009 legislative session is \$65,500,000. In addition to the \$39,500,000 in state funding that was appropriated for major projects, \$26,000,000 in state funding was appropriated to support “minor works” projects – these are a variety of smaller building renovation and renewal projects (roof replacements, elevator replacements, electrical transformer upgrades, minor reconfigurations of space, etc.).

### Program and Infrastructure Investments

The Molecular Engineering Building construction will be funded from \$73,544,000 of UW revenue bonds. The Legislature authorized the repayment of debt service for \$53.5 million from the UW building account and debt service for the remaining \$20 million will be paid from indirect cost recovery.

Funding of \$8 million for the Safe Campus Fire Alarm Replacement project was appropriated from the UW building account.

### Federal Stimulus Funds

Federal grants for major projects totaling \$58 million will be requested this summer. They include \$15 million for Primate Center facilities improvements, \$15 million for animal facilities in the HSC, \$15 million for the renovation of J-Wing for Microbiology, \$6 million for the Guthrie Hall renovation for Psychology and \$7 million for necessary improvements to biosafety level three laboratories in the health sciences.

### Major Projects for Seattle Campus Students

The first phase of the Student Housing project will construct new residence halls in the west campus for an estimated cost of \$158,300,000. The debt for this housing will be repaid from student housing revenue and central university funds.

Three projects are proposed to be funded from debt to be repaid from increases in student fees - the HUB renovation and expansion, the Hall Health remodel and the Ethnic Cultural Center Expansion.

### Minor Works

In addition to the major projects described above, in FY 2010, \$34,175,000 is appropriated for facilities preservation, safety and utilities improvements, and \$5,000,000 for facilities modernization. An estimated \$13,037,000 of non-local funds is provided for facilities modernization.

**Table 1**  
**University of Washington Fiscal Year 2010 Proposed Operating Budget**

<b>Budget Category</b>	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>
<b>CORE EDUCATION BUDGET</b>		
<b>Core Education Budget</b>		
<b>Revenues</b>		
State General Fund	401,707,000	320,627,000
Tuition Operating Fee	295,500,000	330,558,000
Designated Operating Fund	57,215,000	55,502,000
<b>Subtotal: Ongoing Core Education Revenues</b>	<b>754,422,000</b>	<b>706,687,000</b>
 Use of Fund Balance for Temporary Expenditures	 3,000,000	 11,000,000
<b>Total Revenues</b>	<b>757,422,000</b>	<b>717,687,000</b>
 <b>Expenditures</b>		
Ongoing Core Education Expenditures	754,422,000	706,687,000
One-time/temporary Expenditures	3,000,000	11,000,000
<b>Total Expenditures</b>	<b>757,422,000</b>	<b>717,687,000</b>
<b>RESTRICTED OPERATING BUDGET</b>		
<b>Revenues</b>		
Grant and Contract Direct Costs	832,402,000	898,994,000
Grant and Contract Indirect Costs	203,000,000	211,000,000
Gifts	130,485,000	84,815,000
State Restricted Funds	6,742,000	6,855,000
<b>Total Revenues</b>	<b>1,172,629,000</b>	<b>1,201,664,000</b>
 <b>Expenditures</b>	 <b>1,172,629,000</b>	 <b>1,201,664,000</b>
<b>ACADEMIC ENHANCEMENT/SUPPORT BUDGET</b>		
<b>Revenues</b>		
UW Medical Center	637,798,000	663,310,000
Auxiliary Enterprises	317,112,000	329,796,000
Auxiliary Educational Activities	190,161,000	197,767,000
Institutional Overhead	15,268,000	15,768,000
<b>Total Revenues</b>	<b>1,160,339,000</b>	<b>1,206,641,000</b>
 <b>Expenditures</b>	 <b>1,160,339,000</b>	 <b>1,206,641,000</b>
<b>TOTAL OPERATING BUDGET</b>		
<b>Revenues</b>	<b>3,090,390,000</b>	<b>3,125,992,000</b>
<b>Expenditures</b>	<b>3,090,390,000</b>	<b>3,125,992,000</b>



**Table 2**  
**Proposed Budget**  
**Core Education Operating Budget for Fiscal Year 2010**

	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>	<b>Comment</b>
<b><u>REVENUES</u></b>			
State General Fund	401,707,000	320,627,000	
Tuition Operating Fee	295,500,000	330,558,000	
Designated Operating Fund	57,215,000	55,502,000	
Subtotal: Ongoing Core Ed Revenues	754,422,000	706,687,000	
Use of Fund Balance for Temporary Expenditures	3,000,000	11,000,000	
<b>TOTAL REVENUES</b>	<b>757,422,000</b>	<b>717,687,000</b>	
<b><u>EXPENDITURES</u></b>			
<b><u>Adjusted Base Budget</u></b>	757,422,000	753,720,000	
<b><u>UW Seattle Budget Reductions:</u></b>			
FY2009 Reductions - Academic Units		(2,775,000)	
FY 2009 Reductions - Administrative Units		(2,713,000)	
FY 2010 Reductions - Academic Units		(35,922,000)	
FY 2010 Reductions - Administrative Units		(26,187,000)	
FY 2010 Reductions - Eliminate Equipment Allocation		(4,000,000)	
Subtotal for UW Seattle Budget Reductions		(71,597,000)	
<b><u>UW Bothell Budget Reductions</u></b>			
FY 2009 Reductions		(822,000)	
FY 2010 Reductions		(3,117,000)	
Subtotal for UW Bothell Budget Reductions		(3,939,000)	
<b><u>UW Tacoma Budget Reductions</u></b>			
FY 2009 Reductions		(1,057,000)	
FY 2010 Reductions		(3,994,000)	
Subtotal for UW Tacoma Budget Reductions		(5,051,000)	
<b>TOTAL BUDGET REDUCTIONS</b>		(80,587,000)	
<b><u>Compensation Adjustments</u></b>			
Restoration of temporary benefit reduction of FY2009		17,356,000	
Other Benefit Budget Adjustments		582,000	
TA/RA Salary Increase (2.5%)		664,000	
Faculty Promotions		650,000	
Subtotal		19,252,000	
<b><u>Other Adjustments</u></b>			
Required Cost Increases/Adjustments		10,409,000	<i>See Appendix 1</i>
Legislative Actions		3,893,000	<i>See Appendix 1</i>
Subtotal		14,302,000	
<b>SUBTOTAL: CORE EDUCATION EXPENDITURES</b>		<b>706,687,000</b>	
<b><u>Use of Fund Balance</u></b>		11,000,000	<i>See Table 3</i>
<b>TOTAL EXPENDITURES</b>		<b>717,687,000</b>	

**Table 3**  
**Core Education Budget**  
**Proposed Temporary Investments from Fund Balance for Fiscal Year 2010**

<u>Temporary Investments</u>	<u>FY 2010 Proposed</u>	<u>Comments</u>
Chief Investment Office Pilot Project	1,000,000	<i>Final year of five-year commitment</i>
One-time Funding for Academic Programs	10,000,000	<i>Bridge funding for FY2010 reduction</i>
<b>TOTAL EXPENDITURES</b>	<b>11,000,000</b>	

**Table 4**  
**Proposed Budget**  
**Restricted Programs Budget for Fiscal Year 2010**

	<b>FY 2009 Adopted</b>	<b>FY 2010 Proposed</b>	<b>Comments</b>
<b><u>REVENUES</u></b>			
Grant and Contract Direct Cost	832,402,000	898,994,000	
Grant and Contract Indirect Cost	203,000,000	211,000,000	
Gifts	130,485,000	84,815,000	
State Restricted Funds	6,742,000	6,855,000	
<b>TOTAL REVENUES</b>	<b>1,172,629,000</b>	<b>1,201,664,000</b>	
<b><u>EXPENDITURES</u></b>			
Grant and Contract Direct Cost	832,402,000	898,994,000	
Gifts	130,485,000	84,815,000	
State Restricted Funds	6,742,000	6,855,000	
Subtotal	969,629,000	990,664,000	
<b><u>Indirect Cost Recovery:</u></b>			
<b><u>Adjusted Base ICR Budget</u></b>	203,000,000	202,700,000	
<b><u>Compensation Adjustments</u></b>			
Restoration of temporary benefit reduction of FY2009		1,083,000	
<b><u>Investments in Research Excellence</u></b>			
Research Cost Recovery Allocation Change		3,558,000	<i>See Appendix 1</i>
Dedicated Indirect Cost Recovery Changes		2,000,000	<i>See Appendix 1</i>
Subtotal		5,558,000	
<b><u>Required Cost Increases/Adjustments</u></b>		1,659,000	<i>See Appendix 1</i>
<b>TOTAL INDIRECT COST RECOVERY BUDGET</b>		<b>211,000,000</b>	
<b>TOTAL EXPENDITURES</b>		<b>1,201,664,000</b>	

**Table 5**  
**Proposed Capital Budget for Fiscal Year 2010**

<b>FY 2010 Capital Budget Proposal</b>	<b>FY 2010 Proposed</b>	<b>FY 2011 Planned</b>
<b>REVENUE</b>		
<b>Funding for FY 2009 Projects</b>		
Projects Approved in FY 2009	356,836,123	
Substantially Completed Projects	21,238,000	
<b>Previously Approved Continuing Projects</b>	<b>335,598,123</b>	
<b>Funding for FY 2010 and 2011 Projects</b>		
<b>State Funds</b>	<b>65,500,000</b>	
<b>Non-State Funds</b>		
UW Building Account - Local Funds	34,087,500	12,912,500
ICR - Local Funds	10,000,000	10,000,000
Enterprise Unit Funds	5,437,513	
Transfer from Unrestricted Local Funds	3,037,000	3,037,000
UW Debt (Internal Lending Program)	381,068,000	
Federal Stimulus Grants	58,000,000	
<b>Subtotal, Non-State Funds</b>	<b>491,630,013</b>	<b>25,949,500</b>
<b>Total, New Funds</b>	<b>557,130,013</b>	
<b>TOTAL REVENUE</b>	<b>892,728,136</b>	<b>25,949,500</b>
<b>EXPENDITURE COMMITMENTS</b>		
<b>Previously Approved Continuing Projects</b>	<b>335,598,123</b>	
<b>Proposed FY 2010 Projects</b>		
<b>Major Projects</b>		
Anderson Hall - P/D	200,000	
House of Knowledge Longhouse - P/D	300,000	
Molecular Engineering Building Phase I - C	73,554,000	
Safe Campus	8,000,000	
Tacoma Phase 3 - C	34,000,000	
Bothell Phase 3 - P	5,000,000	
Animal Facilities Improvements	30,000,000	
MHSc Center J-1/J-2 Microbiology Renovation	15,000,000	
Guthrie Hall Renovation	6,000,000	
BSL-3 Labs Renovation	7,000,000	
Student Housing - New Residence Hall Ph I	158,300,000	
HUB Renovation and Expansion	128,300,000	
Hall Health Remodel	10,851,513	
Ethnic Cultural Center Expansion	15,500,000	
<b>Subtotal, Major Projects</b>	<b>492,005,513</b>	
<b>Minor Projects</b>		
Minor Works - Facility Preservation	34,175,000	
Minor Works - Program	18,037,000	13,037,000
<b>Subtotal, Minor Projects</b>	<b>52,212,000</b>	<b>13,037,000</b>
<b>Preventative Facility Maintenance and Building System Repairs</b>	<b>12,912,500</b>	<b>12,912,500</b>
<b>Total, New Projects for FY 10 and FY 11</b>	<b>557,130,013</b>	<b>25,949,500</b>
<b>TOTAL EXPENDITURE COMMITMENTS</b>	<b>892,728,136</b>	<b>25,949,500</b>
P - Planning, D-Design, C-Construction		

**Appendix 1**  
**REQUIRED COST INCREASES/ADJUSTMENTS**

<b>Item</b>	<b>FY 2010 Change</b>	<b>FY 2010 Amount to Core Educ.</b>	<b>FY 2010 Amount to ICR</b>
<b><u>Institutional Budgets</u></b>			
<b>Utilities:</b>			
Electricity	446,000	352,000	94,000
Natural gas	2,838,000	2,436,000	402,000
Water/sewer	76,000	60,000	16,000
Solid waste	15,000	12,000	3,000
Subtotal utilities:	3,375,000	2,860,000	515,000
<b>Other institutional budgets:</b>			
Property rentals-general	222,000	175,000	47,000
Prop. rental-Sand Point central	302,000	239,000	63,000
Prop. rental-Sand Point unassigned	(250,000)	(198,000)	(52,000)
Friday Harbor Labs	175,000	139,000	36,000
ESCO Loan Payments	275,000	275,000	0
Institutional overhead offset	(500,000)	(500,000)	0
Risk management	971,000	971,000	0
Investment Management Fees	155,000	155,000	0
RV Thompson Ship Time	210,000	210,000	0
Transportation subsidy	150,000	118,000	32,000
Revolving fund budget adjustments	140,000	140,000	0
Disabled Student Services	104,000	104,000	0
Subtotal other institutional budgets:	1,954,000	1,828,000	126,000
<b><u>Debt Service</u></b>			
Animal facilities upgrades debt service	609,000	0	609,000
Benjamin Hall & Foege Building debt service	428,000	0	428,000
Physics/Astronomy Building	(36,000)	(36,000)	0
Foege Building	(164,000)	0	(164,000)
Oceanography & Fishery Sciences Building	(13,000)	0	(13,000)
Harborview Research & Training Building	(5,000)	0	(5,000)
UNISYS Mainframe Financing	29,000	29,000	0
HEC Ed Pavillion seismic	48,000	48,000	0
J-wing Floors 1&2 Renovation	593,000	0	593,000
Energy Efficiency Project - 4545 15 Ave NE	388,000	306,000	82,000
Subtotal Debt Service	1,877,000	347,000	1,530,000
<b><u>UW Tower</u></b>			
UW Tower Operations (Additional UW Funding)	1,500,000	1,400,000	100,000
Subtotal UW Tower	1,500,000	1,400,000	100,000

**Appendix 1 (Continued)**  
**REQUIRED COST INCREASES/ADJUSTMENTS**

<b>Item</b>	<b>FY 2010 Change</b>	<b>FY 2010 Amount to Core Educ.</b>	<b>FY 2010 Amount to ICR</b>
<b><u>Other Issues</u></b>			
Benjamin Hall O&M payment	288,000	0	288,000
WWAMI offset (assuming 10% tuition incr)	200,000	200,000	0
Reduce ICR Transfer to Capital	(900,000)	0	(900,000)
Summer quarter cost increase	181,000	181,000	0
UW Bothell - FY10 Tuition Increase Allocation	1,531,000	1,531,000	0
UW Tacoma - FY10 Tuition Increase Allocation	1,962,000	1,962,000	0
UW Bothell - FY10 Summer Qtr Tuition Increase Allocation	45,000	45,000	0
UW Tacoma - FY10 Summer Qtr Tuition Increase Allocation	55,000	55,000	0
<b>Subtotal Other Issues</b>	<b>3,362,000</b>	<b>3,974,000</b>	<b>(612,000)</b>
<b>Subtotal Required Cost Increases</b>	<b>12,068,000</b>	<b>10,409,000</b>	<b>1,659,000</b>
<b><u>Research Cost Recovery Policy Allocation</u></b>			
RCR adjustment to FY09 actual	3,558,000	0	3,558,000
FY10 RCR change	0	0	0
<b>Subtotal Policy Application</b>	<b>3,558,000</b>	<b>0</b>	<b>3,558,000</b>
<b><u>Dedicated Indirect Cost Recovery Dollars</u></b>			
South Lake Union 2	2,000,000	0	2,000,000
<b>Subtotal Dedicated Indirect Cost Recovery</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>
<b>Subtotal Required Cost Increases</b>	<b>5,558,000</b>	<b>0</b>	<b>5,558,000</b>
<b><u>Legislative Actions</u></b>			
WWAMI / Ride (Incremental Funding)	2,175,000	2,175,000	0
UW Tacoma Assembly Bldg O&M	218,000	218,000	0
Ruckelshaus Center-Nurse Staffing Committee	150,000	150,000	0
CINTRAFOR	50,000	50,000	0
Additional Financial Aid for UG Residents	1,300,000	1,300,000	0
<b>Subtotal Legislative Actions</b>	<b>3,893,000</b>	<b>3,893,000</b>	<b>0</b>
<b>TOTAL REQUIRED COST INCREASES/ADJUSTMENTS</b>	<b>21,519,000</b>	<b>14,302,000</b>	<b>7,217,000</b>

**2009-10 Proposed Tuition and Mandatory Fees**

Tuition Category	University of Washington					HECB 24 Comparison Group Projection			
	2008-09 Tuition	Proposed Tuition	Dollar Increase	Percent Increase	Estimated Fees	Proposed Tuition & Fees	2008-09 Peer Tuition & Fees	2009-10 Peer Tuition & Fees	2009-10 Peer Percent Increase
<b>Undergraduate</b>									
Undergraduate Resident	6,250	7,125	875	14%	552	7,677	8,665	9,117	5.22%
Undergraduate Nonresident	22,667	23,800	1,133	5%	552	24,352	23,137	24,284	4.96%
<b>Graduate</b>									
Graduate Tier I Resident	9,495	10,160	665	7%	552	10,712	10,043	10,568	5.23%
Graduate Tier I Nonresident	21,967	23,500	1,533	7%	552	24,052	21,302	21,977	3.17%
Graduate Tier II Resident	9,995	10,660	665	7%	552	11,212			
Graduate Tier II Nonresident	22,467	24,000	1,533	7%	552	24,552			
Graduate Tier III Resident	10,495	11,160	665	6%	552	11,712			
Graduate Tier III Nonresident	22,967	24,500	1,533	7%	552	25,052			
Master of Library and Information Science Resident	10,495	11,540	1,045	10%	552	12,092			
Master of Library and Information Science Nonresident	22,967	25,260	2,293	10%	552	25,812			
Public Affairs Master Resident (incoming)	11,000	12,100	1,100	10%	552	12,652			
Public Affairs Master Nonresident (incoming)	22,500	24,750	2,250	10%	552	25,302			
Public Affairs Master Resident (continuing)		11,000				11,000			
Public Affairs Master Nonresident (continuing)		22,500				22,500			
Master of Architecture, Master of Landscape Architecture, Master of Urban Planning Resident		12,100				12,100			
Master of Architecture, Master of Landscape Architecture, Master of Urban Planning Nonresident		26,460				26,460			
PharmD Resident	14,202	15,620	1,418	10%	552	16,172	16,376	17,512	6.94%
PharmD Nonresident	28,111	30,920	2,809	10%	552	31,472	30,157	31,673	5.03%
Law Resident	19,033	20,940	1,907	10%	552	21,492	20,990	22,261	6.06%
Law Nonresident	28,257	31,080	2,823	10%	552	31,632	33,597	35,144	4.60%
Medicine Resident	18,570	20,430	1,860	10%	552	20,982	26,243	27,567	5.05%
Medicine Nonresident	44,975	49,470	4,495	10%	552	50,022	43,381	44,661	2.95%
Dentistry Resident	18,570	20,430	1,860	10%	552	20,982	27,084	28,591	5.56%
Dentistry Nonresident	44,975	49,470	4,495	10%	552	50,022	46,702	48,227	3.27%
<b>Master of Nursing and Doctor of Nursing Practice</b>									
<b>UW Seattle</b>									
Master of Nursing/Doctor of Nursing Practice Resident	13,380	15,250	1,870	14%	552	15,802			
Master of Nursing/Doctor of Nursing Practice Nonresident	26,485	30,190	3,705	14%	552	30,742			
<b>UW Bothell/UW Tacoma</b>									
Nursing Master Resident	9,995	10,660	665	7%	480	11,140			
Nursing Master Nonresident	22,467	24,000	1,533	7%	480	24,480			

**2009-10 Proposed Tuition and Mandatory Fees**

Tuition Category	University of Washington					HECB 24 Comparison Group Projection			
	2008-09 Tuition	Proposed Tuition	Dollar Increase	Percent Increase	Estimated Fees	Proposed Tuition & Fees	2008-09 Peer Tuition & Fees	2009-10 Peer Tuition & Fees	2009-10 Peer Percent Increase
<b>Business Administration Master Degrees</b>									
<b>UW Seattle</b>									
Business Administration Master Resident ( <i>incoming</i> )	21,230	23,350	2,120	10%	552	23,902	20,528	21,740	5.90%
Business Administration Master Nonresident ( <i>incoming</i> )	31,900	35,090	3,190	10%	552	35,642	30,626	32,229	5.23%
Business Administration Master Resident ( <i>continuing</i> )		21,230				21,230			
Business Administration Master Nonresident ( <i>continuing</i> )		31,900				31,900			
<b>UW Bothell</b>									
Business Administration Master Resident ( <i>incoming</i> )	18,587	19,890	1,303	7%	423	20,313			
Business Administration Master Nonresident ( <i>incoming</i> )	24,717	26,450	1,733	7%	423	26,873			
Business Administration Master Resident ( <i>continuing</i> )		18,587				18,587			
Business Administration Master Nonresident ( <i>continuing</i> )		24,717				24,717			
<b>UW Tacoma</b>									
Business Administration Master Resident	14,750	15,780	1,030	7%	480	16,260			
Business Administration Master Nonresident	26,818	28,700	1,882	7%	480	29,180			
<b>Post-baccalaureate and Non-matriculated</b>									
<b>Post- baccalaureate Resident</b>									
taking only undergraduate courses	6,250	7,125	875	14%	552	7,677			
taking one or more graduate courses	10,368	11,160	792	8%	552	11,712			
<b>Post- baccalaureate Nonresident</b>									
taking only undergraduate courses	23,099	23,800	701	3%	552	24,352			
taking one or more graduate courses	23,017	24,500	1,483	6%	552	25,052			
<b>Non-matriculated Resident</b>									
taking only undergraduate courses	6,250	7,125	875	14%	552	7,677			
taking one or more graduate courses	10,368	11,160	792	8%	552	11,712			
<b>Non-matriculated Nonresident</b>									
taking only undergraduate courses	23,099	23,800	701	3%	552	24,352			
taking one or more graduate courses	23,017	24,500	1,483	6%	552	25,052			

NOTES:  
HECB 24 Comparison refers to the 2008-09 UW - HECB 24 Tuition Comparison prepared by the Office of Planning and Budgeting Public Affairs Master was a new cohort tuition model in 2008-09; 2009-10 will be the first year of the "continuing" tuition rate Tuition is not increased in the second year of cohort programs (Business Administration, Public Affairs)  
2009-10 HECB 24 projections are based on five-year trend estimates



# University of Washington



## FY 2010 Proposed Budget and UW Funding Trends

May, 2009

**UW Vision and Values provides the framework that guides investments.**



*The UW's vision and strategic priorities must consider the characteristics which make us great and unique, and must reflect our core values and culture.*

***integrity ~ diversity ~  
excellence ~ collaboration ~  
innovation ~ respect***

# An overview of the core components of the UW budget.



- ❖ Capital Budget

- ❖ Operating Budget

- *Core Education Budget* (State General Fund, Tuition Operating Fee, and Designated Operating Fund)
- *Restricted Operating Budget* (Grant and Contract Direct Costs, Grant and Contract Indirect Costs, Gifts and State Restricted Funds)
- *Academic Enhancement/Support Budget* (UW Medical Center, Auxiliary Enterprises, Auxiliary Educational Activities, Institutional Overhead)

# State support for the capital budget was reduced by nearly 45%.



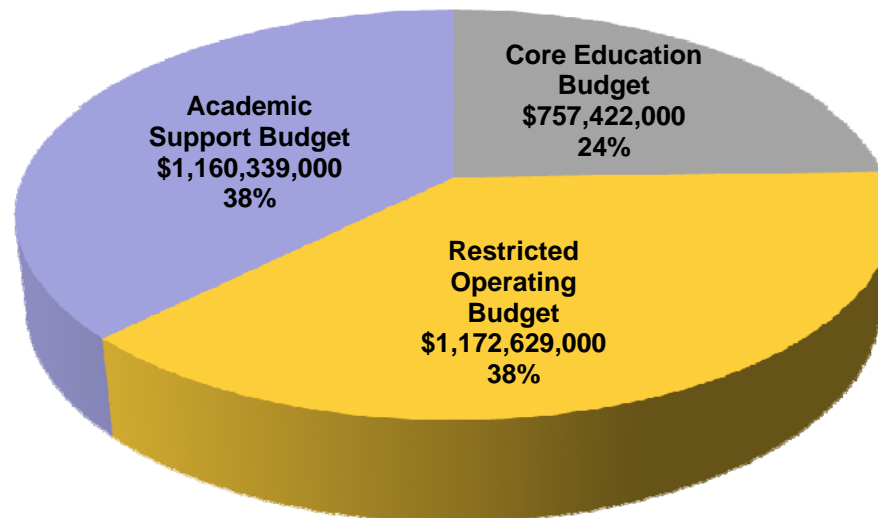
- ❖ The legislature provided \$65.5 million in capital funding for the 2009-11 biennium, compared to \$146.9 in the previous biennium. Funded projects include:
  - \$34 million for the renovation of the Joy Building at Tacoma and \$5 million for the design of UW Bothell Phase 3.
  - \$500,000 in pre-design funding for the renovation of Anderson Hall and the House of Knowledge Longhouse project.
  - Facilities preservation, safety and utilities improvements, and modernization.
  
- ❖ \$492 million in non-state funds (e.g. UW building account, ICR, enterprise funds, bonds, and federal stimulus grants) will be used to fund major projects and activities including:
  - Construction of a molecular engineering building at UW Seattle
  - Safe campus fire alarm replacement
  - Primate Center facilities and bio-safety level three laboratory improvements
  - Renovations of J-Wing for microbiology and Guthrie Hall for psychology
  - New resident halls on west campus and Hall Health remodel
  - HUB renovation and expansion and Ethnic Cultural Center Expansion

# Composition of the UW Operating Budget, as adopted for FY 2009.



- ❖ The FY 2009 UW operating budget adopted by the Board of Regents approved \$3.1 billion for annual operating expenditures. Note that if Harborview medical center was included in these figures, the total would be \$3.7 billion.

**Total Expenditures, FY 2009**

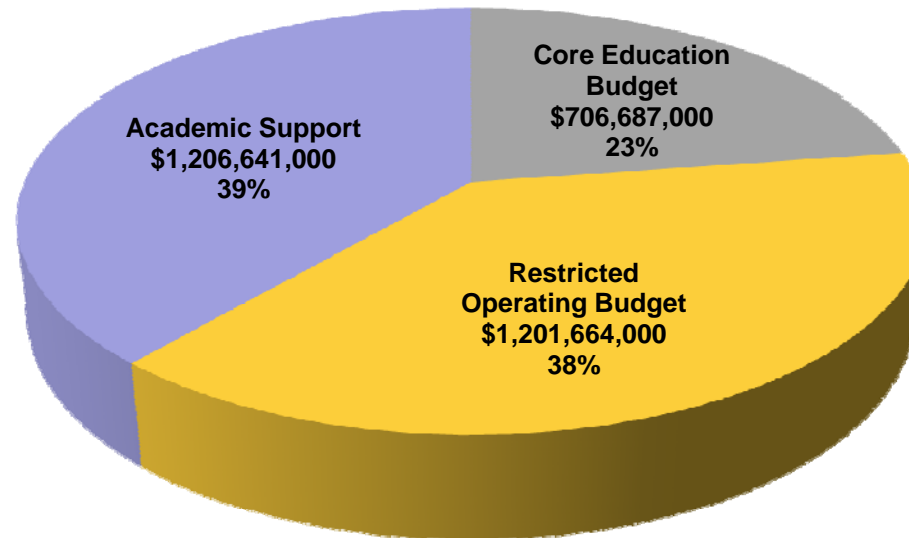


# The proposed UW operating budget for FY 2010, compared to FY 2009.



- ❖ A net reduction of 6.3 percent for the Core Education Budget (**Note: does not include one-time \$11 million use of fund balance in 2010**).
- ❖ An increase of 2.5 percent in the Restricted Operating Budget
- ❖ An increase of 4.0 percent in the Academic Support Budget

## Total Expenditures, FY 2010



# Resources for the UW will be reduced significantly in 2010.



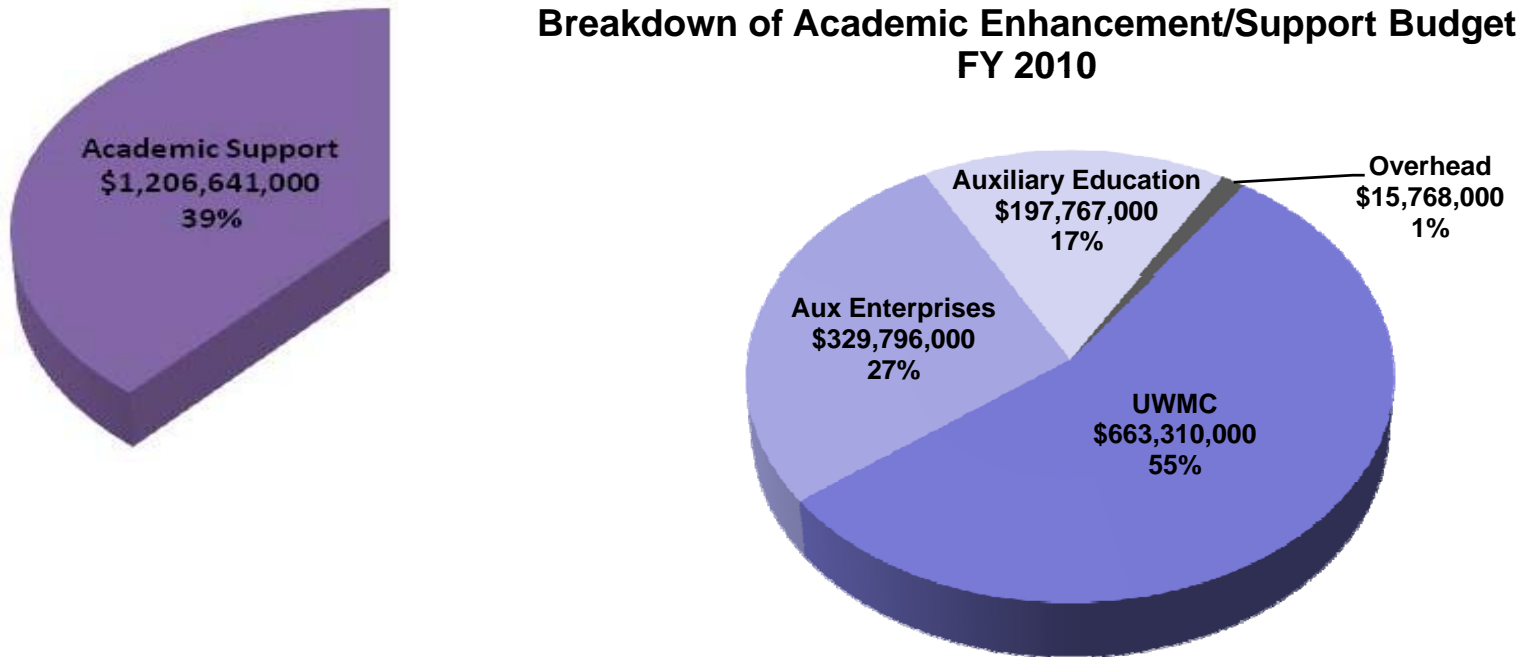
- ❖ Reduction in the State General Fund allocation almost \$95 million for FY 2010.\*
- ❖ Provision of one-time federal stimulus money.
- ❖ Authorization of 14 percent tuition increase for resident undergraduates.
- ❖ Re-authorization of authority to set all other tuition categories.
- ❖ Declining Gifts and Endowment earnings.
- ❖ Material increases in grants and contract awards.
- ❖ Slow growth for Academic Enhancement and Support functions.

\* \*Note that cross referencing numbers between the state biennial budget and the UW budget is complicated. For the purpose of this presentation we are looking at incremental budget changes compared to the originally adopted UW budget for FY 2009.

# The UW Academic Support budget has a stable outlook for FY 2010.

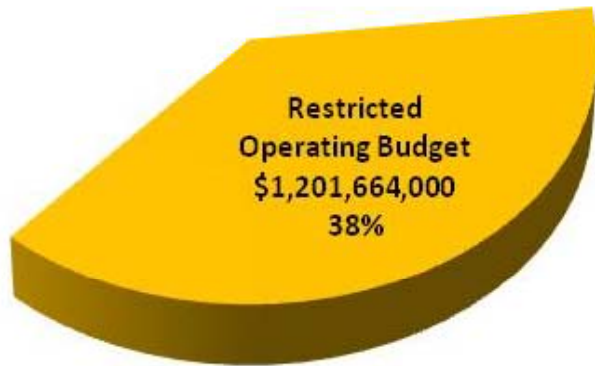


- ❖ Slow growth is expected through FY 2010 for the UW's large auxiliary business enterprises, including the UW Medical Center, Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services.

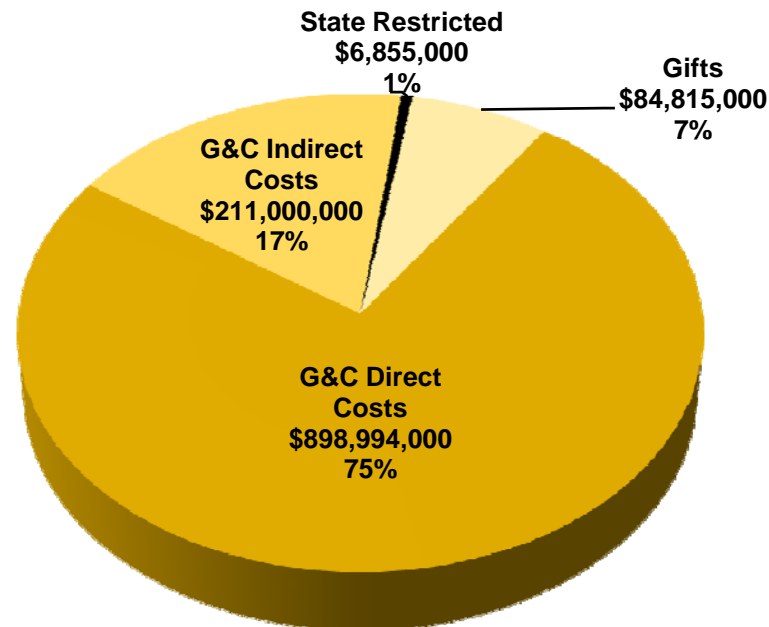




# The UW Restricted Operating budget will experience modest growth in 2010.



### Restricted Operating Budget, FY 2010

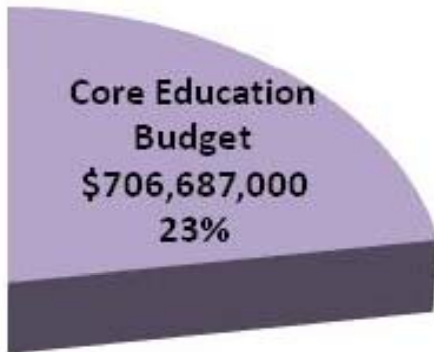


# Growth in grants and contracts, and reductions in endowment earnings.

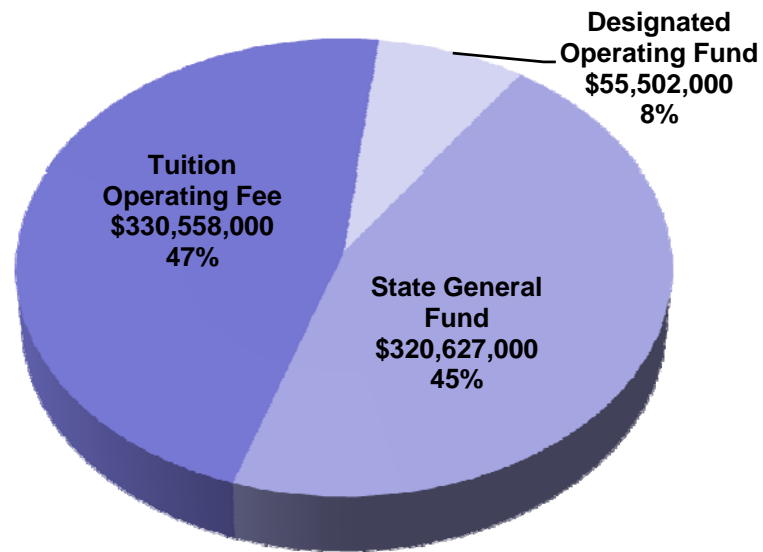


- ❖ Grant and contract awards in FY 2009 were up substantially even prior to seeing effects of federal stimulus related grants.
- ❖ Indirect cost recovery is expected to increase 4 percent in 2010 with increased grants and contracts and new indirect cost rates.
- ❖ Revenues to gift and endowment spending accounts projected to decrease significantly in FY 2010. Due to economic circumstances the BOR has adopted a modified endowment payout methodology
- ❖ There will be a small increase in state appropriations related to state revenues received from the Accident and Medical Aid Account, as well as the Bio-toxin account.

# The UW Core Education budget revenues will decline 6.3% in FY 2010.



### Breakdown of Core Education Budget, FY 2010

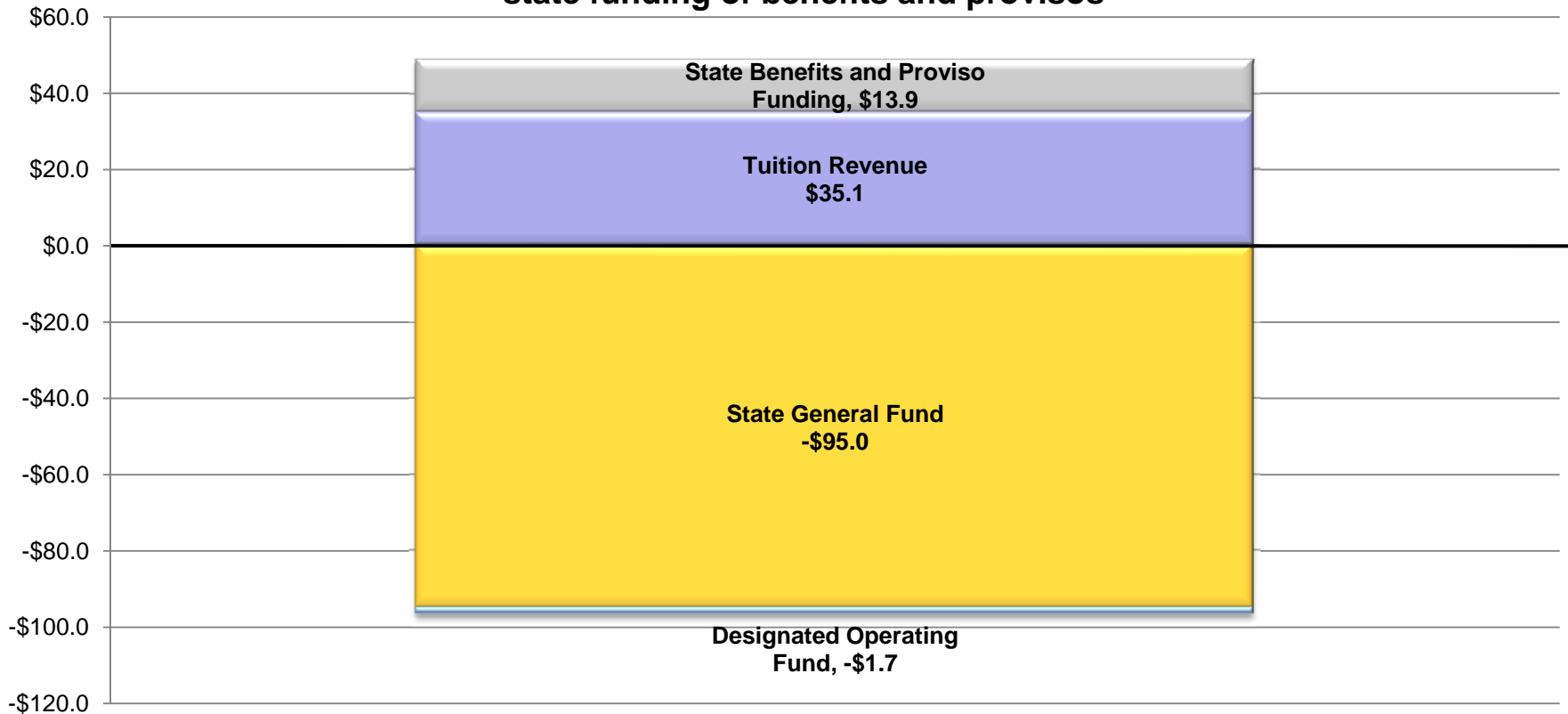


Note: does not include one-time \$11 million use of fund balance in 2010

# Breakdown of the 6.3% decrease in Core Education Budget revenues.



**Core Education Budget: Changes in Funding, FY 2010 (in \$ mil)**  
Decreases in GF-S and DOF, plus compensatory increases in tuition revenue and state funding of benefits and provisos



# Reduction in state support, increase in tuition revenue, one-time use of fund balance, and required costs.

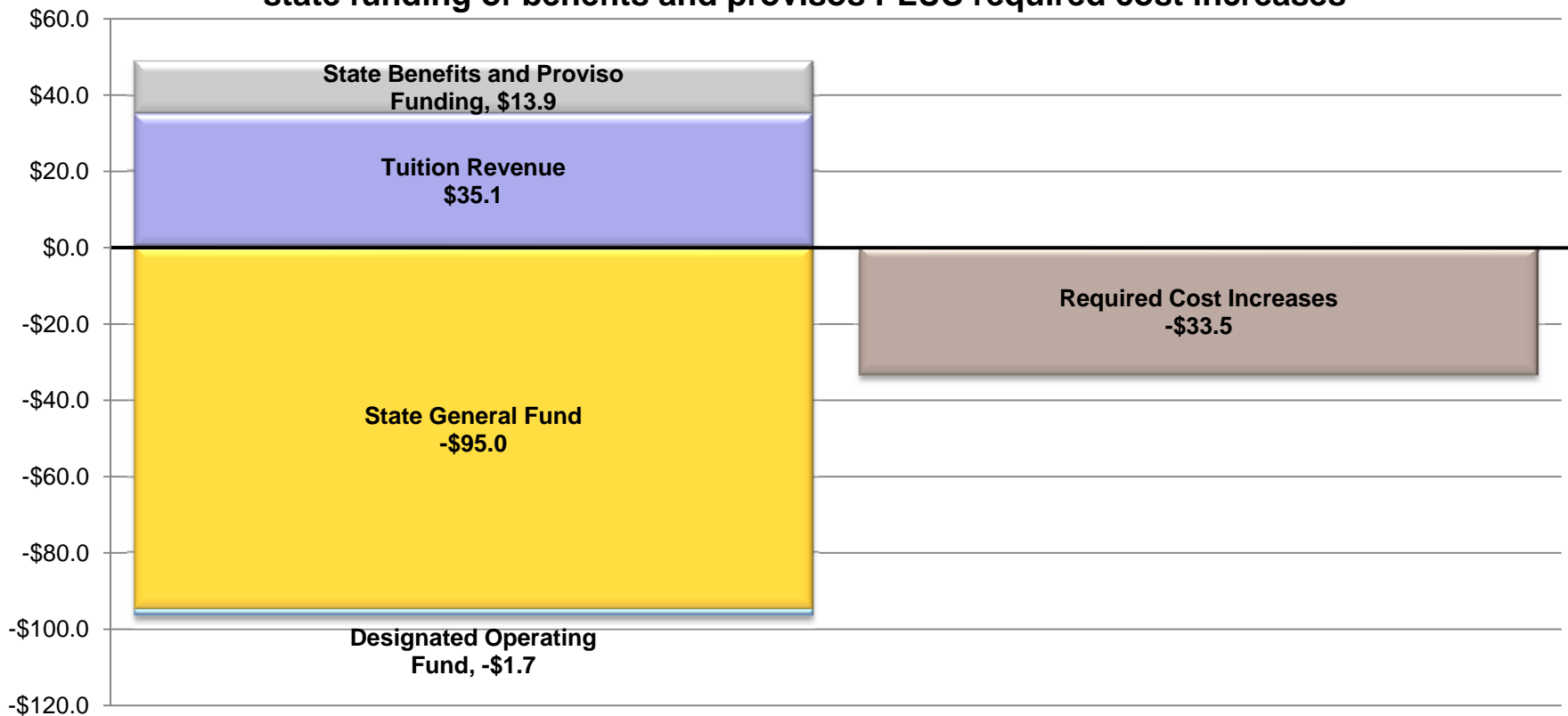


- Projected \$35 million increase in tuition revenue.
- Reduction of \$1.7 million in Designated Operating Funds based on:
  - Projected \$5 million reduction in investment income
  - Projected \$2.8 million increase in summer quarter tuition revenue
- Temporary use of \$11,000,000 of fund balance, \$10,000,000 of which will help bridge the impact of budget reductions on our academic mission.
- Increases in required costs including utilities and other fixed costs, compliance issues, increased debt service for upgrades in animal facilities, the Benjamin Hall and Foege buildings, J-Wing and other renovations, UW-Tower support, and legislative actions such as additional support for WWAMI/RIDE, UW Tacoma Assembly Building, Ruckelshaus and CINTRAFOR.
- Substantial increases in student financial aid expenditures.

# Unfunded increases in fixed costs add to reduced revenues to create an approximately \$81 million funding gap.



**Core Education Budget: Changes in Funding, FY 2010 (in \$ mil)**  
Decreases in GF-S and DOF, plus compensatory increases in tuition revenue and state funding of benefits and provisos PLUS required cost increases



# Guiding principles for implementing budget reductions at the UW.

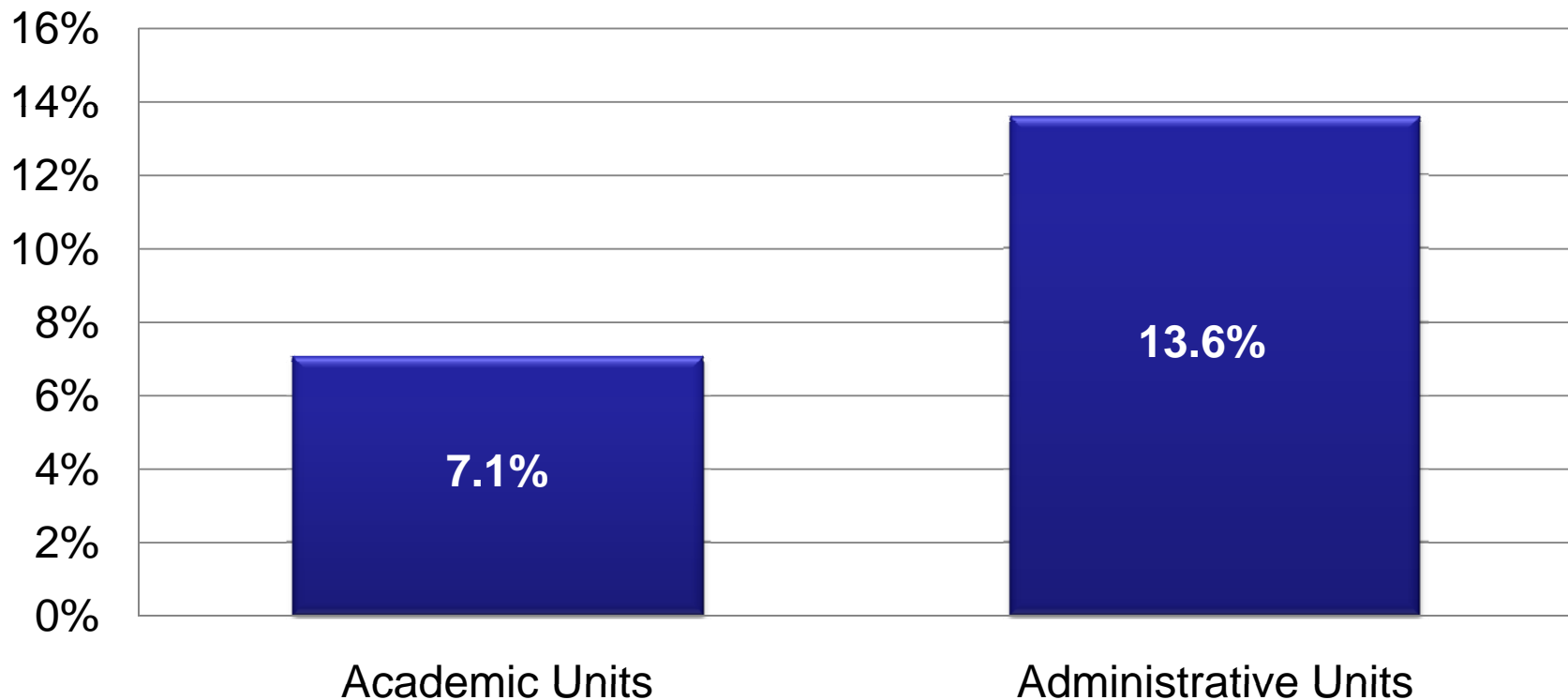


- ❖ To absorb budget reductions in a manner consistent with our vision and values and minimize the impact on students, the following principles were established to guide budget reduction decisions:
  - Work to ensure access to excellence for new and continuing students.
  - Promote and enable cutting-edge research and scholarship.
  - Ensure decisions are made in consultation with other impacted units.
  - Explore administrative efficiencies to preserve research and instruction.
  - Use vacant positions and non-salary expenditures to achieve budget reductions and preserve existing faculty and staff.
  - Filled tenure and tenure-track positions should not be reduced.
  - Continue to invest strategically to take advantage of opportunities that will position the UW as a world leader when the economy rebounds.

# Budget cuts were disproportionately borne by administrative units.



**% Effective Budget Reduction for FY 2010  
(includes use of temporary fund balance)**





# Budget Reductions by Academic Units.



Budget Reductions by Academic Unit Permanent Cut and Effective FY 2010 Cut		
Academic Unit	% Permanent Cut	Effective FY10 Cut
Arts & Sciences	9.0	5.18
Business School	9.5	6.40
Engineering	9.5	7.50
Medical Centers	9.5	9.50
Medicine	9.5	7.50
Public Health	9.5	5.60
VP Medical Affairs	9.5	9.50
Dentistry	10.0	8.01
Nursing	10.0	8.23
Pharmacy	10.0	6.62
Built Environments	11.0	7.62
Education	11.0	7.80
Environment	11.0	11.02
Forest Resources	11.0	8.79
Ocean Fishery Sciences	11.0	8.06
Social Work	11.0	7.48
Undergrad Academic Affairs	11.0	8.04
Educational Outreach	12.0	11.64
Evans School of Public Affairs	12.0	9.01
Information School	12.0	9.03
Law	12.0	8.94
Graduate School	14.0	13.96

# Budget Reductions by Administrative Units.



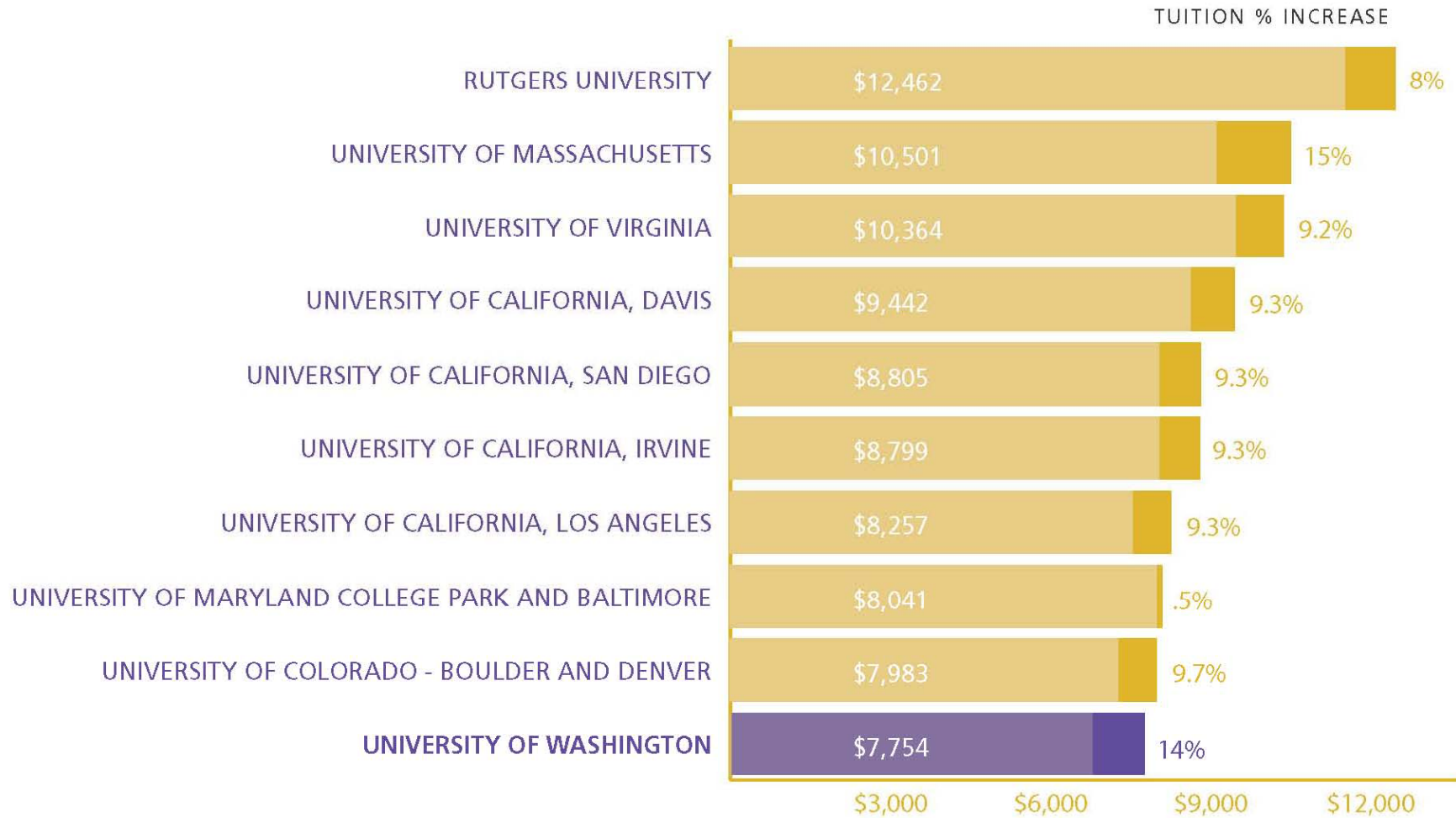
Budget Reductions by Administrative Unit	
Academic Unit	% Permanent Cut
Research	8.0
UW Technology	10.0
University Advancement	11.0
Libraries	12.0
Student Life	12.0
Minority Affairs	12.0
Health Sciences Admin	15.0
Office Of IP & TT	15.0
Attorney General	16.0
External Affairs	16.0
Human Resources	16.0
Planning & Budgeting	16.0
President	16.0
Provost	16.0
UW Technology - OIM	16.0
UW Finance&Facilities	16.0

# Proposed tuition increases for the 2009-10 academic year.



- ❖ The Legislature limited the amount that undergraduate resident tuition could be increased for 2009-10 and 2010-11 to 14 percent.
- ❖ The Legislature extended authority to set tuition for all other tuition categories for 2009-10 through 2012-13.
- ❖ For 2009-10, the administration is recommending the following for tuition:
  - 14% (\$875) for undergraduate residents
  - 5% (\$1,133) for non-resident undergraduates
  - 7-14% for graduate and professional students, depending on program.
- ❖ Note that even after these increases, UW tuition will remain significantly more affordable than our peer institutions in almost all tuition categories.

# Proposed 2009-10 tuition increases among Global Challenge peers.



# The proposed FY 2010 budget includes substantial financial aid increases.



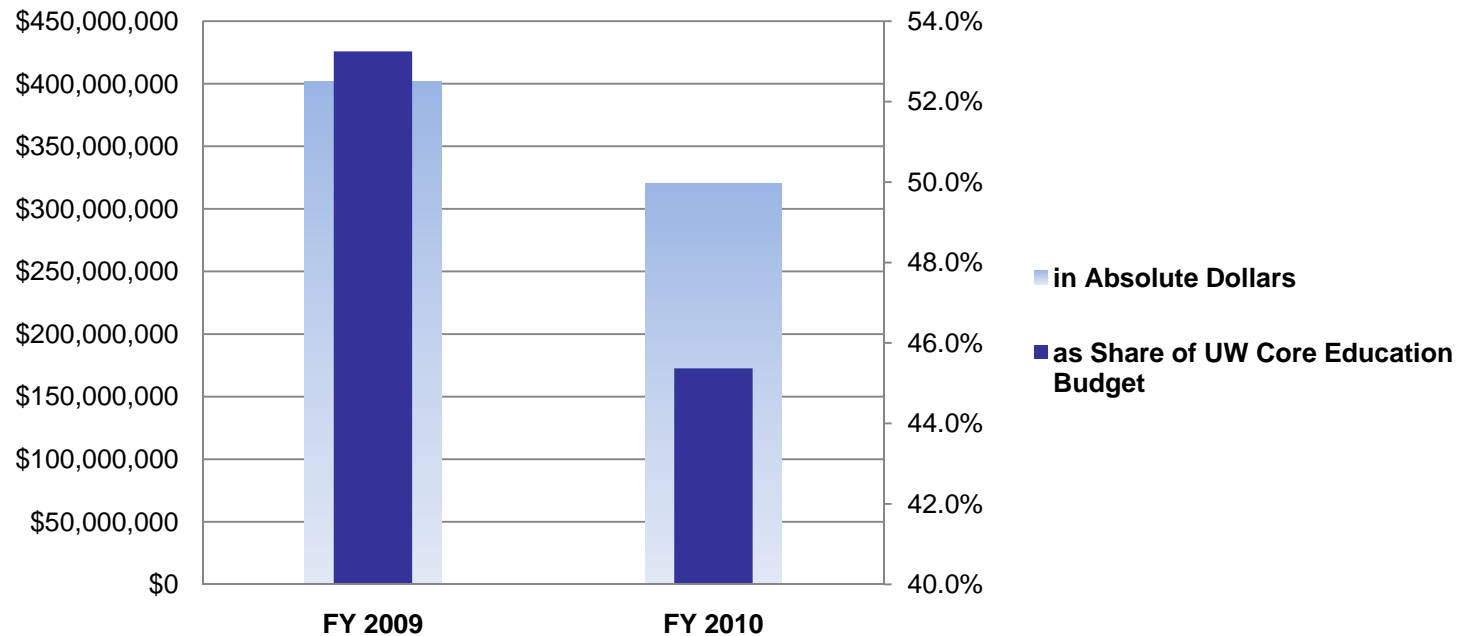
- ❖ Tuition increases will provide an additional **\$1,693,200** in financial aid revenue for needy undergraduate resident students.
- ❖ The Legislature also requires that 1/7 (14 percent ) of tuition revenue beyond what would have been generated by a 7% increase be used for financial aid grants for undergraduates. This is equivalent to **\$1,300,000**.
- ❖ Increased tuition levels will increase the value of tuition waivers granted to graduate students by over **\$3.4 million**, plus make an additional **\$773,800** available to graduate and professional students through grants or waivers.
- ❖ Substantial increases in the federal Pell grant, plus increases in the State Need Grant will combine with increases in UW aid to offset tuition increases for needy students.
- ❖ An expanded federal educational tax credit will help offset tuition increases for many middle class students who do not typically qualify for financial aid.

# The Changing Role of state support and tuition in the UW Budget.



- ❖ The proposed FY 2010 budget marks the first time that tuition revenue accounts for a higher percentage of the Core Education Budget than State General Fund support.

### State General Fund, Appropriations to UW

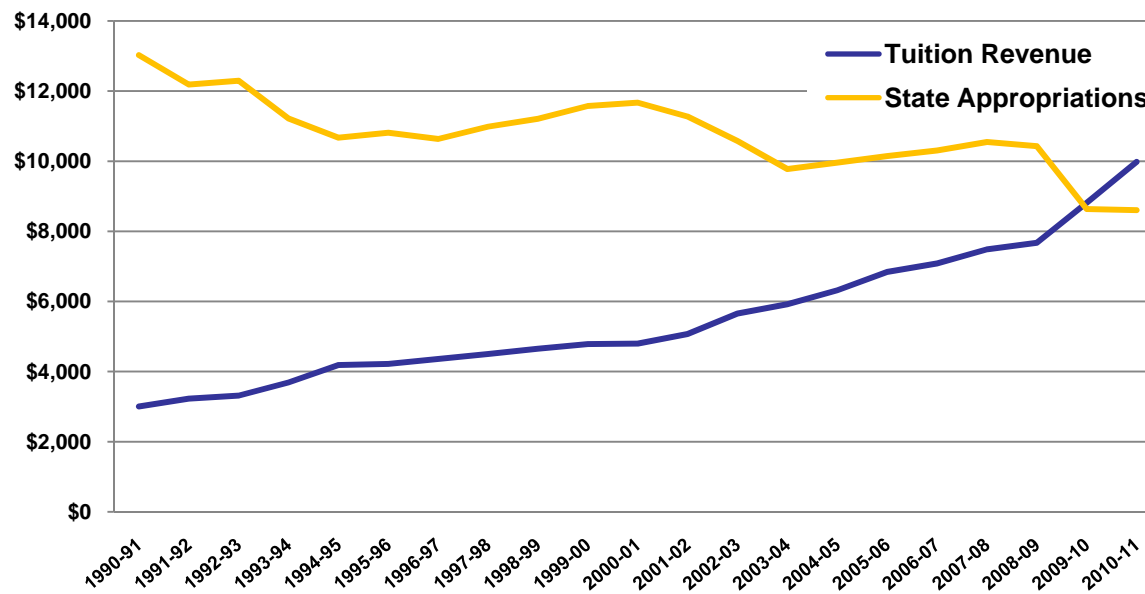


# The Changing Role of state support and tuition in the UW Budget.



- ❖ State disinvestment in higher education and the shift towards a higher percentage of costs being borne by students and families has been occurring for quite some time, and we expect that it will continue in the future.

Funding per FTE Student  
(in 2009 Dollars)



# Next Steps



*This budget cycle will require that we consider what we do and how we do it with greater care and creativity. What we won't do, however, is ever compromise our pursuit of academic excellence. Indeed, we can address the changing financial realities to become an even stronger and more distinguished university.*



# GPSS Report on Graduate Student Funding and Support

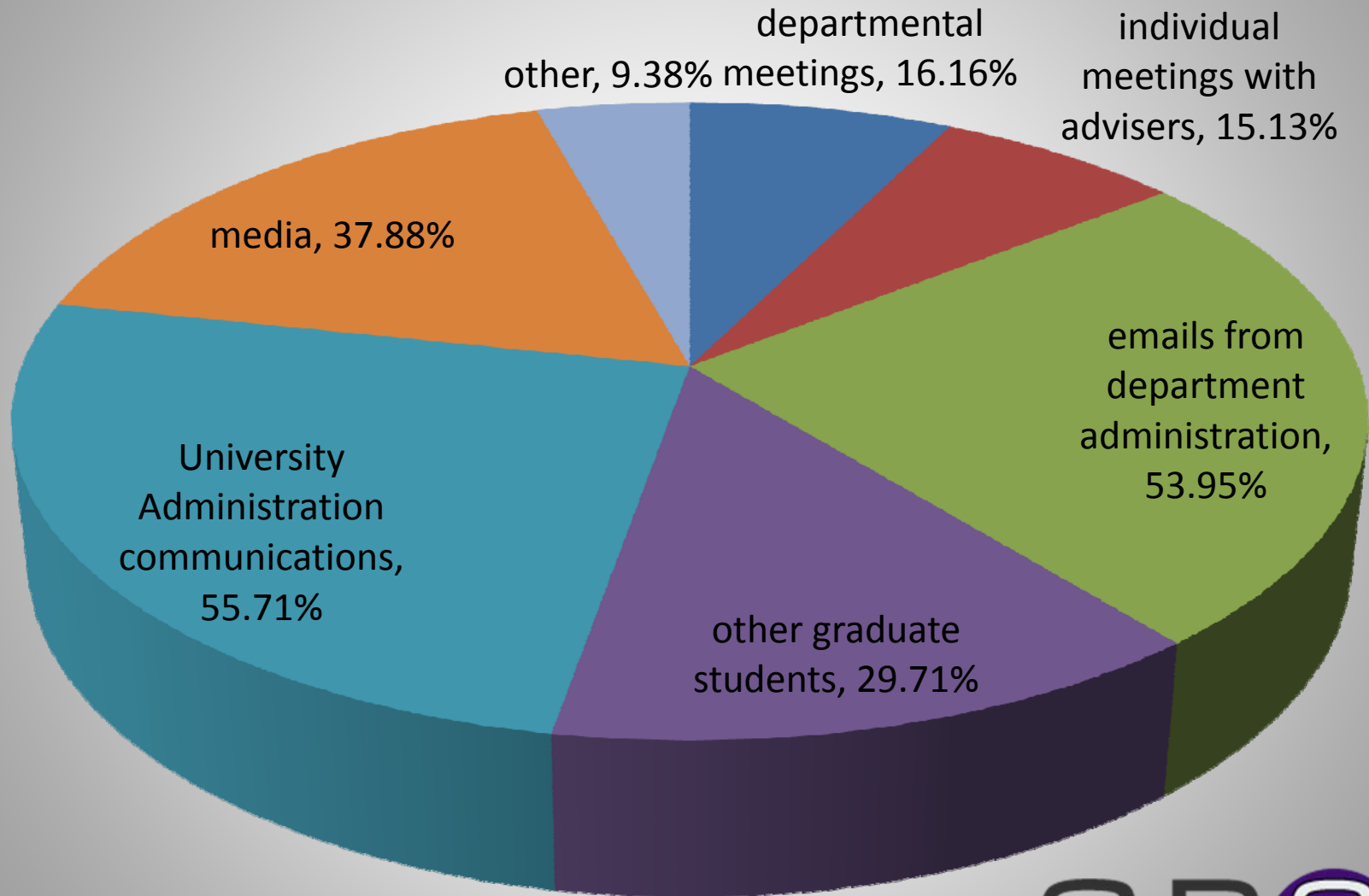
# Overview

- Graduate student survey results
- Need for transparency in the budget cuts and the RA/TA selection
- Update on RA/TA funding
- Considerations for next year

# Graduate Student Survey Results

- Survey submitted to the students on April 8th. Received all responses by April 15th.
- Total submissions: 1101
- PhD: 53.59%, Masters: 22.80%, Professional: 23.61%
- In-state: 58.86%, out-of-state: 29.16%, International: 9.26%

# Where are students getting their information?

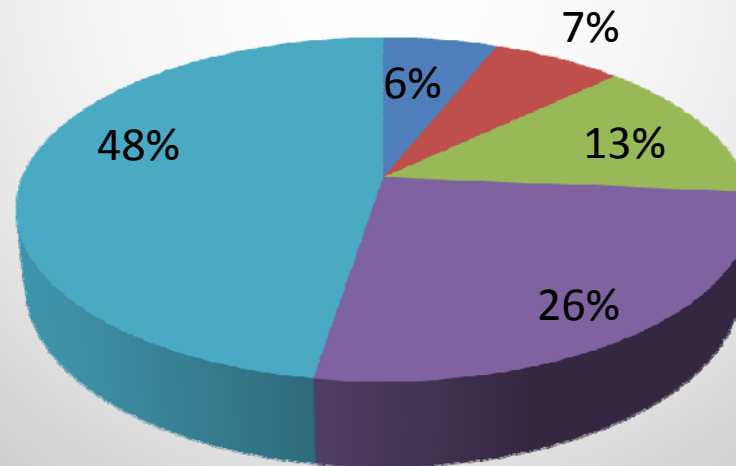


# Graduate and Professional Students Need More Information

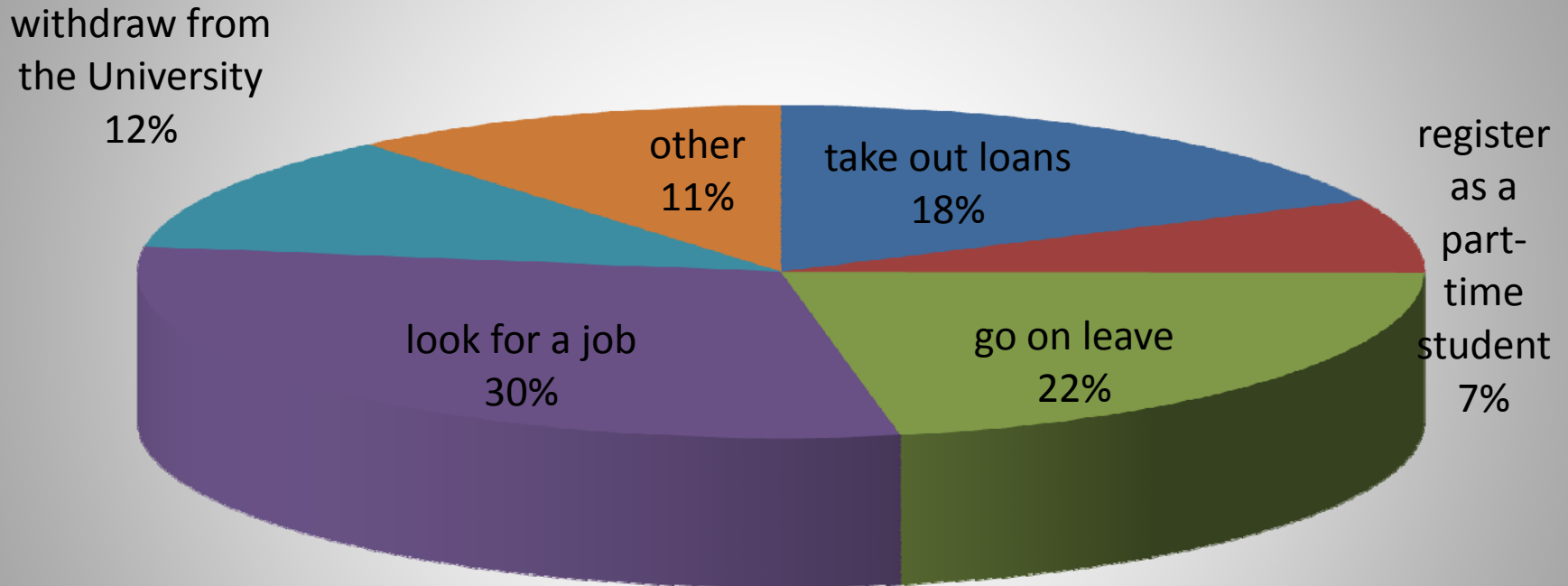
- 75% of graduate and professional students do not feel that they have an understanding of how budget cuts will be implemented in their departments
- 63% don't know whether or not their departments will reduce enrollment in response to budget cuts
- 71% feel that the cuts will negatively affect the academic and social climate of their departments

# Many Graduate Students Have Not Been Told About Their Own Positions

- My position has been eliminated next year
- I have been informed that my position is likely to be cut
- I have been told that it is possible that my position will be cut
- I have been told that my position will NOT be cut
- I have not been told about my position for next year



# What will students do if they lose their funding?



# Update on RA/TA Funding

- Provost Wise has made available a one-time \$10 million fund to save TA positions
- The Provost's office has said that this money will be “differentially allocated across academic units based on their student credit hours (SCH)”



# Questions about the Provost's Money

- How is it being distributed at both the college and departmental level?
- How are students being involved and informed in the process?
- What will happen next year?

# Recommendations

- Student Involvement
  - Involve graduate students in the decision process at the university, college, and departmental levels
- Increase knowledge about available opportunities
  - Provide better communication across departments for TA/RA opportunities, or a single consistent source for finding out about positions
  - Inform students of other available sources of funding in a timely manner
  - Provide departments with common criteria and best practices for TA/RA hiring