

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Budget Update

This item is for information only.

Attachment

Provost Advisory Committee for Students Board of Regents Recommendation
May 9, 2013

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Presented by Michael Kutz (Chair) and Elise Randall (Vice-Chair)

Executive Summary

The Provost Advisory Committee for Students has been meeting weekly this academic year to discuss central budgeting at the University. In our advisory capacity, we now offer this recommendation to the Board of Regents on the issues related to the budget that we feel are of greatest importance to students.

Tuition

With the state legislature cutting support for higher education in Washington, students have seen double-digit tuition increases for too many years. Students cannot afford another large increase. **Therefore, PACS recommends a 3% resident undergraduate tuition increase and a corresponding 1% out-of-state tuition increase.** We believe these increases will keep higher education accessible for all Washingtonians and ensure we maintain our ability to attract the best student from across the country and around the world.

Faculty Salaries

PACS recognizes the value of our faculty and staff to students, and **endorses an end of the wage freeze and a salary increase for all meritorious faculty and staff that has a minimal impact on tuition.** Our research suggests that, given our proposed tuition rates, the University could fund a **2% meritorious increase for faculty and staff.** However, now and in the future, faculty salary increases should first be funded by the state legislature. We cannot afford to keep putting the burden on students to raise revenue.

Financial Aid

PACS strongly believes in the importance of maintaining and strengthening the UW's commitment to financial aid. This means continuing Husky Promise and other financial aid programs for low-income students, increasing middle-class financial aid, and maintaining and expanding graduate student aid (through teaching and research assistantships, grants and subsidized loans).

Fee-Based Programs

These private programs are becoming increasingly common across campus without oversight, student input, or strategic growth planning. PACS strongly advises the University to consider what these programs mean for the University and involve students in the decisions to create new programs or switch state-supported programs over to private programs.

Student Involvement in Decision Making

Institutionalizing PACS in university policy has been an effective step towards keeping students involved in the central budgeting and decision-making process. PACS recommends that college councils also be institutionalized at the UW so that student needs and concerns are heard at the individual college level.

This year, a few college councils were up-and-running and able to submit comments on their college's budgets. The School of Law Student Advisory Council highlighted their need for student work space and their concern over the school's proposed enrollment increases.

The College of Built Environment Student Council support the moratorium on moving state-supported programs to fee-based, applaud the lowering of tuition in a few degrees at their college, and focus on the need of their college to continue to encourage interdisciplinary education. Furthermore, the School of Social Work recommended that PACS support their college's Provost Reinvestment Fund Requests, as after working with their dean, the Social Work College Council understands and supports these requests. These comments, among others, helped PACS to shape this recommendation.

Provost Reinvestment Funds

Providing that there is additional incremental revenue after faculty salary increases, PACS recommends funding the following categories of Provost Reinvestment Funds:

- Compliance
- Classroom Technology
- Advancement Campaign
- Staffing
- Information Technology

We will comment further on the prioritization of these funds as more information is available. However, if there is no incremental revenue left after faculty salary increases, **PACS does not support raising tuition rates further to fund these requests.**

The Provost Advisory Committee for Students (PACS) was created two years ago to add the student voice to central University budgeting. This group, formed of both undergraduate and graduate students from all three campuses, meets weekly to learn about and discuss student needs within the University. Provost Cauce regularly attends and provides the group with background information, answers questions, and offers guidance. PACS regularly brings in other administrators and faculty to add to the discussion and give PACS an idea of where all the stakeholders in each issue stand. This year, PACS focused on the issues of tuition levels, faculty salary increases, fee-based programs, financial aid, student involvement in decision making, and the allocation of Provost Reinvestment Funds.

Tuition

At the heart of PACS' role is giving a recommendation on tuition and financial aid each year. PACS very strongly believes that no student should have to forgo an education at the University due to an inability to pay. In light of this, PACS asks the University to ensure that tuition remains affordable for all students. All students means undergraduate and graduate students, coming from in and out of the state. All of these student groups are important to the future success of this university and their needs must be considered.

Over the past few years, students have borne the brunt of massive cuts to higher education through drastic tuition increases. This cannot continue. Not only are students saddled with ever-larger debts that undermine their long-term financial stability, more and more students are deterred from applying to college by these tuition increases.

The evidence of this can be found in Washington's low college participation rates. While college participation rates increased nationwide and in other WICHE states over the past twenty years, the portion of Washington's population that enrolled in higher education has remained relatively stagnant.¹ As Washington's colleges and universities have become less affordable compared to the median family income, the state has not been able to keep up with national degree production rates. Currently, Washington ranks 42nd nationwide in the number of degrees produced per capita.² Below average degree production hurts Washington's economy and inhibits the development of a skilled workforce.

Students can't afford another tuition hike and neither can Washington's economy. The University of Washington must play a leadership role in ensuring that Washington's residents are prepared for a 21st Century workforce. **Therefore, PACS recommends a 3% resident undergraduate tuition increase and a corresponding 1% out-of-state tuition increase to keep higher education accessible for all Washingtonians.**

¹ Perna, L. et al. (2012 January). The Performance and State Policies of Higher Education in Washington: Insights from a Five-State Policy Review Project. The National Center for Public Policy and Higher Education.

² Washington Student Achievement Council. (2013). Key Facts About Higher Education 2012. Retrieved from: www.wsac.wa.gov/sites/default/files/KFChapterV.pdf

This recommendation is based upon the assumption that the State will provide only maintenance level funding with no new monies. It also assumes that the proposed graduate tuition rates will be enacted. PACS did not have the information or scope to investigate all of the proposed graduate tuition increases.

We firmly believe that this rate is the best compromise to raise the necessary incremental revenue to address some of the most urgent needs of campus while keeping our education accessible.

Faculty Salaries

PACS has spent a considerable amount of time this year reviewing the implications of faculty salary increases and conducting outreach to our various student organizations on the issue. We have received an endorsement from both the ASUW Student Senate and the Arts and Sciences Advisory Council for Students (ASACS) for state-funded faculty salary increases, and, if those are not available, salary increases with a **minimum** impact on tuition. It is important to note that ASACS represents both undergraduates and graduate students, and that a Graduate and Professional Student Senate survey of graduate students showed strong support for excellence in education.

We value and understand the University's focus on salary increases this year. The reputation of UW, and the funding we receive from federal research grants, is built upon our excellent faculty. We recognize that faculty have made sacrifices over the past four years during the wage freeze, and we agree that wage increases need to be funded immediately in order to avoid a significant drop in faculty morale and retention.

With this background, and information we've received from University leaders such as Provost Cauce and Faculty Senate Chair Jim Gregory, **we are prepared to endorse an end of the wage freeze and a salary increase for all meritorious faculty and staff that has a minimal impact on tuition.**

Our research suggests that, given our proposed tuition rates, the University could fund a **2% meritorious increase for faculty and staff.**

This number, again, is based on an assumption that there will be no new state funding for higher education. Students want the faculty to know how important they are and to make a statement that excellent faculty are critical to UW. However, this increase is the highest that students can afford, after years of double-digit tuition increases. **Any salary increase, both this year and for future years, should be first funded from state revenue, as we cannot continue funding university budgeting needs solely on the backs of students.**

Financial Aid

Financial aid is critical to keeping tuition affordable. PACS believes that financial aid opportunities such as Husky Promise or other options for low-income groups must be maintained and protected. There is also a strong need for the University to work to address the growing unmet need in middle-income groups' financial aid.

The need for financial aid at this University is stronger than ever - our research estimates that for a student to pay the full cost of education (tuition, fees, books, room & board, and personal expenses) on their own, they would need to work over 54 hours per week all year.³ Furthermore, if a student from a Washington family making \$60-\$70k per year were to receive the full state and federal aid they were eligible for (including loans), as well as the full estimated family contribution, they would have close to **\$15,000 in unfunded costs, the highest of any income group using these estimates**. In our view, this highlights the need for strategic institutional aid for the middle class while continuing our excellent Husky Promise program.

Financial aid, whether in the form of need-based grants, scholarships, or TA and RA positions, is crucial for graduate students as well. Many graduate students enter UW with undergraduate debt, and adding massive amounts of unsubsidized loans with compounding interest accruing while the student is still in school is simply unsustainable. Graduate education is increasingly important to the success of our economy, society, and future. Therefore, we must invest in our graduate students through making programs affordable. One way of investing in both graduate and undergraduate students is to increase TA positions on campus. This helps graduate students pay for their education and gives undergraduates a better academic experience.

Fee-Based Programs

These private programs are becoming increasingly common across campus without oversight, student input, or strategic growth planning. PACS strongly advises the University to consider what these programs mean for the University and involve students in the decisions to create new programs or switch state-supported programs over to private programs.

Student Involvement in Decision Making

Student input is key to the success and transparency of the University of Washington. PACS has been given this opportunity to represent students' voice in the central budgeting process. In the fall, PACS published budgeting principles. These ideas are central to PACS' recommendation to the Provost, and are important to reiterate in this budgeting process. Principle number three focused on student involvement in budgeting decisions at the college level.

³ Lin, Lummy (2013). Paying for the University of Washington by Income Level: An Overview. ASUW Office of Government Relations.

Retrieved from: <https://docs.google.com/a/uw.edu/file/d/0B1gcuwJkY1LyMEN3MIJoQ3A1RTg/edit>

To this end, PACS fully supports the creation of student college councils, as well as the development of their budgeting recommendations. Throughout this school year, various councils have been forming and getting educated about budgeting and decision-making at their college. We are encouraged by their progress, but continue to look for support from deans of colleges that have councils already, and those without such a group. We strongly support policies and practices that engage student governing bodies during both the development and implementation of new policies.

Some college councils provided budget recommendations to PACS, based upon their discussions with their deans and students. Among others, these recommendations include:

- **The College of Built Environment Student Council** supporting affordable tuition, the moratorium on fee-based programs, interdisciplinary studies, and the creation of new degrees and opening of classes to new students (as long as the educational quality remains consistent).
- **The School of Law Student Advisory Council** supporting affordable tuition, concern over the college's plan to reorganize student work space, and questioning the college's decision to increase enrollment while not addressing budgetary issues at the law school.

Provost Reinvestment Funds

Provost Reinvestment Funds are a substantial part of the central budget process, and PACS' input into their allocation reflects the transparency and accountability that PACS works to create within the central administration. Transparency and accountability encourage a collaborative educational and work environment and promote trust. They also promote a wide range of perspectives that can inform and improve decision-making among university leaders. PACS encourages policies and practices that ensure investments are having their intended impact.

At this time, it is uncertain how much revenue will be left for Provost Reinvestment Funds. If, after faculty salary increases, there is not enough money left to fund the following categories, PACS **does not** encourage increasing tuition to fund these requests. However, if there is money, the following categories should be funded:

- Compliance
- Classroom Technology
- Advancement Campaign
- Staffing
- Information Technology
- Miscellaneous

In addition, college councils have recommended the following specific investments (in no particular order):

- Exploration of a new collaborative undergraduate institute- Social Work

- Continued permanent funding of the Indigenous Wellness Research Institute-Social Work
- Seed Funds for Inter-professional Education (IPE) centric activities-Social Work

PACS Budgeting Principles

The University of Washington is a public institution; therefore its budget and policies should reflect this charge. What follows are general principles and recommendations to be used by the Provost and other budget officers at the University of Washington during the drafting and implementation of the FY2014 budget as well as future budgets until the submission of new principles by the Chair of the Provost's Advisory Committee for Students (PACS).

Principle 1: Increase Affordability.

No student should have to forgo an education at the University due to an inability to pay.

- a. Ensure tuition remains affordable for all students.
- b. Maintain and protect financial aid opportunities such as Husky Promise for low-income groups.
- c. Work to address the growing unmet need in middle-income groups.
- d. Consider the ability for units to access alternative funding streams that do not directly depend on student tuition or fees.
- e. Continue the moratorium on new fee-based programs; develop a comprehensive policy defining criteria for when new programs should be fee-based as well as criteria for bringing existing fee-based programs back to state funding.

Principle 2: Maintain Educational Quality.

All students are entitled to a high quality education, whether through classroom instruction, research, or extracurriculars.

- a. Emphasize pedagogical integrity as units find more efficient ways of providing courses, especially in the context of online courses.
- b. Maintain funding for teaching assistant positions, as these positions are essential to the quality of undergraduate instruction and create opportunities for graduate students to develop professionally.
- c. Prioritize administrative services that directly contribute to the academic mission.
- d. Focus on the student as a whole. Attempts should be made to protect critical functions such as advising, tutoring programs, and other student services.
- e. Ensure support is provided to teaching assistants to cope with changing classroom dynamics including growth in class sizes and new instructional delivery methods.

Principle 3: Strengthen student participation.

Maintain and strengthen student participation in setting and continuing program and course fees while being sensitive to the financial burdens caused by expanded fees.

- a. Units should communicate potential tuition increases to students before the budget is finalized by the Provost.
- b. Standardize necessary student input into fee creation across units.
- c. Ensure that students are notified of potential changes to tuition and fees during the decision making process, with enough time to provide valuable input.
- d. Create student advisory bodies at the college level to advise Deans on policy matters and tuition and budgetary decisions.
- e. Support policies and practices that engage student governing bodies during both the development and implementation of new policies.

Principle 4: Build upon Transparency and Accountability.

Transparency and accountability encourage a collaborative educational and work environment and promote trust. They also promote a wide range of perspectives that can inform and improve decision making among university leaders.

- a. Ensure that all requested budgetary and planning information are available to student groups like PACS and college-level student councils.
- b. Encourage units to continue to develop metrics of quality specific to them and disseminate them appropriately.
- c. Encourage the development of metrics in large lower division classes so that quality and/or outcomes can be assessed as course offerings change.
- d. Develop metrics that track time to graduation for each major.
- e. PACS should encourage policies and practices that ensure investments are having their intended impact.