

# Higher Education

## **Overview**

Overall, 2011-13 biennial state appropriations to the public colleges and universities are \$658.5 million (23.6 percent) below the level appropriated in the 2009-11 biennium. Approximately \$376.4 million of this reduction will be offset by tuition increases. Revenue from tuition increases are assumed to be 16 percent per year at the University of Washington (UW), Washington State University (WSU), and Western Washington University (WWU); 14 percent each year at Central Washington University (CWU) and The Evergreen State College (TESC); 11 percent each year at Eastern Washington University (EWU); and 12 percent each year at the community and technical colleges.

State supported four-year institutions were also provided full tuition setting authority beginning in the 2011-13 biennium through the 2017-19 biennium pursuant to Chapter 10, Laws of 2011, 1<sup>st</sup> sp.s., Partial Veto (E2SHB 1795 – Higher Education Opportunity Act). In addition to resident undergraduate tuition setting authority, this legislation requires institutions to negotiate a performance plan with the Office of Financial Management that, at a minimum, includes expected outcomes for time and credits to degree; retention and success of students from low-income, diverse, or underrepresented communities; baccalaureate degree production of resident students; and degree production in high-demand fields of study. Additionally, any four-year institution that increases tuition beyond the levels assumed in the omnibus appropriations act will be required to mitigate any additional tuition increase, as prescribed in the legislation, for those students with incomes below 125 percent of the median family income.

## **Major Increases**

### **Maintain Financial Aid Policy**

Funding of \$124.4 million is provided for the State Need Grant and State Work Study programs to offset the cost to recipients of resident undergraduate tuition increases of 16 percent each year at UW, WSU, and WWU; 14 percent each year at CWU and TESC; 11 percent at EWU; and 12 percent each year at the community and technical colleges.

### **Worker Retraining**

A total of \$9.0 million in funding is provided for an additional 970 worker retraining slots each year at community and technical colleges. Worker retraining programs provide financial aid and other support services to jobless workers who need to change careers in order to re-enter the workforce.

### **Opportunity Scholarships**

Pursuant to Chapter 13, Laws of 2011, 1<sup>st</sup> sp.s (ESHB 2088 – Opportunity Scholarship Board), a total of \$5.0 million in state matching funds are provided to match private contributions to the Opportunity Scholarship Program, which provides scholarships to low- and middle-income students who pursue a four-year degree in a high-demand field of study.

### **Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) Medical Education Program**

A total of \$900,000 is provided for development of integrated medical curriculum for the WWAMI Medical Education Program at UW and for expansion of the program at WSU.

### **Aerospace Training Scholarships and Loans**

A total of \$500,000 is provided to implement a loan program for students in certain aerospace training or educational programs pursuant to Chapter 8, Laws of 2011 (ESHB 1846 – Aerospace Student Loans).

### **Institutional Reductions**

A total of \$535.5 million in savings will be achieved with general reductions to the institutions and an additional \$82.1 million in savings will be realized as a result of a 3 percent salary reduction. These reductions will be partially offset by tuition increases of \$376.4 million, for an overall net reduction of 5.1 percent. For additional information on the salary reductions, please see the Special Appropriations Section of this document.

### **Financial Aid Reductions**

#### **State Work Study**

A total of \$31.0 million in funding for the State Work Study program is reduced by: 1) making permanent changes made during fiscal year 2011, including increasing the required employer share of wages and discontinuing non-resident student eligibility for the program; and 2) adjusting employer match rates and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

#### **State Need Grant**

A total of \$16.7 million in funding for the State Need Grant program is reduced by: 1) aligning increases in awards given to private institutions with their average annual tuition increase experience of 3.5 percent each year, as opposed to increasing private institution award amounts at the same rate as for public institutions; and 2) reducing the awards given to for-profit institutions by 50 percent, although students currently receiving these awards will be held harmless for the length of their program.

#### **Additional Financial Aid Reductions**

State funds are reduced by \$18.8 million for a variety of smaller financial aid programs administered by the Higher Education Coordinating Board (HECB), including suspending new awards in the Washington Scholars and Washington Award for Vocational Excellence (WAVE) programs; suspension of new awards from the health professionals and future teacher conditional scholarship programs; elimination of the funds for the Educational Opportunity Grants pursuant to Chapter 215, Laws of 2009, Partial Veto (E2SHB 2021), which placed the eligibility of this program into the State Need Grant; and suspension of Community Scholarship Matching Grant Program, the Foster Care Endowed Scholarship, and student support fees provided via the Western Interstate Commission for Higher Education. Students who are currently receiving awards through Washington Scholars, WAVE, the health professionals' conditional scholarship program, or the future teacher conditional scholarship program will not be impacted by this reduction.

### **Other Reductions**

#### **Community and Technical Colleges Efficiencies**

General fund savings of \$7.5 million are achieved from various efficiencies implemented in the community and technical college system including: consolidation of college districts; consolidation of administrative and governance functions including, but not limited to, human resources, budget and accounting services, and president's offices; consolidation of student service functions including, but not limited to, financial aid services, student advising, and libraries; compensation reductions; and other administrative efficiencies including, but not limited to, greater use of telephone and video conferencing and reduced travel costs.

**Elimination of the Higher Education Coordinating Board**

Pursuant to Chapter 11, Laws of 2011, 1<sup>st</sup> sp.s., Partial Veto (E2SSB 5182 – Student Financial Assistance), in fiscal year 2013, the HECB is eliminated and replaced with two state agencies: the Council for Higher Education and the Office of Student Financial Assistance. Savings of \$2.6 million in general fund are achieved as a result of eliminating, or shifting to other entities, a number of policy, planning, coordination, and research activities previously conducted by HECB.

**Life Transitions Program**

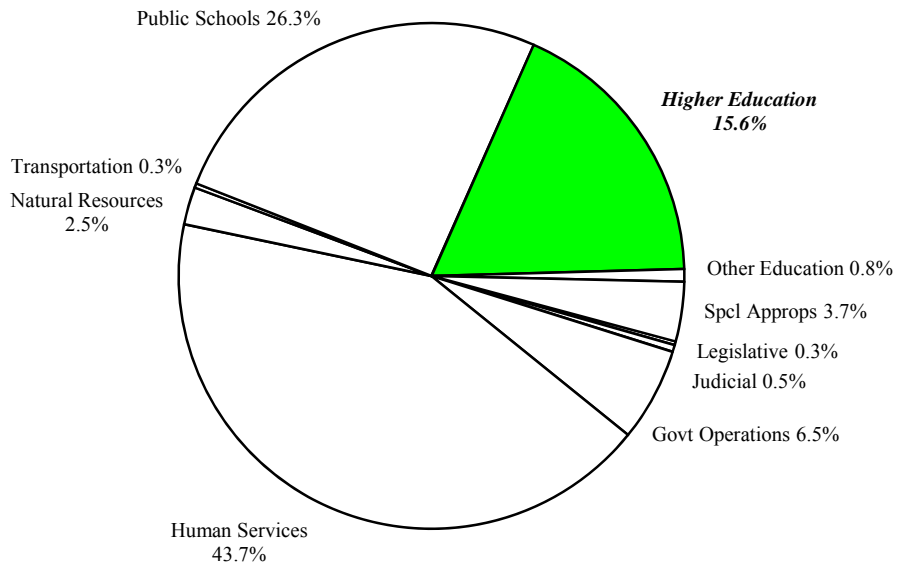
Funding is eliminated for the Displaced Homemaker program, also known as the Life Transitions Program, for a total savings of \$824,000. This program is administered by the State Board for Community and Technical Colleges and assists individuals who are dealing with the challenges of re-entering the workforce after a divorce or the death or disability of a spouse or partner.

# 2011-13 Washington State Omnibus Operating Budget

## Total Budgeted Funds

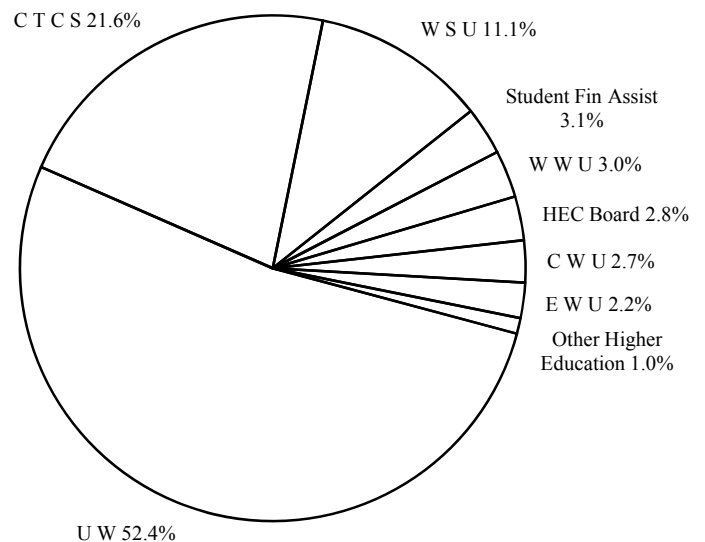
(Dollars in Thousands)

Legislative	149,429
Judicial	274,987
Governmental Operations	3,707,655
Human Services	26,344,252
Natural Resources	1,490,117
Transportation	176,473
Public Schools	15,915,437
<b>Higher Education</b>	<b>11,126,495</b>
Other Education	503,435
Special Appropriations	2,355,947
<b>Statewide Total</b>	<b>62,044,227</b>



## Washington State

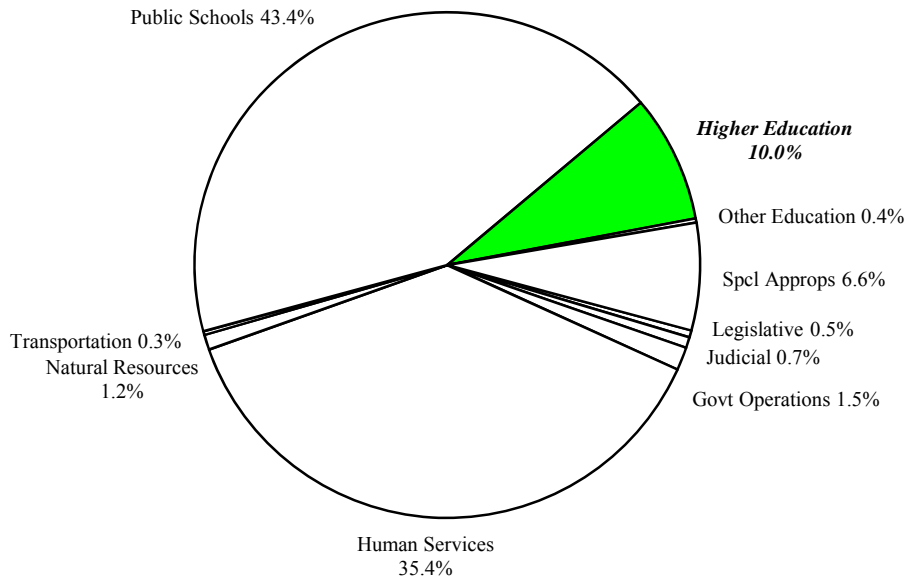
Univ of Washington	5,829,242
C T C S	2,406,728
Washington State Univ	1,238,606
Student Financial Assist	341,628
Western Washington Univ	336,810
Higher Ed Coord Bd	312,279
Central Washington Univ	299,585
Eastern Washington Univ	249,680
Other Higher Education	111,937
<b>Higher Education</b>	<b>11,126,495</b>



## Higher Education

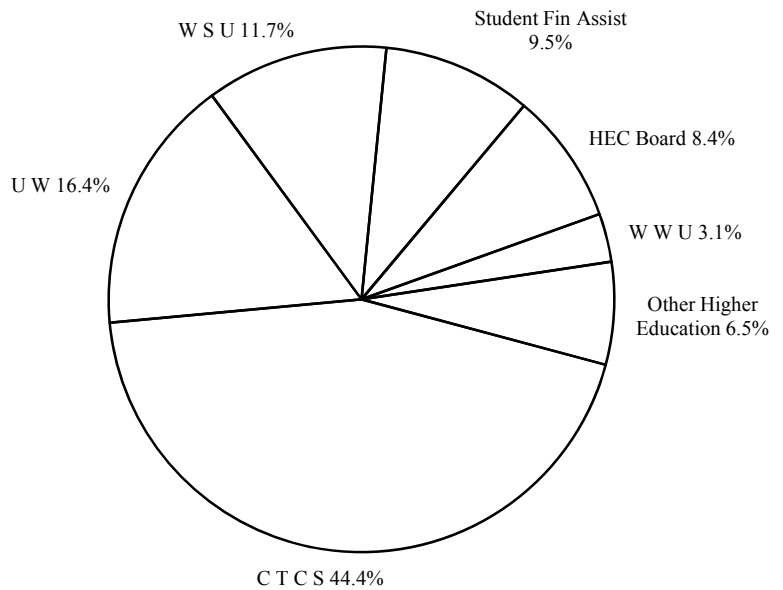
**2011-13 Washington State Omnibus Operating Budget**  
**Near General Fund-State**  
(Dollars in Thousands)

Legislative	142,344
Judicial	221,808
Governmental Operations	474,248
Human Services	12,080,537
Natural Resources	309,303
Transportation	78,272
Public Schools	13,783,321
<b>Higher Education</b>	<b>2,602,642</b>
Other Education	86,323
Special Appropriations	2,194,154
<b>Statewide Total</b>	<b>31,972,952</b>



**Washington State**

CTCS	1,154,723
Univ of Washington	426,573
Washington State Univ	303,366
Student Financial Assist	247,932
Higher Ed Coord Bd	218,980
Western Washington Univ	80,629
Other Higher Education	170,439
<b>Higher Education</b>	<b>2,602,642</b>



**Higher Education**

**Higher Education**  
**Budgeted Enrollment Increases**  
 By Academic Year

FTE Student Enrollment

	<b>Budgeted Level 2009-10</b>	<b>Increase for 2010-11</b>	<b>Total Budgeted 2010-11</b>	<b>Increase for 2011-12</b>	<b>Total Budgeted 2011-12</b>
<b>Community &amp; Technical Colleges</b>	139,237	3,809	143,046	-3,809	139,237
<b>Four-Year Schools</b>	91,328	1,601	92,929	-22	92,907
<b>University of Washington</b>	36,546	616	37,162	0	37,162
Seattle					
Bothell					
Tacoma					
<b>Washington State University</b>	22,250	0	22,250	-22	22,228
Pullman/Spokane					
Tri-Cities					
Vancouver					
<b>Eastern Washington University</b>	8,477	257	8,734	0	8,734
<b>Central Washington University</b>	8,469	339	8,808	0	8,808
<b>The Evergreen State College</b>	4,213	0	4,213	0	4,213
<b>Western Washington University</b>	11,373	389	11,762	0	11,762
<b>Total Higher Education</b>	230,565	5,410	235,975	-3,831	232,144

**Higher Education**  
**FTE Student Enrollment History**  
 By Academic Year

	Actual Enrollment						Projected	Budgeted	
	<u>2004-05</u> <sup>(1)</sup>	<u>2005-06</u> <sup>(1)</sup>	<u>2006-07</u> <sup>(1)</sup>	<u>2007-08</u> <sup>(1)</sup>	<u>2008-09</u> <sup>(1)</sup>	<u>2009-10</u> <sup>(1)</sup>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<b>Community &amp; Technical Colleges</b>	<b>141,283</b>	<b>141,217</b>	<b>143,019</b>	<b>147,908</b>	<b>159,845</b>	<b>173,237</b>	<b>154,604</b>	<b>150,795</b>	<b>150,795</b>
Adult Students	131,489	130,933	132,176	136,723	148,000	160,778	143,046	139,237	139,237
Running Start Students <sup>(2)</sup>	9,794	10,284	10,843	11,185	11,845	12,459	11,558	11,558	11,558
<b>Four-Year Schools</b>	<b>91,358</b>	<b>91,547</b>	<b>92,182</b>	<b>94,310</b>	<b>98,292</b>	<b>101,165</b>	<b>92,929</b>	<b>92,907</b>	<b>92,907</b>
University of Washington <sup>(3)</sup>	36,357	36,022	36,647	37,525	39,729	40,943	37,162	37,162	37,162
Washington State University	21,157	21,301	21,244	22,334	23,316	23,992	22,250	22,228	22,228
Eastern Washington University	9,126	9,281	9,189	9,111	9,287	9,486	8,734	8,734	8,734
Central Washington University	8,885	9,057	9,204	8,931	9,082	9,673	8,808	8,808	8,808
The Evergreen State College	4,120	4,131	4,114	4,269	4,470	4,596	4,213	4,213	4,213
Western Washington University	11,713	11,755	11,784	12,140	12,408	12,475	11,762	11,762	11,762
<b>Total Higher Education</b> <sup>(2)</sup>	<b>222,847</b>	<b>222,480</b>	<b>224,358</b>	<b>231,033</b>	<b>246,292</b>	<b>261,943</b>	<b>235,975</b>	<b>232,144</b>	<b>232,144</b>

<sup>(1)</sup> Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

<sup>(2)</sup> Beginning with school year 2009-10, Community and Technical Colleges budgeted enrollment targets include Running Start students. For comparability with previous years, Running Start students are excluded from the "All Higher Education" total.

<sup>(3)</sup> University of Washington enrollment for 2008-09 and subsequent years includes: a) 445 FTEs for the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) medical school partnership; and b) 148 FTEs for the Molecular and Cellular Biology program. Enrollments for these programs were reported as self-sustaining from 2003-04 through 2007-08 and as state-supported both before and after that period.

## Community & Technical College System

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>1,330,135</b>	<b>1,155,374</b>	<b>2,485,509</b>
<b>2011-13 Maintenance Level</b>	<b>1,390,537</b>	<b>1,154,816</b>	<b>2,545,353</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-170,269	102,050	-68,219
2. M&O for 2011-13 State-Funded Prjcts	754	0	754
3. Displaced Homemaker	-824	0	-824
4. Interagency Charges - AG	-124	-122	-246
5. Efficiency Savings	-7,500	0	-7,500
6. Worker Retraining	9,000	0	9,000
<b>Policy -- Non-Comp Total</b>	<b>-168,963</b>	<b>101,928</b>	<b>-67,035</b>
<b>Policy Changes - Comp</b>			
7. Suspend Initiative 732	-29,637	-3,131	-32,768
8. Average Final Compensation Adjust	68	15	83
9. 3% Salary Cut for State Employees	-30,001	0	-30,001
10. Suspend Plan 1 Uniform COLA	-7,245	-1,623	-8,868
11. Retire-Rehire Changes (State)	-36	0	-36
<b>Policy -- Comp Total</b>	<b>-66,851</b>	<b>-4,739</b>	<b>-71,590</b>
<b>Total 2011-13 Biennium</b>	<b>1,154,723</b>	<b>1,252,005</b>	<b>2,406,728</b>
Fiscal Year 2012 Total	581,058	604,352	1,185,410
Fiscal Year 2013 Total	573,665	647,653	1,221,318

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$157.1 million and one-time savings of \$13.2 million are achieved by: carrying forward the 4 percent reduction taken by the State Board for Community and Technical Colleges (SBCTC) in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the system during FY 2010; and, after accounting for tuition increases of 12 percent per year, reducing funding for SBCTC by 5 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **M&O for 2011-13 State-Funded Prjcts** - Funding is provided for the maintenance and operation (M&O) of new or renovated facilities scheduled to be occupied in the 2011-13 biennium.
3. **Displaced Homemaker** - Funding is eliminated for the Displaced Homemaker Program. This program, which is also known as the Life Transitions Program, assists individuals who are dealing with the challenges of re-entering the workforce after a divorce or the death or disability of a spouse or partner.
4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
5. **Efficiency Savings** - A total of \$7.5 million in savings is anticipated from various efficiencies implemented in the Community and Technical College System. Qualified changes include: consolidation of college districts; consolidation of administrative and governance functions including, but not limited to, human resources, budget and accounting services, and presidents' offices; consolidation of student service functions including, but not limited to, financial aid services, student advising, and libraries; and other administrative efficiencies including, but not limited to, greater use of telephone and videoconferencing and reduced travel costs.
6. **Worker Retraining** - Ongoing funding is provided for an additional 970 worker retraining slots each year at community and technical colleges. Worker retraining programs provide financial aid and other support services to jobless workers who need to change careers in order to re-enter the workforce.
7. **Suspend Initiative 732** - During the 2009-11 biennium, the Legislature suspended the I-732 cost-of-living adjustment. However, it mandated a catch-up cost-of-living adjustment to be provided in equal increments during the 2011-13 and 2013-15 biennia, so that by the end of the catch-up period, recipients would have received the same salary as if the initiative had not been suspended. The catch-up cost-of-living increment, calculated as 1.2 percent per year for the four-year period, is suspended for the 2011-13 biennium. (General Fund-State, various other funds)
8. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary



## Community & Technical College System

reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

9. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
10. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
11. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## University of Washington

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>583,811</b>	<b>3,700,797</b>	<b>4,284,608</b>
<b>2011-13 Maintenance Level</b>	<b>635,628</b>	<b>5,283,868</b>	<b>5,919,496</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-182,990	129,480	-53,510
2. Washington Park Arboretum	287	0	287
3. Interagency Charges - AG	-176	-174	-350
4. Embodied Energy and Carbon	88	0	88
5. WWAMI Medical Education Program	300	0	300
<b>Policy -- Non-Comp Total</b>	<b>-182,491</b>	<b>129,306</b>	<b>-53,185</b>
<b>Policy Changes - Comp</b>			
6. Average Final Compensation Adjust	26	104	130
7. 3% Salary Cut for State Employees	-24,010	-178	-24,188
8. Suspend Plan 1 Uniform COLA	-2,567	-10,431	-12,998
9. Retire-Rehire Changes (State)	-13	0	-13
<b>Policy -- Comp Total</b>	<b>-26,564</b>	<b>-10,505</b>	<b>-37,069</b>
<b>Total 2011-13 Biennium</b>	<b>426,573</b>	<b>5,402,669</b>	<b>5,829,242</b>
Fiscal Year 2012 Total	212,197	2,655,232	2,867,429
Fiscal Year 2013 Total	214,376	2,747,437	2,961,813

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$173.3 million and one-time savings of \$9.7 million are achieved by: carrying forward the 4 percent reduction taken by the University of Washington (UW) in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the University during FY 2010; and, after accounting for tuition increases of 16 percent per year, reducing funding for the University by 6 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Washington Park Arboretum** - Funds are provided for the ongoing management by UW of Washington Park Arboretum.
3. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
4. **Embodied Energy and Carbon** - Pursuant to Chapter 341, Laws of 2011 (ESSB 5485), one-time funds are provided for UW to prepare a summary of findings from research conducted regarding embodied energy and embodied carbon in building materials and make recommendations to the Legislature.
5. **WWAMI Medical Education Program** - Funds are provided for development of integrated medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) Medical Education Program.
6. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
7. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
8. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
9. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws

## University of Washington

of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## Washington State University

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>374,596</b>	<b>776,501</b>	<b>1,151,097</b>
<b>2011-13 Maintenance Level</b>	<b>412,118</b>	<b>866,957</b>	<b>1,279,075</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-93,573	69,097	-24,476
2. Interagency Charges - AG	-68	-68	-136
3. Applied Sciences Laboratory	500	0	500
4. WWAMI Medical Education Program	600	0	600
<b>Policy -- Non-Comp Total</b>	<b>-92,541</b>	<b>69,029</b>	<b>-23,512</b>
<b>Policy Changes - Comp</b>			
5. Average Final Compensation Adjust	20	7	27
6. 3% Salary Cut for State Employees	-14,267	-2	-14,269
7. Suspend Plan 1 Uniform COLA	-1,955	-751	-2,706
8. Retire-Rehire Changes (State)	-9	0	-9
<b>Policy -- Comp Total</b>	<b>-16,211</b>	<b>-746</b>	<b>-16,957</b>
<b>Total 2011-13 Biennium</b>	<b>303,366</b>	<b>935,240</b>	<b>1,238,606</b>
Fiscal Year 2012 Total	151,445	455,153	606,598
Fiscal Year 2013 Total	151,921	480,087	632,008

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$88.6 million and one-time savings of \$5.0 million are achieved by carrying forward the 4 percent reduction taken by: the Washington State University in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the University during FY 2010; and, after accounting for tuition increases of 16 percent per year, reducing funding for the University by 5 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **Applied Sciences Laboratory** - Funds are provided for the Spokane-based Applied Sciences Laboratory, which emphasizes applied research, technology transfer, and the development of spin-off companies in the physical sciences and engineering.
4. **WWAMI Medical Education Program** - Funds are provided for the expansion of health sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) Medical Education Program.
5. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
6. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
7. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
8. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

## Washington State University

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## Eastern Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>85,856</b>	<b>144,383</b>	<b>230,239</b>
<b>2011-13 Maintenance Level</b>	<b>93,936</b>	<b>164,624</b>	<b>258,560</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-21,113	16,243	-4,870
2. Interagency Charges - AG	-14	-16	-30
<b>Policy -- Non-Comp Total</b>	<b>-21,127</b>	<b>16,227</b>	<b>-4,900</b>
<b>Policy Changes - Comp</b>			
3. Average Final Compensation Adjust	6	1	7
4. 3% Salary Cut for State Employees	-3,257	0	-3,257
5. Suspend Plan 1 Uniform COLA	-598	-129	-727
6. Retire-Rehire Changes (State)	-3	0	-3
<b>Policy -- Comp Total</b>	<b>-3,852</b>	<b>-128</b>	<b>-3,980</b>
<b>Total 2011-13 Biennium</b>	<b>68,957</b>	<b>180,723</b>	<b>249,680</b>
Fiscal Year 2012 Total	34,327	87,430	121,757
Fiscal Year 2013 Total	34,630	93,293	127,923

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$19.8 million and one-time savings of \$1.3 million are achieved by: carrying forward the 4 percent reduction taken by the Eastern Washington University in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the University during FY 2010; and, after accounting for tuition increases of 11 percent per year, reducing funding for the University by 4 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
6. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## Central Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>81,684</b>	<b>174,984</b>	<b>256,668</b>
<b>2011-13 Maintenance Level</b>	<b>93,320</b>	<b>215,126</b>	<b>308,446</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-24,844	20,423	-4,421
2. Interagency Charges - AG	-10	-10	-20
<b>Policy -- Non-Comp Total</b>	<b>-24,854</b>	<b>20,413</b>	<b>-4,441</b>
<b>Policy Changes - Comp</b>			
3. Average Final Compensation Adjust	7	0	7
4. 3% Salary Cut for State Employees	-3,558	0	-3,558
5. Suspend Plan 1 Uniform COLA	-770	-95	-865
6. Retire-Rehire Changes (State)	-4	0	-4
<b>Policy -- Comp Total</b>	<b>-4,325</b>	<b>-95</b>	<b>-4,420</b>
<b>Total 2011-13 Biennium</b>	<b>64,141</b>	<b>235,444</b>	<b>299,585</b>
Fiscal Year 2012 Total	32,030	112,791	144,821
Fiscal Year 2013 Total	32,111	122,653	154,764

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$22.8 million and one-time savings of \$2.0 million are achieved by: carrying forward the 4 percent reduction taken by Central Washington University in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the University during FY 2010; and, after accounting for tuition increases of 14 percent per year, reducing funding for the University by 4 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-

appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
6. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## The Evergreen State College

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>43,659</b>	<b>62,683</b>	<b>106,342</b>
<b>2011-13 Maintenance Level</b>	<b>50,688</b>	<b>63,239</b>	<b>113,927</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-12,152	9,014	-3,138
2. Expanded Family Caregiver Review	75	0	75
3. State Drug Policies Study	25	0	25
4. Learning Assistance Program Study	145	0	145
5. Interagency Charges - AG	-6	-6	-12
6. WSIPP Commitment of SVP Study	75	0	75
7. Governor Veto	-170	0	-170
<b>Policy -- Non-Comp Total</b>	<b>-12,008</b>	<b>9,008</b>	<b>-3,000</b>
<b>Policy Changes - Comp</b>			
8. Average Final Compensation Adjust	4	0	4
9. 3% Salary Cut for State Employees	-1,920	0	-1,920
10. Suspend Plan 1 Uniform COLA	-418	-28	-446
11. Retire-Rehire Changes (State)	-2	0	-2
<b>Policy -- Comp Total</b>	<b>-2,336</b>	<b>-28</b>	<b>-2,364</b>
<b>Total 2011-13 Biennium</b>	<b>36,344</b>	<b>72,219</b>	<b>108,563</b>
Fiscal Year 2012 Total	18,307	34,517	52,824
Fiscal Year 2013 Total	18,037	37,702	55,739

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$11.4 million and one-time savings of \$0.8 million are achieved by: carrying forward the 4 percent reduction taken by The Evergreen State College in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the College during FY 2010; and, after accounting for tuition increases of 14 percent per year, reducing funding for the College by 5 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Expanded Family Caregiver Review** - Funding is provided for the Washington State Institute for Public Policy (WSIPP) to review and report to the Legislature on the results the Family Caregiver Support Program and Memory Wellness.
3. **State Drug Policies Study** - One-time funding is provided for WSIPP to conduct a study of the fiscal and other costs and benefits to state and local governments, and to the people of Washington, that result from current state controlled substance policies.
4. **Learning Assistance Program Study** - Funding is provided for the implementation of E2SHB 1443 (Education Reforms), including additional funding for the Compensation Working Group to analyze educator professional development and mentoring needs, strengthening the availability of data about transitional bilingual students on Office of the Superintendent of Public Instruction's (OSPI's) online report card, development of administrative rules for the Highly Capable program by OSPI, and a study of the Learning Assistance Program funding by WSIPP. This item was vetoed by the Governor.
5. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
6. **WSIPP Commitment of SVP Study** - One-time funding is provided for the WSIPP to conduct a detailed study of the commitment of sexually violent predators (SVPs) to the Special Commitment Center pursuant to Chapter 71.09 RCW and the subsequent release of SVPs to less restrictive alternatives.
7. **Governor Veto** - The Governor vetoed Section 610(3) and (9) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087). Section 610(3) provided funding for WSIPP to study the Learning Assistance Program, and Section 610(9) provided funding for WSIPP to conduct a study of the fiscal and other costs and benefits of the state's controlled substances policies.
8. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for



## The Evergreen State College

State and Local Government Employees). (General Fund-State, various other funds)

9. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
10. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
11. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## Western Washington University

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>102,422</b>	<b>227,870</b>	<b>330,292</b>
<b>2011-13 Maintenance Level</b>	<b>116,998</b>	<b>226,291</b>	<b>343,289</b>
<b>Policy Changes - Non-Comp</b>			
1. Higher Education Reductions	-30,554	30,107	-447
2. Interagency Charges - AG	-20	-20	-40
<b>Policy -- Non-Comp Total</b>	<b>-30,574</b>	<b>30,087</b>	<b>-487</b>
<b>Policy Changes - Comp</b>			
3. Average Final Compensation Adjust	8	2	10
4. 3% Salary Cut for State Employees	-5,037	0	-5,037
5. Suspend Plan 1 Uniform COLA	-762	-199	-961
6. Retire-Rehire Changes (State)	-4	0	-4
<b>Policy -- Comp Total</b>	<b>-5,795</b>	<b>-197</b>	<b>-5,992</b>
<b>Total 2011-13 Biennium</b>	<b>80,629</b>	<b>256,181</b>	<b>336,810</b>
Fiscal Year 2012 Total	40,356	121,111	161,467
Fiscal Year 2013 Total	40,273	135,070	175,343

**Comments:**

1. **Higher Education Reductions** - Ongoing savings of \$28.4 million and one-time savings of \$2.2 million are achieved by: carrying forward the 4 percent reduction taken by Western Washington University in the 2011 supplemental budget; assuming tuition waiver authority provided in RCW 28B.15.910 is maintained at the level waived by the University during FY 2010; and, after accounting for tuition increases of 16 percent per year, reducing funding for the University by 2 percent for the 2011-13 biennium. (General Fund-State, Higher Education Operating Fees Account-Non-Appropriated)
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
4. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-

appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

5. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
6. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

\* Please see the 2011 Supplemental Operating Budget Section for additional information.

## Higher Education Coordinating Board

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>438,573</b>	<b>113,628</b>	<b>552,201</b>
2011 Supplemental *	-25,763	0	-25,763
<b>Total 2009-11 Biennium</b>	<b>412,810</b>	<b>113,628</b>	<b>526,438</b>
<hr/>			
<b>2011-13 Maintenance Level</b>	<b>407,368</b>	<b>189,621</b>	<b>596,989</b>
<b>Policy Changes - Non-Comp</b>			
1. Suspend Health Professionals Pgm	-3,820	0	-3,820
2. Eliminate Rural Health Program	-200	0	-200
3. Reduce State Work Study Program	-14,320	0	-14,320
4. Suspend Small Grant Programs	-466	0	-466
5. Suspend Future Teachers Program	-1,000	0	-1,000
6. Suspend WAVE and WA Scholars	-674	0	-674
7. Passport to College	200	0	200
8. Educational Opportunity Grants	-2,598	0	-2,598
9. Opportunity Scholarships-ESHB 2088	5,000	0	5,000
10. Leadership 1000	100	0	100
11. Health Science and Services Program	-33	0	-33
12. For Profit SNG	-1,250	0	-1,250
13. Maintain Financial Aid Policy	37,330	0	37,330
14. SNG Awards to Private Institutions	-4,562	0	-4,562
15. Elimination of HECB	-200,882	-96,204	-297,086
16. Aerospace Trng Scholarship & Loans	250	0	250
17. Interagency Charges - AG	-4	-2	-6
18. Efficiency Savings	-1,313	0	-1,313
<b>Policy -- Non-Comp Total</b>	<b>-188,242</b>	<b>-96,206</b>	<b>-284,448</b>
<b>Policy Changes - Comp</b>			
19. 3% Salary Cut for State Employees	-99	-79	-178
20. Suspend Plan 1 Uniform COLA	-47	-37	-84
<b>Policy -- Comp Total</b>	<b>-146</b>	<b>-116</b>	<b>-262</b>
<hr/>			
<b>Total 2011-13 Biennium</b>	<b>218,980</b>	<b>93,299</b>	<b>312,279</b>
Fiscal Year 2012 Total	218,980	93,299	312,279

**Comments:**

1. **Suspend Health Professionals Pgm** - Funds are reduced for the Health Professionals Conditional Scholarship Program for the 2011-13 biennium. This will result in fewer awards provided to new recipients. This program provides scholarships or loan forgiveness for health professionals who agree to work in rural and underserved areas of the state. Those students who received awards in previous years will maintain those awards until they complete their programs.
2. **Eliminate Rural Health Program** - The Higher Education Coordinating Board (HECB) will suspend payments to the Pacific Northwest University of Health Sciences. These payments were intended to provide training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.
3. **Reduce State Work Study Program** - Funding for the State Work Study program is reduced. Changes made during FY 2011 will become permanent, including increasing the required employer share of wages and discontinuing non-resident student eligibility for the program, and HECB will adjust employer match rates and revise distribution methods to institutions by considering other factors such as off-campus job development, historical utilization trends, and student need. (General Fund-State, Education Legacy Trust Account-State)
4. **Suspend Small Grant Programs** - Funding for several small grant programs is suspended for the 2011-13 biennium, including the Community Scholarship Matching Grant program, Western Interstate Commission for Higher Education student exchange, and state contributions to the Foster Care Endowed Scholarship Trust Fund.
5. **Suspend Future Teachers Program** - HECB will make no new awards in the Future Teachers Conditional Scholarship Program during the 2011-13 biennium. This program provides scholarships or loan forgiveness for teachers who agree to work in certain shortage areas, including English as a second language instruction, secondary math, and secondary science. Those students who received awards in prior years and are

## Higher Education Coordinating Board

- continuing their education in the 2011-13 biennium will continue to receive awards.
6. **Suspend WAVE and WA Scholars** - The Washington Scholars and the Washington Award for Vocational Excellence (WAVE) programs are suspended for the 2011-13 biennium. Students who received these awards in prior years and will continue their education during the 2011-13 biennium will not be affected, but no new recipients will receive awards.
  7. **Passport to College** - Funds are provided for the Passport to College Program. The Passport to College Program provides scholarships for tuition and living expenses to former foster youth.
  8. **Educational Opportunity Grants** - The Educational Opportunity Grant Program provided additional financial assistance for community and technical college graduates who would otherwise be unable to attend a distant public baccalaureate institution because of work or financial obligations in their home community. Per Chapter 215, Laws of 2009, Partial Veto (E2SHB 2021), the Educational Opportunity Grant program was phased out as a stand-alone financial aid program and the eligibility requirements of the State Need Grant (SNG) were modified so that these students could qualify for a SNG award. Separate funding for this program is eliminated.
  9. **Opportunity Scholarships-ESHB 2088** - Per Chapter 13, Laws of 2011, 1st sp.s. (ESHB 2088), state funds are provided to match private contributions to the Opportunity Scholarship Match Transfer Account.
  10. **Leadership 1000** - Funding is provided to develop and implement the Leadership 1000 Scholarship Program. This program matches private donors with selected economically disadvantaged students who would otherwise be unable to attend college after depleting all other sources of financial aid.
  11. **Health Science and Services Program** - Savings are captured by transferring the duties of monitoring and reporting to the Legislature biennially on the performance of the Health Sciences and Services Authority (HSSA) program in Spokane County to the HSSA's local board of directors, pursuant to Chapter 155, Laws of 2011 (HB 1425).
  12. **For Profit SNG** - Savings are achieved by reducing SNG awards for students at for-profit institutions. Sufficient funding remains to allow current SNG recipients to complete their programs without a change in their award amount. Students not currently enrolled will receive one half of the current award amount.
  13. **Maintain Financial Aid Policy** - Funding is provided to the SNG and State Work Study (SWS) programs to offset the cost to recipients of resident undergraduate tuition increases of 16 percent each year at the University of Washington, Washington State University, and Western Washington University; 14 percent each year at Central Washington University and The Evergreen State College; 11 percent at Eastern Washington University; and 12 percent each year at the community and technical colleges.
  14. **SNG Awards to Private Institutions** - Funding for the SNG Program is reduced to align increases in awards given to private institutions with their average annual tuition increase experience of 3.5 percent each year.
  15. **Elimination of HECB** - Pursuant to Chapter 11, Laws of 2011, 1st sp.s., Partial Veto (E2SSB 5182), HECB is eliminated as of July 1, 2012. All funds associated with non-financial aid activities are transferred to a new state agency, the Council for Higher Education. All funds associated with financial aid activities are transferred to a new state agency, the Office of Student Financial Assistance.
  16. **Aerospace Trng Scholarship & Loans** - Funds are provided to implement a loan program for students in certain aerospace training or educational programs, pursuant to Chapter 8, Laws of 2011 (ESHB 1846).
  17. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
  18. **Efficiency Savings** - Savings are achieved as a result of several administrative efficiencies, including those resulting from Chapter 11, Laws of 2011, 1st sp.s., Partial Veto (E2SSB 5182), which, effective July 1, 2011, eliminates or shifts to other entities a number of policy, planning, coordination, and research activities now conducted by HECB.
  19. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
  20. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)
- \* Please see the 2011 Supplemental Operating Budget Section for additional information.

### Council for Higher Education

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2011-13 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes - Non-Comp</b>			
1. Eliminate Rural Health Program	-200	0	-200
2. Health Science and Services Program	-33	0	-33
3. Elimination of HECB	2,699	2,389	5,088
4. Efficiency Savings	-1,312	0	-1,312
<b>Policy -- Non-Comp Total</b>	<b>1,154</b>	<b>2,389</b>	<b>3,543</b>
<b>Policy Changes - Comp</b>			
5. Average Final Compensation Adjust	1	0	1
6. 3% Salary Cut for State Employees	-96	-7	-103
7. Suspend Plan 1 Uniform COLA	-62	-5	-67
<b>Policy -- Comp Total</b>	<b>-157</b>	<b>-12</b>	<b>-169</b>
<b>Total 2011-13 Biennium</b>	<b>997</b>	<b>2,377</b>	<b>3,374</b>
Fiscal Year 2013 Total	997	2,377	3,374

**Comments:**

- Eliminate Rural Health Program** - The Council for Higher Education will suspend payments to the Pacific Northwest University of Health Sciences. These payments were intended to provide training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.
- Health Science and Services Program** - Savings are captured by transferring the duties of monitoring and reporting to the Legislature biennially on the performance of the Health Sciences and Services Authority (HSSA) program in Spokane County to the HSSA's local board of directors, pursuant to Chapter 155, Laws of 2011 (HB 1425).
- Elimination of HECB** - Pursuant to Chapter 11, Laws of 2011, 1st sp.s., Partial Veto (2ESSB 5182), the Higher Education Coordinating Board (HECB) is eliminated as of July 1, 2012. All funds associated with non-financial aid activities are transferred to a new state agency, the Council for Higher Education. All funds associated with financial aid activities are transferred to a new state agency, the Office of Student Financial Assistance.
- Efficiency Savings** - Savings are achieved as a result of several administrative efficiencies, including those resulting from 2ESSB 5182, which, effective July 1, 2011, eliminates or shifts to other entities a number of policy, planning, coordination, and research activities now conducted by HECB.
- Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)
- 3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
- Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

**Office of Student Financial Assistance**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
<b>2009-11 Expenditure Authority</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2011-13 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Changes - Non-Comp</b>			
1. Suspend Health Professionals Pgm	-3,820	0	-3,820
2. Reduce State Work Study Program	-16,668	0	-16,668
3. Suspend Small Grant Programs	-466	0	-466
4. Suspend Future Teachers Program	-1,000	0	-1,000
5. Suspend WAVE and WA Scholars	-2,367	0	-2,367
6. Passport to College	200	0	200
7. Educational Opportunity Grants	-2,598	0	-2,598
8. Leadership 1000	100	0	100
9. For Profit SNG	-1,250	0	-1,250
10. Maintain Financial Aid Policy	87,038	0	87,038
11. SNG Awards to Private Institutions	-9,665	0	-9,665
12. Elimination of HECB	198,183	93,815	291,998
13. Aerospace Trng Scholarship & Loans	250	0	250
<b>Policy -- Non-Comp Total</b>	<b>247,937</b>	<b>93,815</b>	<b>341,752</b>
<b>Policy Changes - Comp</b>			
14. 3% Salary Cut for State Employees	-3	-72	-75
15. Suspend Plan 1 Uniform COLA	-2	-47	-49
<b>Policy -- Comp Total</b>	<b>-5</b>	<b>-119</b>	<b>-124</b>
<b>Total 2011-13 Biennium</b>	<b>247,932</b>	<b>93,696</b>	<b>341,628</b>
Fiscal Year 2013 Total	247,932	93,696	341,628

**Comments:**

1. **Suspend Health Professionals Pgm** - Funds are reduced for the Health Professionals Conditional Scholarship Program for the 2011-13 biennium. This will result in fewer awards provided to new recipients. This program provides scholarships or loan forgiveness for health professionals who agree to work in rural and underserved areas of the state. Those students who received awards in previous years will maintain those awards until they complete their programs.
2. **Reduce State Work Study Program** - Funding for the State Work Study program is reduced. Changes made during FY 2011 will become permanent, including increasing the required employer share of wages and discontinuing non-resident student eligibility for the program, and the Higher Education Coordinating Board will adjust employer match rates and revise distribution methods to institutions by considering other factors such as off-campus job development, historical utilization trends, and student need. (General Fund-State, Education Legacy Trust Account-State) *This says HECB will do stuff - doesn't it need to refer to the Office of Student Financial Aid?*
3. **Suspend Small Grant Programs** - Funding for several small grant programs is suspended for the 2011-13 biennium, including the Community Scholarship Matching Grant program, Western Interstate Commission for Higher Education student exchange, and state contributions to the Foster Care Endowed Scholarship Trust Fund.
4. **Suspend Future Teachers Program** - The Office of Student Financial Aid will make no new awards in the Future Teachers Conditional Scholarship Program during the 2011-13 biennium. This program provides scholarships or loan forgiveness for teachers who agree to work in certain shortage areas, including English as a second language instruction, secondary math, and secondary science. Those students who received awards in prior years and are continuing their education in the 2011-13 biennium will continue to receive awards.
5. **Suspend WAVE and WA Scholars** - The Washington Scholars and the Washington Award for Vocational Excellence (WAVE) programs are suspended for the 2011-13 biennium. Students who received these awards in prior years and will continue their education during the 2011-13 biennium will not be affected, but no new recipients will receive awards.
6. **Passport to College** - Funds are provided for the Passport to College Program. The Passport to College Program provides scholarships for tuition and living expenses to former foster youth.
7. **Educational Opportunity Grants** - The Educational Opportunity Grant Program provided additional financial assistance for community and technical college graduates who

## Office of Student Financial Assistance

- would otherwise be unable to attend a distant public baccalaureate institution because of work or financial obligations in their home community. Per Chapter 215, Laws of 2009, Partial Veto (E2SHB 2021), the Educational Opportunity Grant program was phased out as a stand-alone financial aid program and the eligibility requirements of the State Need Grant (SNG) were modified so that these students could qualify for a SNG award. Separate funding for this program is eliminated.
8. **Leadership 1000** - Funding is provided to develop and implement the Leadership 1000 Scholarship Program. This program matches private donors with selected economically disadvantaged students who would otherwise be unable to attend college after depleting all other sources of financial aid.
  9. **For Profit SNG** - Savings are achieved by reducing SNG awards for students at for-profit institutions. Sufficient funding remains to allow current SNG recipients to complete their programs without a change in their award amount.
  10. **Maintain Financial Aid Policy** - Funding is provided to the SNG and the State Work Study (SWS) programs to offset the cost to recipients of resident undergraduate tuition increases of 16 percent each year at the University of Washington, Washington State University, and Western Washington University; 14 percent each year at Central Washington University and The Evergreen State College; 11 percent at Eastern Washington University; and 12 percent each year at the community and technical colleges.
  11. **SNG Awards to Private Institutions** - Funding for the SNG program is reduced to align increases in awards given to private institutions with their average annual tuition increase experience of 3.5 percent each year.
  12. **Elimination of HECB** - Pursuant to Chapter 11, Laws of 2011, 1st sp.s., Partial Veto (E2SSB 5182), the Higher Education Coordinating Board (HECB) is eliminated as of July 1, 2012. All funds associated with non-financial aid activities are transferred to a new state agency, the Council for Higher Education. All funds associated with financial aid activities are transferred to a new state agency, the Office of Student Financial Assistance.
  13. **Aerospace Trng Scholarship & Loans** - Funds are provided to implement a loan program for students in certain aerospace training or educational programs, pursuant to Chapter 8, Laws of 2011 (ESHB 1846).
  14. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than \$2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)
  15. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to \$1,500 per month. (General Fund-State, various other funds)

## Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

	NGF-S	Other	Total
<b>2009-11 Expenditure Authority</b>	<b>3,088</b>	<b>2,278</b>	<b>5,366</b>
2011 Supplemental *	-163	0	-163
<b>Total 2009-11 Biennium</b>	<b>2,925</b>	<b>2,278</b>	<b>5,203</b>
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<b>2011-13 Maintenance Level</b>	<b>2,885</b>	<b>2,152</b>	<b>5,037</b>
<b>Policy Changes - Non-Comp</b>			
1. SIRTI Service Reduction	-574	0	-574
2. Interagency Charges - AG	-4	0	-4
3. Innovate Washington	-2,307	-2,152	-4,459
<b>Policy -- Non-Comp Total</b>	<b>-2,885</b>	<b>-2,152</b>	<b>-5,037</b>
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<b>Total 2011-13 Biennium</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Comments:**

1. **SIRTI Service Reduction** - State funding for the State Intercollegiate Research and Technology Institute (SIRTI) is reduced 20 percent.
2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)
3. **Innovate Washington** - Pursuant to Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764), Innovate Washington is created as the successor agency to the Washington Technology Center and SIRTI and is the primary state agency responding to the technology transfer needs of existing businesses in the state. Funds and full-time employees are transferred from SIRTI to Innovate Washington.

\* Please see the 2011 Supplemental Operating Budget Section for additional information.