



# OLYMPIA UPDATE

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**WSU 2009-2011 Operating Budget – ESHB 1244**

## **Governor signs operating budget**

***A 2009-2011 state operating budget that reduces WSU funding by \$54.2 million and raises resident undergraduate tuition 14 percent was signed into law today by Gov. Christine Gregoire.***

While the budget is designed to fund the state for the biennium beginning July 1, the budget bill contains an emergency clause and therefore many of its provisions are effective immediately. Many hope the governor's action ends the long, grinding effort to refine a balanced state budget in the midst of the worst economic downturn since the Great Depression.

**The new operating budget bill** provides that half of the state cut will be offset by \$15.7 million in federal stimulus dollars and the assumed tuition increases, leaving WSU with a 10.4 percent "net" budget reduction of \$54.2 million next biennium. Ten percent was the target that Gov. Christine Gregoire supported in negotiations with the House and the Senate. Legislative staff use a different formula that is sometimes quoted in public reports. It represents the same 10 percent WSU cut as a "7 percent reduction."

While the cuts are deep, the Legislature and the Governor did not attempt to manage many of the details of the reductions WSU must take. Like many agencies, the WSU section of the budget dealt only with cuts. There were no specific provisions for adding money for new programs that has been common for many years. WSU ended up with a total appropriation of \$425.2 million, including a one-time appropriation of \$15.7 million in federal stimulus education stabilization dollars for next year. Most of the WSU budget instructions consisted of general guidelines and some advice on selected areas. The WSU budget section and related sections states the university should:

- Enroll a minimum of 22,250 students each year of the biennium. The university is expected to easily exceed that contract number. It represents the university's current contract number and about 1,000 students less than are currently enrolled at the university.
- "Seek to minimize" impacts on student services and instructional programs by maximizing reduction in administration and other non-instructional activity.
- Maintain and endeavor to increase enrollment at branch campuses.
- Maintain and endeavor to increase enrollment in the biological and biomedical sciences, computer and information sciences, education with specializations in special education, math, or science; engineering and engineering technology, health professions and related clinical sciences; mathematics and statistics.
- Eliminate and consolidate programs for which there is limited student or employer demand, or that are not areas of core academic strength for the institution.

- Should “minimize” reductions to agricultural extension services, including such work performed at the research stations.

There was a 40 percent reduction in potential university research funding scheduled to be allocated through the “Life Sciences Discovery Fund.” These are tobacco settlement dollars to the state that are estimated to be \$65 million next biennium. The budget redirects \$26 million to the general fund.

While short on money, the budget mandates many reports and other documents from the institutions: One requirement is that a new performance agreement should be proposed by November, 2010, that would predict student enrollment by campuses, baccalaureate and advanced degree production, undergraduate retention and graduation rates, time-to degree for entering freshmen, research, and capital investment required to meet enrollment targets and maintain existing capacity. Another requirement is for WSU to separate federal stimulus dollars out and account for their expenditure separately.

Coupled with the recent action of the Board of Regents, Gregoire’s signature today on the budget and related bills sets WSU student tuition for each of the next two years. For resident students, these are generally the rates next fall:

Undergraduate	14 % increase	\$ 7,600
Graduate	5 % increase	\$ 8,456
Doctor of Pharmacy	10 % increase	\$16,092
Graduate Nursing	10 % increase	\$13,946
Veterinary Medicine	7 % increase	\$18,332

There are similar percentage increases for non-residents. Non-resident undergraduate tuition increases 5.3 percent to \$18,676. Non-resident graduate tuition increases 5 percent to \$20,644. PharmD, MBA and Graduate Nursing all increases 10 percent for non-residents. Non-resident veterinary medicine tuition increases 7 percent to \$45,342.

To allow these budgeted tuition increases, legislators suspended the 7 percent annual statutory cap on undergraduate tuition hikes for two years. Lawmakers believe that tax credits and additional federal financial aid will offset the increases. The governor signed the suspension Monday in Engrossed Substitute House Bill 2344. The budget requires that at least one-seventh of the additional tuition revenue above seven percent “should be used to provide additional financial aid to resident undergraduate students.”

**For today’s status of bills (passed and failed) affecting WSU -**  
[http://www.olympia.wsu.edu/Status/2009\\_Shortlist\\_May5.aspx](http://www.olympia.wsu.edu/Status/2009_Shortlist_May5.aspx)

**For governor’s actions on bills that were successful in the 2009 Legislature, go to:**  
[http://www.olympia.wsu.edu/Status/2009\\_Maylist\\_May12.aspx](http://www.olympia.wsu.edu/Status/2009_Maylist_May12.aspx)

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