



# UNIVERSITY OF WASHINGTON

## OFFICE OF THE PRESIDENT

*Phyllis M. Wise, Interim President*

February 23, 2011

The Honorable Ed Murray  
The Honorable Rodney Tom  
Washington State Senate

The Honorable Ross Hunter  
The Honorable Larry Seaquist  
Washington State House of Representatives

Dear Legislators:

Today's University of Washington is the result of generations of strong partnerships and strategic public and private investments in higher education. In return, UW's students, faculty, staff, and alumni have become critical to the economic strength and vitality of the state of Washington. We don't just generate jobs and economic impact—we create opportunities and solve the world's most complex problems.

We are your teachers, your doctors, your engineers, your accountants, and your neighbors. If you have ever had a family member saved from cancer, brushed your teeth with a Sonicare toothbrush, waved at your developing baby through an ultrasound, or taken in the beauty of the Washington State Arboretum—you have been touched by the University of Washington. People benefit from the presence of the University of Washington in our community, whether they attend as students or not. That's our job as your public University.

State funding keeps the University of Washington affordable and accessible to Washington state students. It also leverages more than \$9 billion in economic impact and generates 70,000 jobs to help secure our state's economic future. Sure, the UW is a big place, but our budget is built on a foundation of state investment. State funding covers the costs for faculty who teach and mentor our students. State funding provides financial aid and access for students who otherwise couldn't afford college. Federal research grants and revenue from football tickets do not pay for these things, and private support alone does not begin to meet these needs.

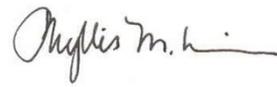
Below, at your request, the University of Washington has provided an outline of the anticipated impacts associated with proposed state budget reductions. Times are tough, but please know—without state funding and strategic solutions—everything is at risk. The opportunities. The economic impact. The future of our state.

Legislators  
February 23, 2011  
Page 2

The University of Washington and the state of Washington are at a critical point. We need to solve our toughest challenges now. Higher education is a part of the solution, but we can't do it without you.

Thank you for your commitment to higher education. Please don't hesitate to contact me if you have any questions or need additional information.

Sincerely yours,

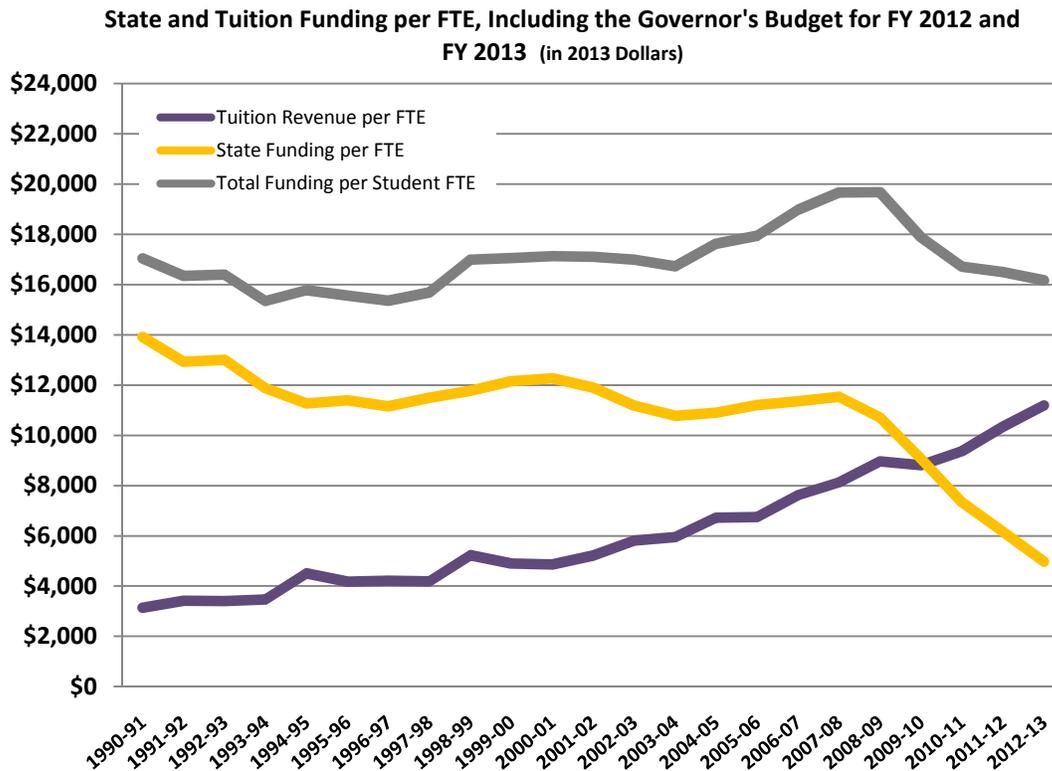
A handwritten signature in cursive script that reads "Phyllis M. Wise". The signature is written in black ink and is positioned above the printed name.

Phyllis M. Wise  
Interim President

## UW Funding Overview

Since tuition is rising at a faster rate than inflation and personal income, many believe that the costs at the University of Washington have skyrocketed over time. This is not the case. Over the past 20 years, total funding per student at the UW has remained mostly constant. Today, state funding is the same as it was in 1990, even though we serve more than 10,000 additional students.

In Washington, students' costs are increasing primarily in response to declining state support, not because of increased costs at the UW. As the state invests less, tuition revenue increases to fill the gap. Last year, for the first time, students paid a greater share of their education than the state. Under the Governor's 2011-13 budget proposal, students would pay 65% of the cost, while the state would pay just 35%. Under the scenarios you have asked us to address in your letter, state funding would fall to 32% at the 115% level and 30% at the 130% level.



## 2009-2011 Reductions

The steepest decline in state funding for the UW came in 2009-2011, when the state and the nation entered the Great Recession. Over a two-year period, the University of Washington lost over \$132 million in state funding, roughly 30% of its state appropriation. Even with two 14% tuition increases, over \$57 million in cuts were still necessary to balance our core education budget.

We used three strategies to mitigate this \$57 million reduction: cuts, administrative efficiencies, and academic innovations.

Major cuts included:

- Eliminated 950 jobs
- Froze enrollment for resident undergraduates
- Closed/eliminated 12 degree programs; 14 MA programs now self-sustaining
- Increased advisor load by 180 students per advisor
- Closed 384 undergraduate lecture sections and 130 small group sections
- Decreased number of lab sections by 20%, while average lab size increased 38%
- Closed 4 writing/tutoring centers and 2 computer labs (loss of 1/3 student workstations)
- Closed 1 library, reduced library hours, and canceled subscriptions to over 1,200 journals
- Reduced hundreds of hours of student counseling services (advising, financial aid, health)

Efficiencies included:

- Reduced administrative costs by 16%
- Increased faculty load per student credit hour
- Centralized and consolidated core services (HR, Payroll, IT)
- Saved \$32 million with group purchasing and electronic procurement in 2010
- Virtualized 20% of UW servers, and moved UW email to the cloud
- Eliminated over 1/3 of IT staffing through consolidation

Academic innovations included:

- Developing lab simulations for science courses that allow us to teach more students while maintaining a high level of interaction
- Developing and expanding hybrid (online) courses allowing faculty to teach more students while developing individualized programs
- Cross-departmental advising to better coordinate pre-major advising and get students into majors earlier, which reduces time to degree

### **2011-2013 Proposed Reductions**

Further state funding reductions have been proposed for 2011-2013. Under the Governor's proposed budget, and your two scenarios, the UW will have lost over 50% of its state appropriation in just three years. At the same time, demand for access to the UW and higher education has never been greater, and we are serving more students than ever; moreover, many of our students have greater financial aid needs.

For context, reductions proposed by the Governor and in your letter are equal to eliminating the core education budgets (state and tuition funding) for:

- The UW College of Arts & Sciences, which generates over 50% of degrees at the UW, or
- The Business School, Law School, School of Dentistry, and College of Engineering, or
- The Schools of Medicine, Nursing, and Pharmacy, or
- Both of our campuses in Bothell and Tacoma, plus an additional \$45 to \$100 million of programs at the Seattle campus

We are in the middle of a strategic academic process in which the Provost is meeting with all senior leadership (deans, vice provosts, chancellors, faculty leadership, and vice presidents) and student leaders to discuss how to adjust to these significantly reduced funding levels while ensuring we can provide a viable and quality academic program offering for our students and the state. Additionally, the major shifts in educational choices require deliberate faculty and administrative review processes. Under all three proposed reduction scenarios, and before consideration of tuition increases, it is likely that several or most of the following actions would have to occur.

#### **Reduced opportunities for Washington state residents**

- Reduced access for Washington resident undergraduates
- Increased non-resident enrollment

#### **Reduced educational choices**

- Consider consolidating the Evans School of Public Affairs with another college and significantly reduce course offerings
- Consider consolidating the Information School with another college and significantly reduce course and degree offerings
- Eliminate the College of Education foreign language certification program for teachers
- Eliminate the School of Public Health's Institute for Public Health Genetics
- Further reduce course offerings and frequency, including, for example, Engineering 100 and lab sections, increasing time to degree
- Less writing and intensive engagement and less student/faculty contact
- Decrease 8,000 or more journals subscriptions and 10,000 fewer annual books acquisitions. This would place the Libraries in the bottom half of the Association of Research Libraries in current subscriptions and book purchases. Since 1932, the UW has held a place in the top 15% of Association of Research Libraries; this loss of resources would be a huge departure for the UW.

## **Reduced public service to the community**

- Reduce or eliminate funding for the Washington Park Arboretum
- Over time, withdraw funding and program offerings at the Olympic Natural Resource Center
- Significantly decrease support for the Pacific Northwest Seismic network
- Eliminate funding for the State Climatologist

## **Impact on student health, safety, and success**

- Increase the student/adviser ratio to 970 students per adviser, with possible effects on students' academic plans and ability to graduate on time
- Further reduction in mental health services. We already fall short of the professional standard for mental health care, one FTE psychologist for every 1,000-1,500 students. Our current ratio is 1:2,328. Wait times for mental health services now exceed three-four weeks at peak times.
- Eliminate six police officer positions, which would effectively discontinue crime prevention work, the detective unit, bike patrol, and patrol of Greek row, where 6,000 UW students reside.
- Elimination of safety programs, such as Night Ride

## **Reduced economic impact**

- In the College of Arts and Sciences, 25% of faculty will be over the age of 70 within the next 10 years. Without the ability to replace these faculty lines soon, we will lose economic leverage, federal grants, and partnerships that have been developed over many years.
- In the College of Engineering, for every state dollar invested in a faculty member, they return 7 times the amount of that investment. Under these proposed reduction scenarios, the College anticipates they will not have the ability to fill 6-10 faculty lines, removing significant value to students and the state.
- For every \$1 of taxpayer investment in the University of Washington, \$22 dollars of economic impact is generated.
- For every \$1 of taxpayer investment in the UW, \$1.50 is generated in new state and local tax revenue.

## **Specific Impacts of Reductions at the Governor's Proposed Level**

Total state funding cut = \$189,818,000

Undergraduate resident tuition increase that fully mitigates this cut level: 20.5 percent/per year. We expect that the reductions outlined below would be moderated by tuition rate increases of 20.5 percent before any consideration of additional return to aid.

- Reduced access for 150 resident freshmen
- Increase of 150 non-resident students
- 1,000 family-wage job losses
- Increased time to degree by 1 quarter. At current tuition levels, this represents \$2,900 in additional tuition to be paid by a student and his or her family.
- Up to 900 fewer degrees annually, 350 in high-demand areas (i.e., engineering, math, science)

### **Impact of Reductions at the Governors level + 15%**

Total state funding cut=\$218,291,000

Undergraduate resident tuition increase that fully mitigates this cut level: 25.2 percent/per year. We expect that the reductions outlined below would be moderated by tuition rate increases of 25.2 percent before any consideration of additional return to aid.

- Reduced access for 300 Washington state resident freshmen
- Increase of 300 non-resident students
- 1,200 family wage job losses
- Increase time to degree by 1-2 quarters. At current tuition levels, this is approximately \$5,800 in additional tuition to be paid by a student and his or her family.
- Up to 1,100 fewer degrees annually, 425 in high-demand areas (i.e., engineering, math, science)

### **Impact of Reductions at the Governors level + 30%**

Total state funding cut=\$246,763,000

Undergraduate resident tuition increase that fully mitigates this cut level: 29.8 percent/per year. We expect that the reductions outlined below would be moderated by tuition rate increases of 29.8 percent before any consideration of additional return to aid.

- Reduced access for 500 Washington state resident freshmen
- Reduced access for 300 community and technical college transfer students
- Increase of 500 non-resident students
- 1,500 family wage job losses
- Increase time to degree by 2-3 quarters. At current tuition levels, this is approximately \$8,700 in additional tuition to be paid by a student and his or her family.
- Up to 1,300 fewer degrees annually, 500 in high-demand areas (i.e. engineering, math, science)

## **Economic Impact of Reductions**

For every dollar of state taxpayer support, the University of Washington returns \$22 in impact to the Washington economy and generates \$1.50 in state and local tax revenue. Given the magnitude of proposed budget reductions to the UW, the state would experience an immediate loss of economic impact in the billions and direct reductions in state and local tax revenue.

We hope this information will be helpful to you in your deliberations. These are unprecedented times for our state and for our public institutions of higher education. Getting through these next few years will be difficult and painful. A higher education is still the road to economic security for many Washingtonians, and we hope that you will place a high priority on ensuring the viability of your public higher education system as you complete work on the biennial budget.