

Subject: 2009-11 Change in Funding Levels

Date: August 19, 2010

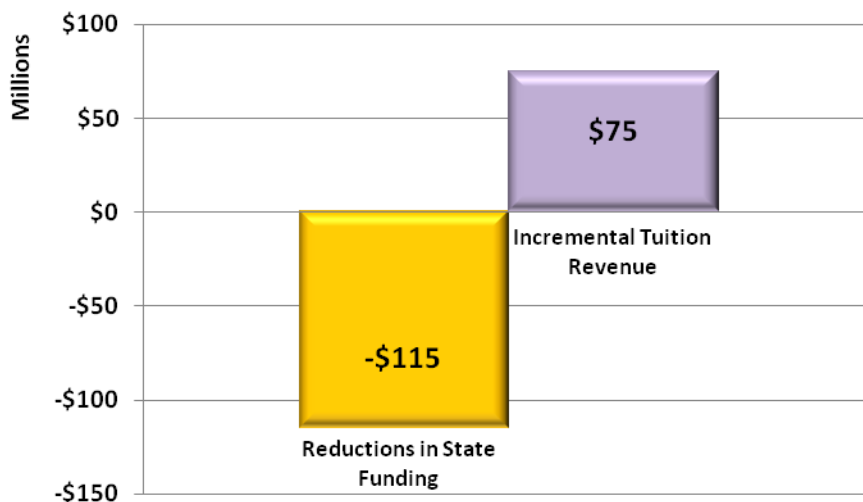
State appropriations have traditionally made up the majority of the University of Washington’s core education budget. In recent years, however, the portion of the core education budget that comes from tuition revenue has come to exceed that coming from state appropriations. In the last two years, however, the increases in tuition have not generated sufficient revenue to compensate for reductions in state appropriations.

The recent economic crisis has led to state funding cuts for the University of Washington:

- State funding was cut \$94,724,000 in FY 2010
- State funding was cut \$20,559,000 in FY 2011
- The Legislature provided additional funding for benefits and provisos in both fiscal years, but all such increases were associated with mandatory increases in expenditures.

In order to compensate for these cuts, undergraduate tuition was increased 14 percent in 2009-10 and again in 2010-11. In addition, tuition for students in other tuition categories was increased from 3 percent to 14 percent, and certain professional masters programs established new tuition categories, thus increasing tuition even more. The combined tuition increases led to an increase of \$36 million in tuition revenue in FY 2010 (\$21 million from undergraduate residents) and another \$39 million in FY 2010 (\$23 million from undergraduate residents). Although the revenue resulting from these increases helped to ameliorate the state funding cuts, they could not fully mitigate the effects of those cuts. The state cuts and of increase in tuition revenue are shown in the figure below.

**University of Washington - Change in Funding Levels
2009-11 (FY10 & FY11)**



Notes:

1. Reductions in state funding do not take into account adjustments for benefits or proviso funding changes.
2. Incremental tuition revenue reflects increases for all student categories for the 2009-10 and 2010-11 academic years.