

Washington Student Association

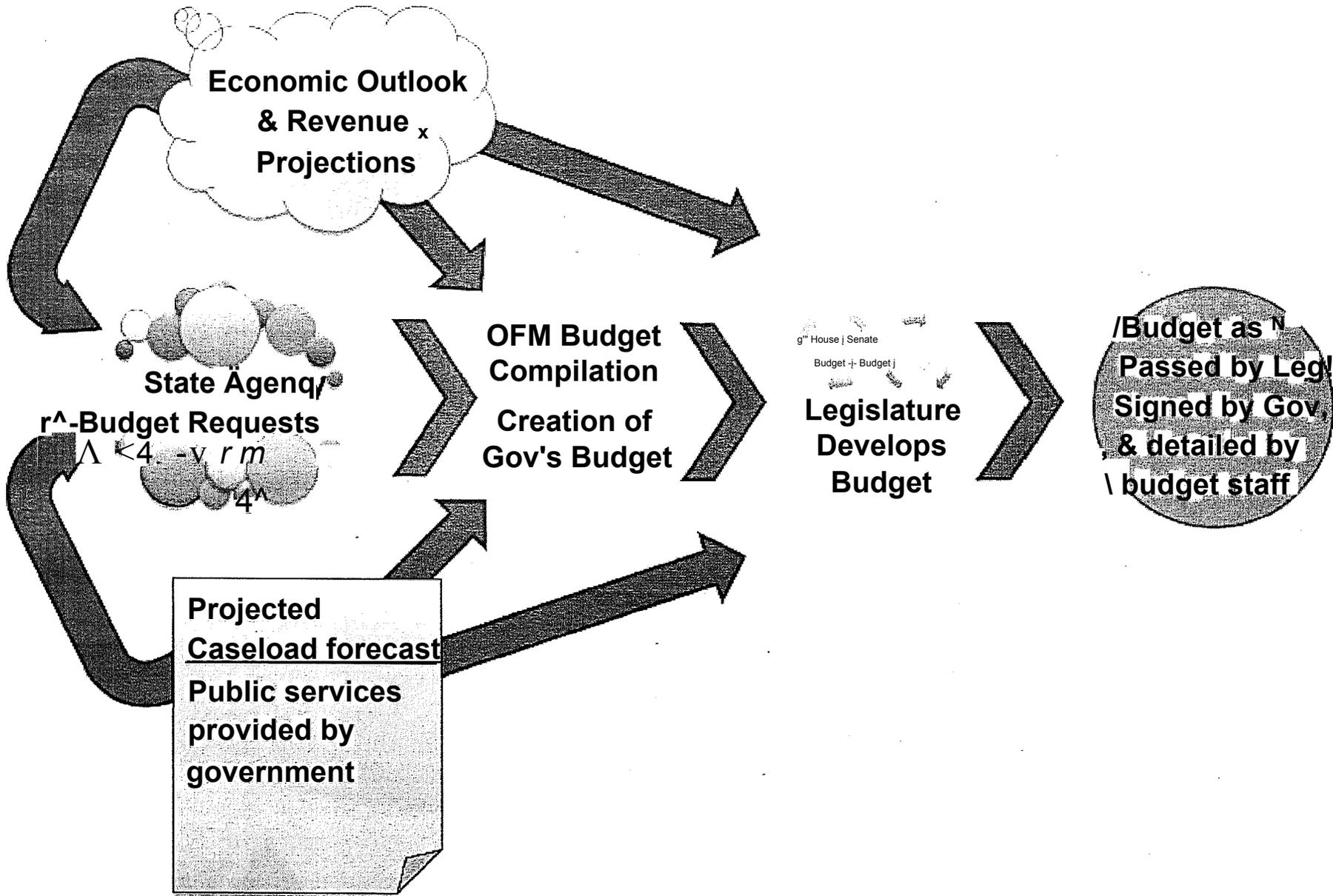
Legislative Budget Process

November 19th 2011

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W\2B





**Economic Outlook
& Revenue
Projections**

State Agency

Budget Requests

**Projected
Caseload forecast**
**Public services
provided by
government**

**OFM Budget
Compilation**
**Creation of
Gov's Budget**

**Legislature
Develops
Budget**

**Budget as
Passed by Legi
Signed by Gov
& detailed by
budget staff**

Governor's Budget Development

1. Governor's Proposed Options⁸

Cuts to State Need Grant, Elimination of Work Study, 10-20% Cut

2. Governor's "Book 1 Budget"

To be released on Monday, November 21

Must be balanced within currently expected revenue

3. Governor's "Book 2 Budget"

Released at the beginning of the Legislative Session

Balanced budget that includes revenue options to reduce cuts

Governmental Initiatives

Eliminate State Need Grant financial aid to students - "	-\$303 millior
<i>Alternative:</i> Reduce maximum State Need Grant award by 25%	-\$68.4 millior
<i>Alternative:</i> Limit State Need Grant eligibility to public institutions	-\$30.6 millior
<i>Alternative:</i> Reduce State Need Grant eligibility to 55 percent of MFI	-\$25.5 millior
Reduce state support to colleges and universities by 20 percent	-\$222 millior
<i>Alternative:</i> Reduce by 15 percent (*)	-\$166 millior
<i>Alternative:</i> Reduce by 10 percent	-\$111 millior
Suspend State Work Study program (*)	-\$8 millior

FY 2005 - 2013 State Need Grant

Timeline	Policy / Funding Change	New Investment / Reductions & Tuition
2005	Base SNG Funding	\$124,900,000
2005 - 09	Increases for Unfunded Students	\$23,000,000
2005 - 09	Increase in eligibility from 55%-70% of MFI	\$13,000,000
2009	Reduction of award amount for 55%-65% of MFI	-\$? ??? ???? <small>ψ.j*...j<.*</small>
2005-12	Increases in SNG to match Tuition Hikes	-\$144,229,000
2013	Gap in funding all eligible students	-\$121,092,889
2005-13 Net		-\$104,421,889

Comparison FY 2005 & FY 2013 State Need Grant (SNG)

	FY 2005	FY 2013	2005 to 2013
Actual Funding Provided for SNG	\$124,900,000	\$304,389,000	144%
Total Funding Needed to Serve Eligible Population	\$132,917,285	\$426,221,889	221%
Annual Eligible, but Unserved Funding Gap		\$8,017,285	\$121,092,889 1410%

Actual Students Served by SNG		55,200	68,000	23%
Total Students Eligible for SNG		approx. 56,500	exp. 95,000	68%
Eligible, but Unserved SNG Students		1,300	27,000	1977%

Governor's Cut

Proposal #1, Alternative 1

Median Family Income (MFI) 100% of MFI = \$81,000 (2011)	2008 Max Award	2009 Max Award	2011 Proposed 25% Reduction	Total Award Reduction from 2008 - 2011
Less than 50% MFI	100%	100%	75%, cut = -\$2,719	-\$2,719
51-55% MFI	75%	70%	52%, cut = -\$1,904	-\$2,502
56-60% MFI	75%	65%	49%, cut = -\$1,768	-\$2,829
61-65% MFI	75%	60%	45%, cut = -\$1,632	-\$3,264
66-70% MFI	75%	50%	37%, cut = -\$1,360	-\$4,134

Legislatures Budget Development

House & Senate Hold Public Hearing on Gov's Budget

- è Ways & Means Committee hold day-long hearings

- è Relevant sub-committees hold hearings on budget

- è Policy committees may hold Work Session on for stakeholder perspectives

W&M Budget Development

Ways & Means Chair & V-Chair are primary budget writers

- Legislative Leadership & W&M Committee determine the pie slices
- Governor's staff & W&M Committee staff are heavily influential
- W&M Members & Policy Chairs decide priorities within pie slices

Policy Committee

Policy Committee Chair holds hearings on bills to build their relevant piece of the pie within policy cut-off:

1. Governor's & Legislative leadership priorities
- > Committee membership priorities
3. Stakeholder priorities

House & Senate Ways & Means

1. Bills passed by policy committees that have a fiscal impact must be passed by the W&M Committee
2. House & Senate release their version of the budget, which includes their policy priorities
3. New policy bills are introduced into W&M after the policy cut off to reflect budget negotiations

House & Senate w/ Initiative 1053

è Re-established the requirement for a $2/3$ majority vote on any revenue related bill:

- Raising taxes
- Lowering taxes
- Closing tax loopholes

è Raising fees (tuition not included)

è Allows for 34 of 98 House members or 17 of 49 Senators to block a revenue vote

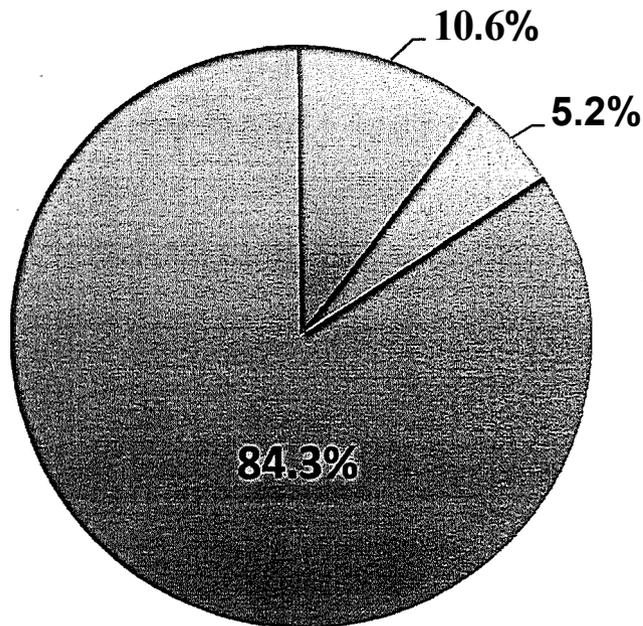
è Revenue options can be passed by a simple majority, but must be sent to the voters for a statewide vote

Higher Education Funding

- > State support for higher education has steadily declined over the last two decades and plummeted in the last three years.
- > The 2009-11 biennium marked the shift at 4-year institutions from a majority state support to a majority student support
- > Total reductions amount to more than \$1 billion in funding cuts

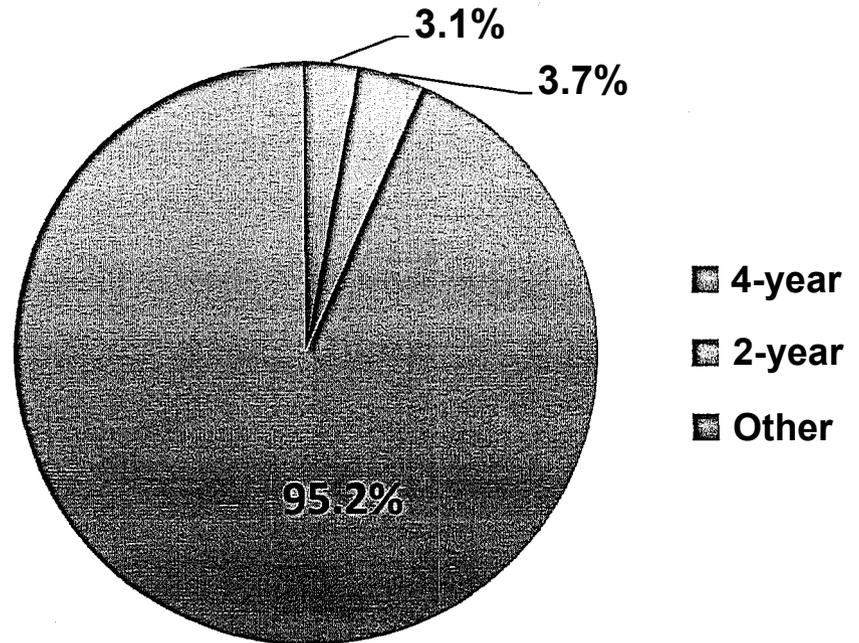
Prioritizing Quality Higher Education

1987-89 Operating Budget



Total Budget \$10.17 Billion

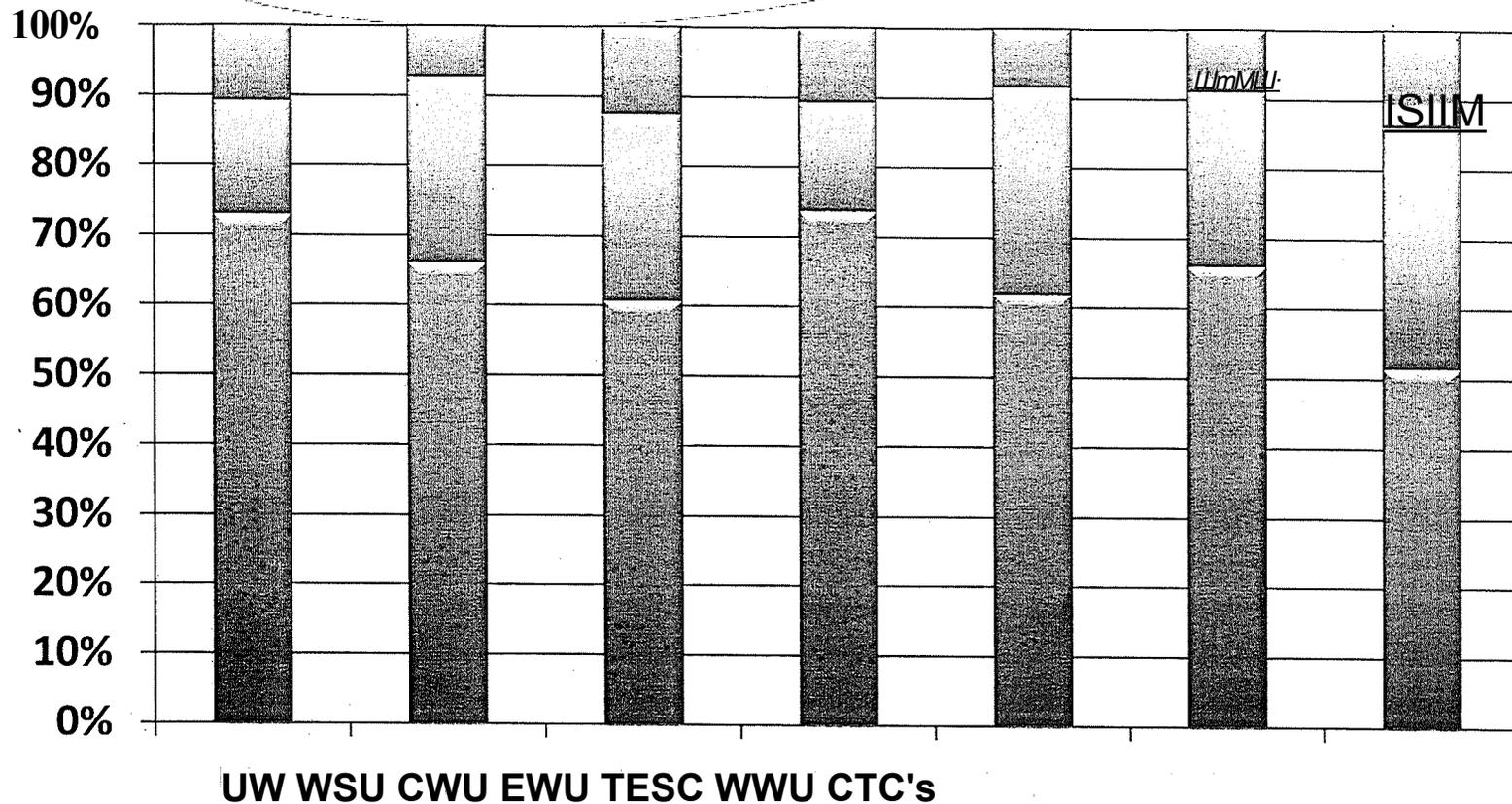
2011-13 Operating Budget



Total Budget \$32.12 Billion

Sources: LEAP & OFM

Growth in Capacity Since 1986



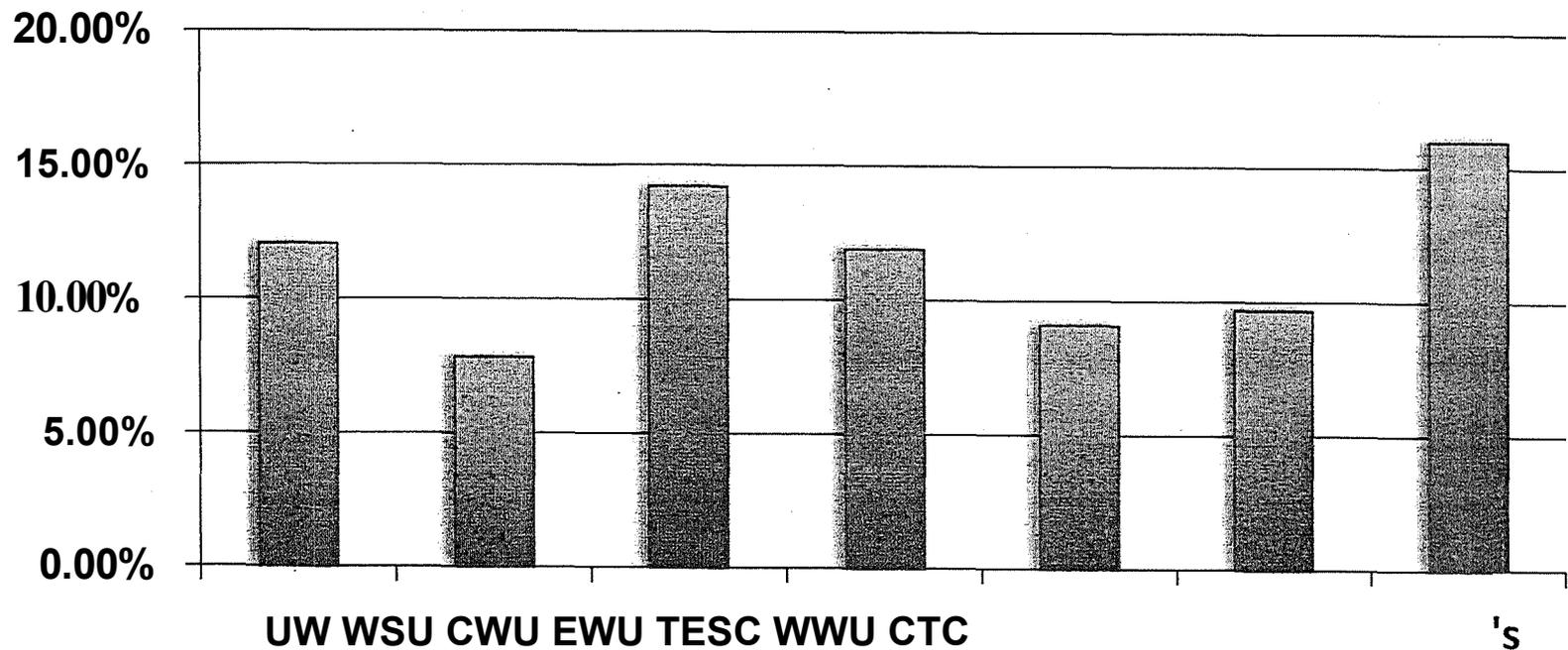
Sources: LEAP & OFM _w 1989 FTE _Y 2010 FTE _u 2010 Enrollments

CTC State Supported FTEs & Headcount

	<i>w/m</i>		Change from 2011	
	FTE	Headcount	FTE	Headcount
2008	136,512	322,975		
2009	147,738	334,332		
2010	160,771	338,109		
2011	162,328	330,608		
2012 Projected	156,739	319,225	-5,589	-11,383
2013 Projected	151,150	307,842	-11,178	-22,766
2013 w/Additional Cuts	142,250	290,190	-20,078	-40,418

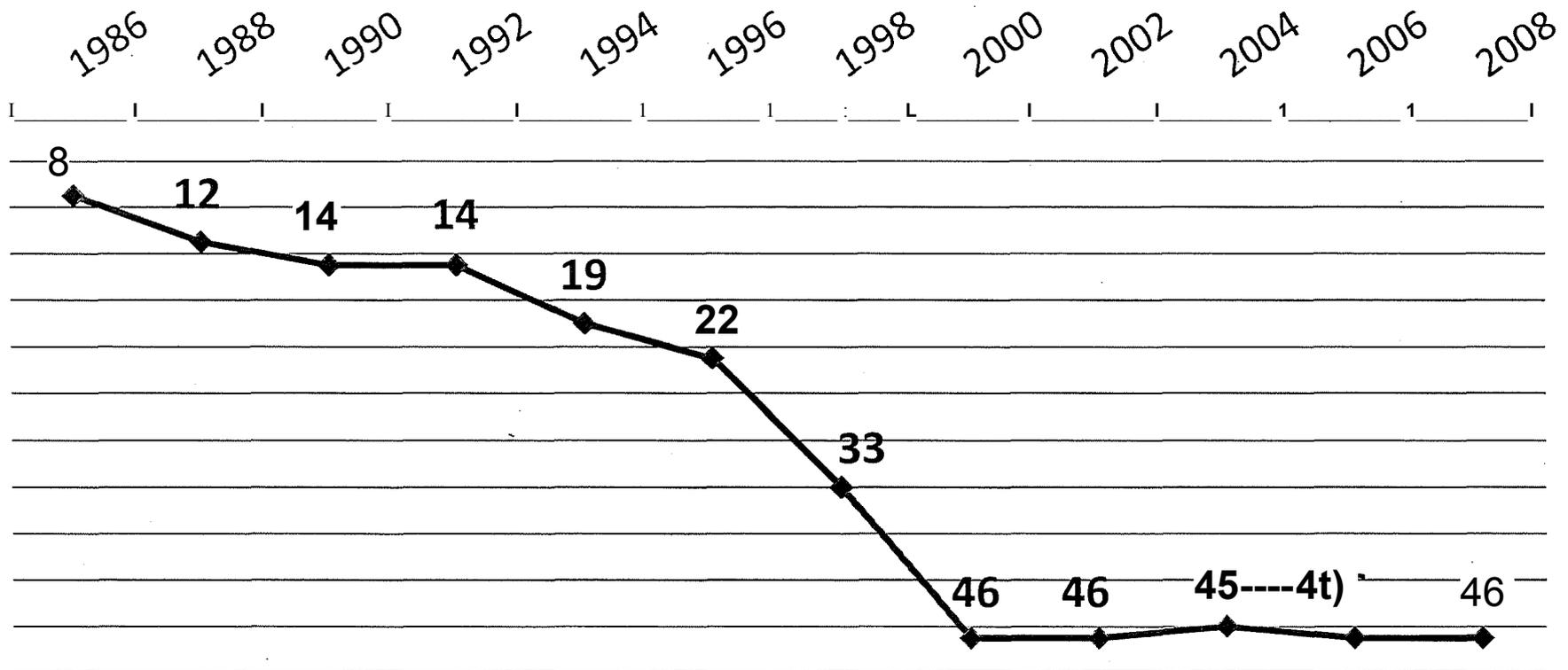
Source: State Board for Community & Technical Colleges

2010-11 Enrollment Levels Beyond State Funded FTE



Source: OFM 2009-10 Budget Driver Report

WA National Rank: Chance for College by Age 19



Source: Postsecondary Opportunity