Western Washington University

2025-27 Regular Budget Session

Policy Level - 4C - OFM Classification Changes

Agency Recommendation Summary

This request is for $10.7 million per year in recurring funding, based on the gap between WWU and the next-lowest funded institution of higher education in the state. Western has consistently received some of the lowest per student funding when compared with other public four-year institutions. Since the state is contributing more dollars per student at every other institution, tuition dollars at Western simply do not go as far to cover these gaps. Over time, this policy has eroded Western's base budget causing a serious structural budget deficit. This implicit disincentivizing of increasing enrollments works against statewide educational attainment goals.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Operating Expenditures						
Fund 001 - 1	$10,719	$10,719	**$21,438**	$10,719	$10,719	**$21,438**
Total Expenditures	**$10,719**	**$10,719**	**$21,438**	**$10,719**	**$10,719**	**$21,438**

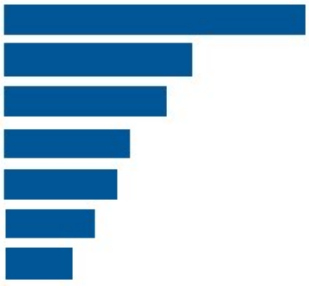
Decision Package Description

Western Washington University has consistently received the lowest per student funding over the past three and a half decades when compared with other public four-year institutions, including the state's community and technical colleges. Over time, the lack of a cohesive funding formula for higher education has eroded Western's base budget causing a serious structural budget deficit.

Students at Western Washington University bear the greatest cost of their education compared with students at other public colleges and universities in Washington. 87% of Western's operating costs are compensating faculty and staff. After the fund-split policy pre-spends the vast majority of tuition dollars on compensation dollars, Western is left with very little flexibility to respond to student needs in terms of high-demand programming, critical campus infrastructure, and student support services. Since the state is contributing more dollars per student at every other institution, tuition dollars at Western simply do not go as far to cover these gaps. **Western requests funding parity with the next lowest funded university, Central Washington University. Based on numbers from the 2023-25 biennium, this gap was $10.725 million per year.**

State funding per actual state-funded FTE

	FY 2013	FY 2023
TESC	4,148	22,784
WSU	6,165	12,838
EWU	3,433	12,489
UW	5,342	10,218
SBCTC	3,962	10,155
CWU	3,480	9,847
WWU	**3,288**	**8,949**



Source: Legislative Evaluation and Accountability Program (LEAP) Committee's "Higher Education Historical Data Report," Updated May 2024.

Washington state is experiencing an educational attainment crisis, with less than half of graduating high school seniors participating in postsecondary education. The majority, 70%, of family wage jobs in Washington require a bachelor's degree and this trend is projected to continue. Over the next decade, Washington will need nearly 300,000 more workers with bachelor's degrees, even after accounting for in-

migration of labor from other states.

Unlike K-12 education in Washington and higher education systems in many other states, Washington does not fund higher education on a per student basis. The lack of a cohesive funding policy is disincentivizing enrollments, working against the statewide educational attainment goal for 70% of adults aged 25-44 to have a credential beyond high school. Western has experienced the fastest rebounding enrollments among regional counterparts in Washington. In the years where Western welcomed the largest classes in university history (3,225 students in FY 22 and 3,184 students in FY 23), Western received the least amount in per student funding.

Enrollment

	FY 2013	FY 2023
UW	38,511	43,453
WSU	24,709	24,091
WWU	**15,006**	**14,826**
CWU	11,893	9,721
EWU	11,146	7,566
TESC	4,838	2,062

Retention

	FY 2022
UW	91%
WSU	80%
WWU	**77%**
CWU	67%
EWU	65%
TESC	63%

Graduation

	6-year graduation rate (2016-2022)
UW	81%
WSU	61%
WWU	**65%**
CWU	53%
EWU	47%
TESC	41%

Source: Education Research & Data Center Public Four-Year Dashboard.

Despite being the lowest funded institution of higher education, Western has consistently provided a strong return on investment to the state of Washington.

- In 21-22, WWU produced **55% of the total STEM/high demand degrees** awarded among the state's regional comprehensive higher ed institutions.
- Western has the best student retention and graduation rates among the state's regional comprehensive higher education institutions.
- In AY22-23, WWU enrolled **43% of the total undergraduate students** enrolled among the state's regional comprehensive higher ed institutions.
- WWU is educating Washington students for Washington jobs. Over 85% of WWU's students are Washington residents, and 85% of Western graduates stay in Washington state upon graduation.
- Top employers of WWU graduates include Boeing, Microsoft, and Amazon.
- Western's economic impact to Washington state totals $1.2 billion per year, with an impact on Whatcom county of $554 million per year.
- Western has experienced a 50% increase in external funding for research since 2019, providing more opportunities for undergraduate research.
- #2 Best in the West - Western has been named one of the top public master's-granting institutions in the Pacific Northwest for 25 years in a row by U.S. News & World Report.
- Western ranks 9th nationally among master's granting institutions for the number of graduates who go on to earn research doctorate degrees.
- #40 in the nation for colleges that are successful at advancing social mobility by enrolling and graduating significant proportions of economically disadvantaged students.
- #1 all-time producer of Peace Corps volunteers in the nation at medium sized colleges and universities.
- In 2023-34, Western was named a top producer of Fullbright scholars.
- WWU was named a four-year institution with one of the highest bachelor's completion rate for Pell grant eligible transfer students.

As a public institution of higher education, Western is entirely dependent on the support of state funds and tuition revenue. The tuition policy established in 2015 by Senate Bill 5954 provides needed predictability in tuition rates for Washington students and families. This policy set a cap on the yearly tuition growth rate. Concurrently, the legislature began a policy of fund-splitting during the Great Recession; rather than paying the full amount of compensation increases for faculty and staff, the state made the institution responsible for a portion of this compensation cost, to

be provided out of tuition dollars. This fund-split policy has consistently pre-spent nearly the entire amount of tuition revenue the university receives. With a dip in enrollments due to the COVID-19 pandemic, tuition revenues were decreased, further limiting any available tuition revenues. Between the fund-split policy and Western receiving the lowest per student funding, Western is experiencing a structural budget deficit.

In recent years, Western has taken fiscally prudent approaches to counteract this deficit including:

- 3% across the board budget decreases ($6.3 million permanent reduction in FY24)
- Eliminated a university division administrative structures, approximately $500k/year
- Reduced the number of course sections available to students over the next two years (1,500+ sections eliminated which will yield over $1.5 million in reduced expenses)
- University-wide travel restrictions in place since 2020
- University-wide hiring freeze without presidential approval in place since May 2024
- Holding open vacant positions for 6 months
- Tightening operations budgets
- Selling university property (generated approximately $3 million for FY25)
- Reducing goods and services purchased by the university
- Temporary use of University Reserves (reserves went from 11% of university operating budget to 5% from FY19 to FY25)

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Not applicable.

Detailed Assumptions and Calculations:

Calculations are based on the Legislative Evaluation and Accountability Program (LEAP) Committee's "Higher Education Historical Data Report", updated May 2024, showing that Western Washington University received $897 less per student in FY23 than the next lowest funded university Central Washington University. Assuming annual enrollment of 11,944 in FY23 equates to a shortage of $10,719,178 per fiscal year.

Workforce Assumptions:

Not applicable.

Historical Funding:

Data from the Legislative Evaluation and Accountability Program (LEAP) shows that over the past three decades, WWU has received some of the lowest per student funding. In the absence of a coherent higher education funding model, this implicit disincentive to recover enrollments will continue.

Strategic and Performance Outcomes

Strategic Framework:

Western Washington University follows our strategic plan in decision making and direction. The primary goal of that plan is to "provide a transformative education grounded in the liberal arts and sciences and based on innovative scholarship, research, and creative activity." Achieving this goal depends on maintaining our dedicated and talented workforce, which accounts for 87 percent of our state and tuition expenditures.

The lack of a cohesive funding policy is disincentivizing enrollments, working against statewide educational attainment goal for 70% of adults aged 25-44 to have a credential beyond high school.

Performance Outcomes:

Not applicable.

Equity Impacts

Community Outreach and Engagement:

Not applicable.

Disproportional Impact Considerations:

Not applicable.

Target Communities and Populations:

Not applicable.

Community Inputs and Incorporation:

Not applicable.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not applicable.

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

Not applicable.

Intergovernmental:

Not applicable.

Stakeholder Impacts:

Not applicable.

State Facilities Impacts:

Not applicable.

Changes from Current Law:

Not applicable.

Legal or Administrative Mandates:

Not applicable.

Governor's Salmon Strategy:

Not applicable.

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. A	$10,719	$10,719	**$21,438**	$10,719	$10,719	**$21,438**

Agency Contact Information

Anna Hurst
(360) 650-3569
hursta3@wwu.edu