

## **How proposed budget cuts and tuition increases for the UW affect the citizens of Washington.**

### **Washington State Senate and House Proposed Budget Cuts to the UW:**

- The level of budget cuts proposed for higher education in Washington are higher than those being considered by any other state in the country but Nevada.
- The 23-31 percent budget cuts in Washington are much higher than the average cuts being considered by the home states of our peer institutions.
  - 8-9 percent cuts among the UW Global Challenge Peers
  - 7-8 percent cuts among the UW HEC Board 24 Peers

### **Tuition:**

- Tuition at the UW ranks lowest among the Global Challenge State peers, and ranks 18th out of 24 HEC Board peers.
- A 14 percent tuition increase equates to approximately \$875 a year in additional fees for resident undergraduate students at the UW.
- After a 14 percent tuition increase, the UW remains the most affordable institution among the Global Challenge State peers and maintains its relative affordability among HEC Board peers.



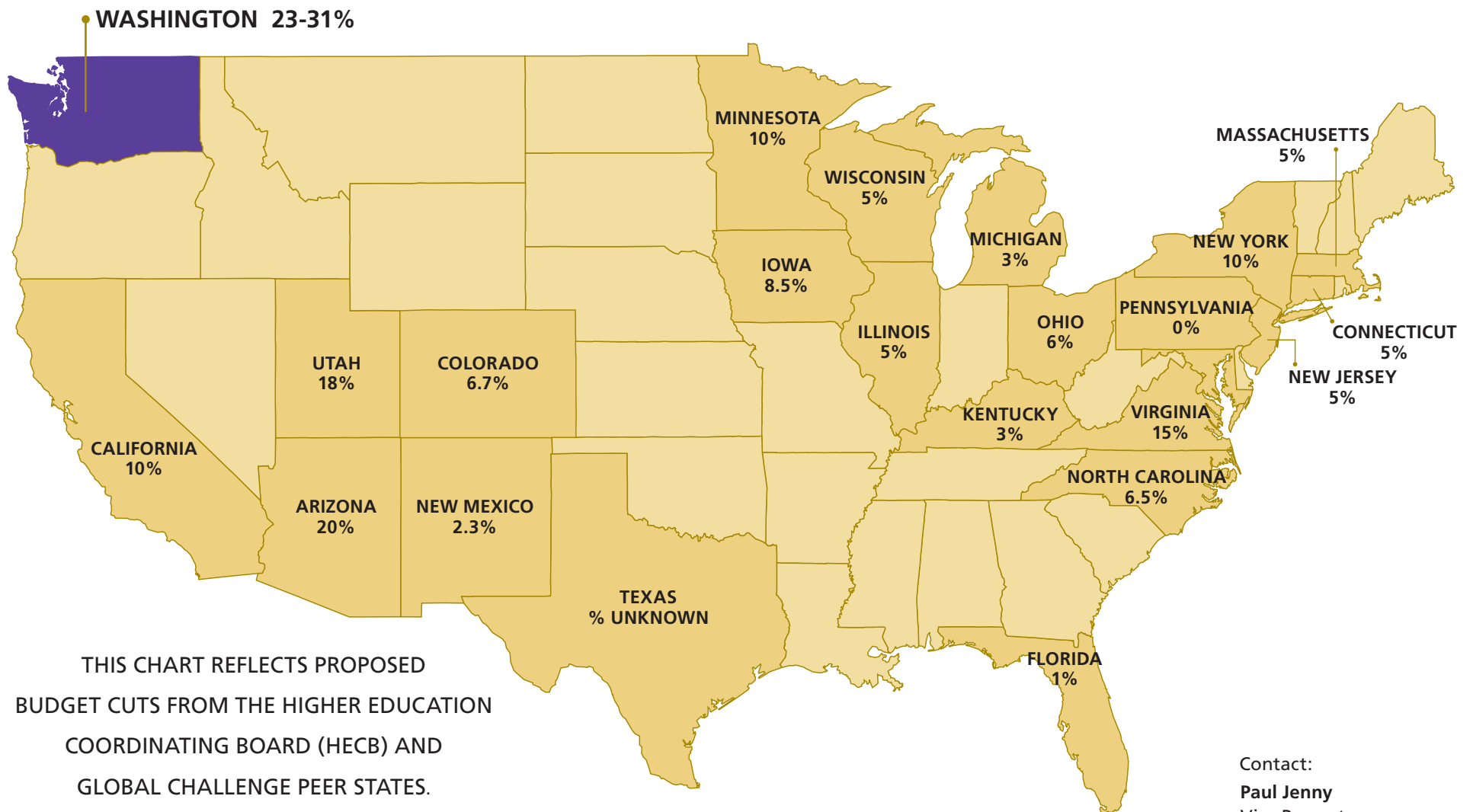
## **How proposed budget cuts and tuition increases for the UW affect the citizens of Washington.**

### **Financial Aid/Tax Credit:**

- Federal increases of \$1,000 in Pell grants plus planned increases in Washington State Need Grants will significantly lessen the impact of an \$875 tuition increase on students and families.
- The expanded federal tuition tax credit, from \$1,800 to \$2,500, will assist families making up to \$160,000 per year to recover educational expenses over four years, including the \$875 tuition increase. Families at the lowest income levels with taxes below \$2,500 could actually receive a rebate up to \$1,000.
- Students who qualify for Husky Promise will continue to pay zero tuition for four years.



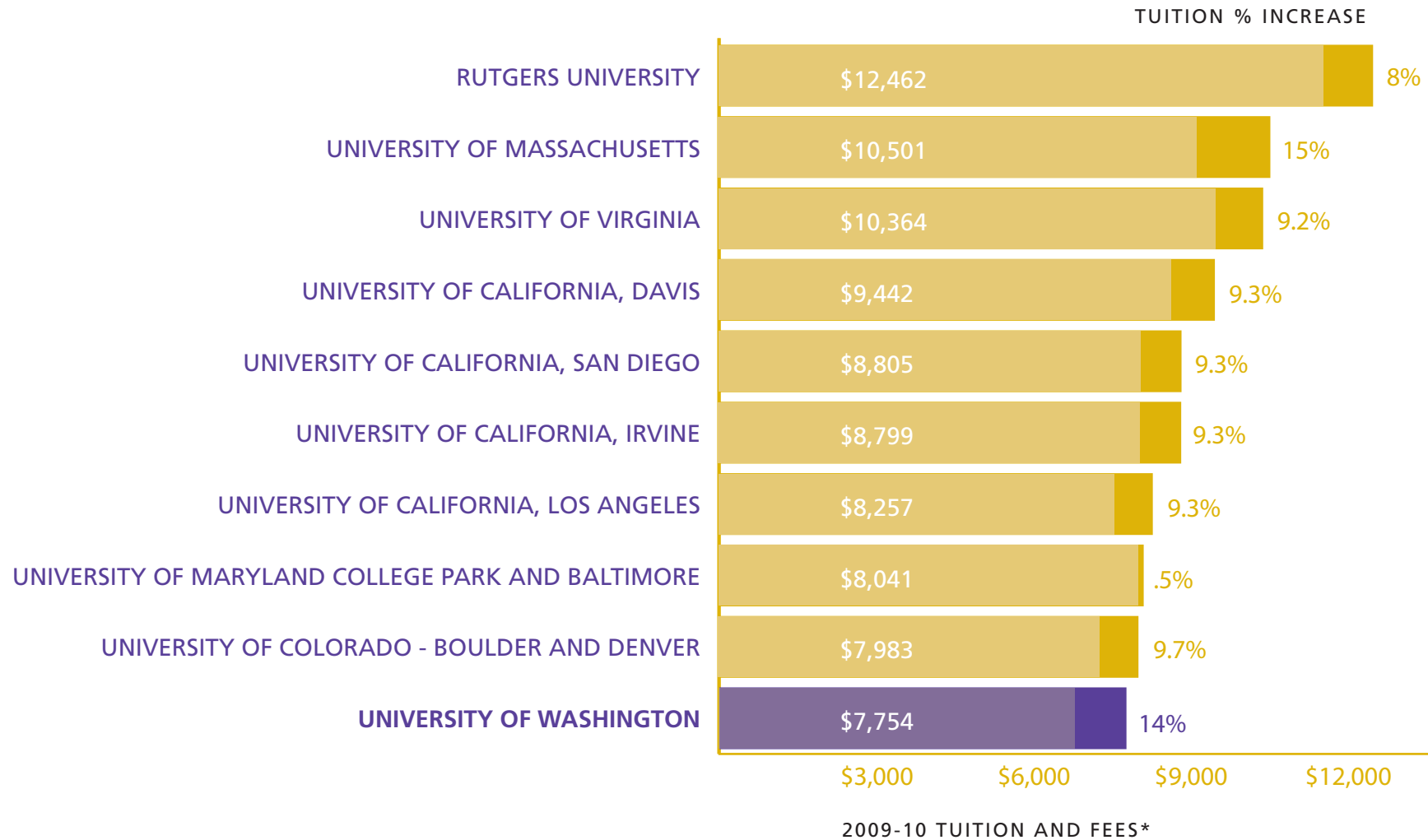
# PROPOSED CUTS TO WASHINGTON HIGHER EDUCATION ARE THE LARGEST IN THE COUNTRY AMONG PEER STATES



THIS CHART REFLECTS PROPOSED BUDGET CUTS FROM THE HIGHER EDUCATION COORDINATING BOARD (HECB) AND GLOBAL CHALLENGE PEER STATES.

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# PROPOSED TUITION INCREASES TO HIGHER EDUCATION AMONG GLOBAL CHALLENGE STATES



\* Estimated - based on preliminary state information or previous year increase

Source: University, Legislative and News websites

# How financial aid increases plus an expanded federal educational tax credit will help offset a 14 percent tuition increase at the UW.



A fourteen percent increase in resident undergraduate tuition at the UW will result in an additional charge of \$875 per year per student (\$438 more than the planned 7%). As shown below, we believe that expected increases in available financial aid dollars combined with the expansion of the federal HOPE tax credit will offset this \$875 to different degrees depending on a student's household income.

## How financial aid and an expanded tax credit will help offset an \$875 tuition increase for students and their families:

Family Income	Current UW Tuition	14% Tuition Increase	Expected Financial Aid Increase	Tuition Increase after Aid	Potential Federal Educational Tax Credit	Total Average Net Effect of Tuition Increase
<\$52,500 <sup>1</sup> Husky Promise Eligible	\$6,250	\$875	Husky Promise eligible students will not have to pay increase	\$0	\$700-\$1,000	\$0
\$52,500 to \$96,000 <sup>2</sup>	\$6,250	\$875	UW tuition waivers and grants will increase at the same rate as tuition	<\$875	\$700 - \$2,500	\$0
\$96,000 to \$160,000 <sup>3</sup>	\$6,250	\$875	\$0	\$875	\$2,500	\$0
>\$160,000	\$6,250	\$875	\$0	\$875	\$0	\$875

<sup>1</sup> \$52,500 is 70% of the Median Family Income for a family of four. Many students in this income range are eligible for the Husky Promise. Those students who do not receive sufficient financial aid to cover the tuition increase but who come from families with no tax liability are newly eligible for a refundable credit of up to \$1,000; those with tax liability are eligible for an additional \$700 tax credit for eligible expenses.

<sup>2</sup> Students in this group were previously able to receive the HOPE tax credit up to \$1,800 for two years. New policy increases their potential tax credit by \$700 and extends the benefit to four years.

<sup>3</sup> Students in this group were not previously able to receive the HOPE tax credit. They or their families are now eligible to receive up to \$2,500 per year in tax credits.