

Western Washington University  
Board of Trustees  
Special Meeting Agenda  
July 20, 2017

THURSDAY, July 20, 2017

Location: OM 340  
Time: 1:00 p.m.

1. CALL TO ORDER  
1:00 – 1:05

ACTION ITEMS

2. 2017 – 2018 OPERATING BUDGET AND RELATED MATTERS
  - a. 2017 – 2018 Tuition Rates
  - b. 2017 – 2018 Annual Operating Budget

1:05 – 1:15            Presentation: Linda Teater, Director, Budget Office  
1:15 – 1:30            Discussion

3. EXECUTIVE SESSION MAY BE HELD TO DISCUSS PERSONNEL, REAL ESTATE AND LEGAL ISSUES AS AUTHORIZED IN RCW 42.30.110.
4. DATE FOR NEXT REGULAR MEETING: August 18, 2017
5. ADJOURNMENT

## **1. CALL TO ORDER**

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**DATE:** July 20, 2017

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by:  
Richard Van Den Hul, Vice President, Business and Financial Affairs  
Linda Teater, Director, Budget Office

**SUBJECT: Action Item**  
**Approval of 2017-18 Academic Year Tuition Rates**

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**Purpose of Submittal:**

During the third special 30-day session, the Legislature and Governor passed and signed an appropriations bill. Based on this approved bill, the Board is requested to approve 2017-18 Academic Year Tuition Fees. Tuition fees include both the tuition operating fee and the capital building fee for each category of student.

**Proposed Motion:**

***MOVED***, that the 2017-18 annual tuition operating fee and capital building fee rates for state-funded resident undergraduate students be raised by 2.2%; and

***FURTHER MOVED***, that the 2017-18 annual tuition operating fee and capital building fee rates for non-resident undergraduate, resident graduate, non-resident graduate and Masters in Business Administration (MBA) rates for resident and non-resident students be raised by 3.5%; and

***FURTHER MOVED***, that the 2017-18 annual tuition operating fee rates for resident students in the Speech Language Pathology program be set at \$13,734 and for non-resident students be set at \$25,380, the annual capital building fee rates for resident and non-residents students in this program be set at \$425 and \$785, respectively; and

***FURTHER MOVED***, that the 2017-18 annual tuition operating fee rates for resident students in the Clinical Doctorate in Audiology program be set at \$18,498 and for non-resident students be set at \$27,600, the annual capital building fee rates for resident and non-residents students in this program be set at \$572 and \$854, respectively.

**Supporting Information:**

Please see attached supporting information, including charts detailing proposed dollar and percent increases for 2017-18 tuition fees, comparison data to other Washington

institutions of higher education, and the historical total cost of attendance for resident undergraduate students.

**Additional Information:**

The 2017-18 annual operating budget plan which relies on tuition operating fee revenue generated by the tuition changes proposed under this submittal, will also be presented at the July 20, 2017 Board meeting.

Attachment:

*Memo of Supporting Information on Setting 2017-18 Academic Year Tuition*

**WESTERN WASHINGTON UNIVERSITY  
SUPPORTING INFORMATION  
SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by:  
Richard Van Den Hul, Vice President, Business and Financial Affairs  
Linda Teater, Director, Budget Office

**DATE:** July 20, 2017

**SUBJECT: Supporting Information on Setting 2017-18 Academic Year Tuition**

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In accordance with the College Affordability Act of 2015, Western has the authority to raise *resident undergraduate (RUG) tuition operating fees* by the average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years as determined by the federal bureau of labor statistics. For fiscal year 2017-18, this average rate is 2.2 percent.

Tuition rates for *nonresident undergraduate (NRUG), resident graduate (RG), and nonresident graduate (NRG)* students are set by the Board of Trustees after analyses of market constraints of supply and demand, and comparison costing with our peers.

**Proposed 2017-18 Tuition Rates for WWU**

Upon the recommendation of the Vice Presidents and Deans, and after review by the campus, it is recommended that Western increase the state-funded resident undergraduate tuition rate by 2.2 percent as authorized by the College Affordability Act of 2015 and the Legislature in the 2017-19 Operating Budget bill. It is further recommended that tuition fees for non-resident undergraduate, resident graduate, non-resident graduate, and Masters of Business Administration (MBA) rates for resident and non-resident students be raised by 3.5 percent respectively. Two new differential graduate level fees are recommended for the 2017-18 academic year. They are discussed in more detail under the Differential Tuition header below.

As required by law, proposed capital building fee percentage increases are equivalent to the tuition operating fee percentage increases for each student category. Please see

Attachment A detailing percentage and dollar increases for all the above student categories.

Unfortunately, due to the length of the legislative session and the limited turnaround time for all the Washington institutions of higher education to set and approve tuition rates prior to the beginning of the 2017-18 academic year, our ability to provide detailed comparative analysis has been hampered. The Washington Student Achievement Council (WSAC) national average data is not currently available. The Washington state higher education institutional data analysis we provide here has been collected through phone calls and emails, but cannot be validated for accuracy on official university websites at this time.

**Resident Undergraduate Tuition:** The majority of Western's students are resident undergraduates, making up approximately 84.5% of the headcount for the 2017 academic year. An increase of 2.2% in the operating fee component of the tuition fees as recommended for this student group, equates to an annual decrease of \$128.

- Tuition decreases for this classification for the past two years were 5.0% and 15.0%.
- UW resident undergraduate tuition is 58.5% higher than Western.
- Please see Attachment C for historical cost of attendance for this student classification.

**Non-Resident Undergraduate Tuition** Non-resident undergraduate students represented approximately 10.8% of Western's 2017 academic year headcount. The proposed tuition increase for non-resident undergraduate students is 3.5% equating to an annual increase of \$674.

- Tuition increases for this classification for the past two years were 2.9% and 2.9%.
- UW non-resident undergraduate tuition is 66.0% higher than Western.
- Market and comparison costing analyses indicate raising non-resident undergraduate tuition would not discourage out-of-state enrollments.

**Resident Graduate Tuition:** Resident graduate students represented 3.8% of Western's 2017 academic year student headcount. The proposed tuition increase for resident graduate students is 3.5% equating to an annual increase of \$306.

- Tuition increases for this classification for the past two years were 2.9% and 2.9%.

- UW resident graduate tuition is 63.9% higher than Western.
- Market and comparison costing analyses indicate raising resident graduate tuition would not discourage enrollments.

**Non-Resident Graduate Tuition:** Non-resident graduate students represented less than 1% of Western's 2017 academic year student headcount. The proposed tuition increase for non-resident graduate students is 3.5% representing an annual increase of \$653.

- Tuition increases for this classification for the past two years were 2.9% and 2.9%.
- UW non-resident graduate tuition is 36.8% higher than Western.
- Market and comparison costing analyses indicate raising non-resident graduate tuition would not discourage out-of-state enrollments.

**Differential Tuition:**

**Masters in Business Administration (MBA):** The MBA tuition rate has historically been the only differentiated tuition Western charges. Approved by the Board of Trustees during the 2011-2013 biennial tuition setting process as part of a long-term strategy to price the MBA program appropriately in the marketplace, MBA resident and non-resident students are annually assessed 16% and 8% higher than other resident and non-resident graduate students, respectively. To continue this long-term strategy, the proposed tuition increase for both resident and non-resident MBA students is 3.5% representing an annual increase of \$355 and \$704 respectively.

**Speech Language Pathology:** Graduate students in speech language pathology are required to earn 400 clinical clock hours (working with patients) before they complete the program and become certified. The majority of these hours are earned in Western's Speech Language and Hearing Clinic under the supervision of certified speech language pathologists (Clinical Educators). Changes in medical billing practices, due mostly to the Affordable Care Act, have made clinic revenue more unpredictable (some third party payers no longer cover speech-language services, and those that do are reimbursing at lower rates). In addition, Medicare regulations have changed over the past five to ten years, and the clinic is no longer able to serve the Medicare population, due to requirements for supervision (a certified professional must be in the room 100% of time for Medicare reimbursement); therapy caps; and the overall cost of monitoring Medicare billing. In the past, the clinic "opted out" of billing Medicare and billed patients directly, gave discounts to Medicare patients, or "waived" fees for clients who demonstrated

financial need. However, the current Medicare regulations do not allow speech pathologists and audiologists to opt out of billing Medicare if they bill other insurance providers, nor do they permit free services to some clients and not others. *In other words, if the clinic bills other clients and/or insurance, it must bill Medicare directly for Medicare eligible clients and meet all of their requirements.*

By charging a differential tuition rate, patients will be seen at the clinic free of charge, eliminating the need to bill insurance companies including Medicare. This then restores the lifespan approach supported by our national accreditation organization, providing students with clinical experiences from infants to older adults.

It is therefore recommended that a new graduate tuition fee rate be established for the Speech Language Pathology program amounting to \$13,734 for resident students and \$25,380 for non-resident students. The capital building fee rate is recommended at \$425 and \$785 respectively, reflecting the same proportionality as the other graduate programs. Speech Language Pathology resident and non-resident students would be annually assessed 51% and 31% higher than other resident and non-resident graduate students, respectively, and the rate per credit increase would still maintain lower tuition than other similar programs in the region.

*Clinical Doctorate in Audiology (Au.D):* As of 2007, the entry-level degree in audiology has been a clinical doctorate. For this reason, Western placed most of the graduate level audiology curriculum in moratorium in 2005, because we did not have legislative authority to offer doctorate level coursework. After obtaining the necessary legislative approval in the 2013-15 biennium, Western submitted a proposal to the state in the 2015-17 biennial budget for funding to establish a clinical doctorate program in audiology. Unfortunately, the decision package was not funded. As a high priority for the campus, plans were then initiated to internally fund this very important academic program. Analysis shows that to adequately fund this program for success, a differential graduate tuition rate must be established.

The offering of this degree enables Western to support local, state, and national demand and takes advantage of space, curricula, and staff already in place. The Au.D. degree is offered by only six universities in the contiguous western United States, with no programs in Alaska and Hawaii. Currently the Speech and Hearing Sciences Department at the University of Washington offers the only clinical doctoral program in audiology in Washington State. They have seen an increasing demand for access to their program. Western's clinical doctorate program in audiology will produce 12 highly qualified audiologists per year, matching the number of audiologists produced by the University of Washington, and doubling the number of graduates in the state.

It is therefore recommended that a new graduate tuition fee rate be established for the Clinical Doctorate in Audiology program amounting to \$18,498 for resident students and



\$27,600 for non-resident students. The capital building fee rate is recommended at \$572 and \$854 respectively, reflecting the same proportionality as the other graduate programs. Au.D. resident and non-resident students would be annually assessed 104% and 43% higher than other resident and non-resident graduate students, respectively, and yet still maintain lower tuition rates than other similar programs in the region.

Attachments:

***Attachment A – Proposed Western Tuition Dollar and Percentage Increases 2017-18***

***Attachment B – Tuition Comparisons for Washington State***

***Attachment C – Historical Total Cost of Attendance for Resident Undergraduates***

**Western Washington University**  
Proposed 2017-2018 Tuition Rates (Operating Fee and Capital Building Fee)

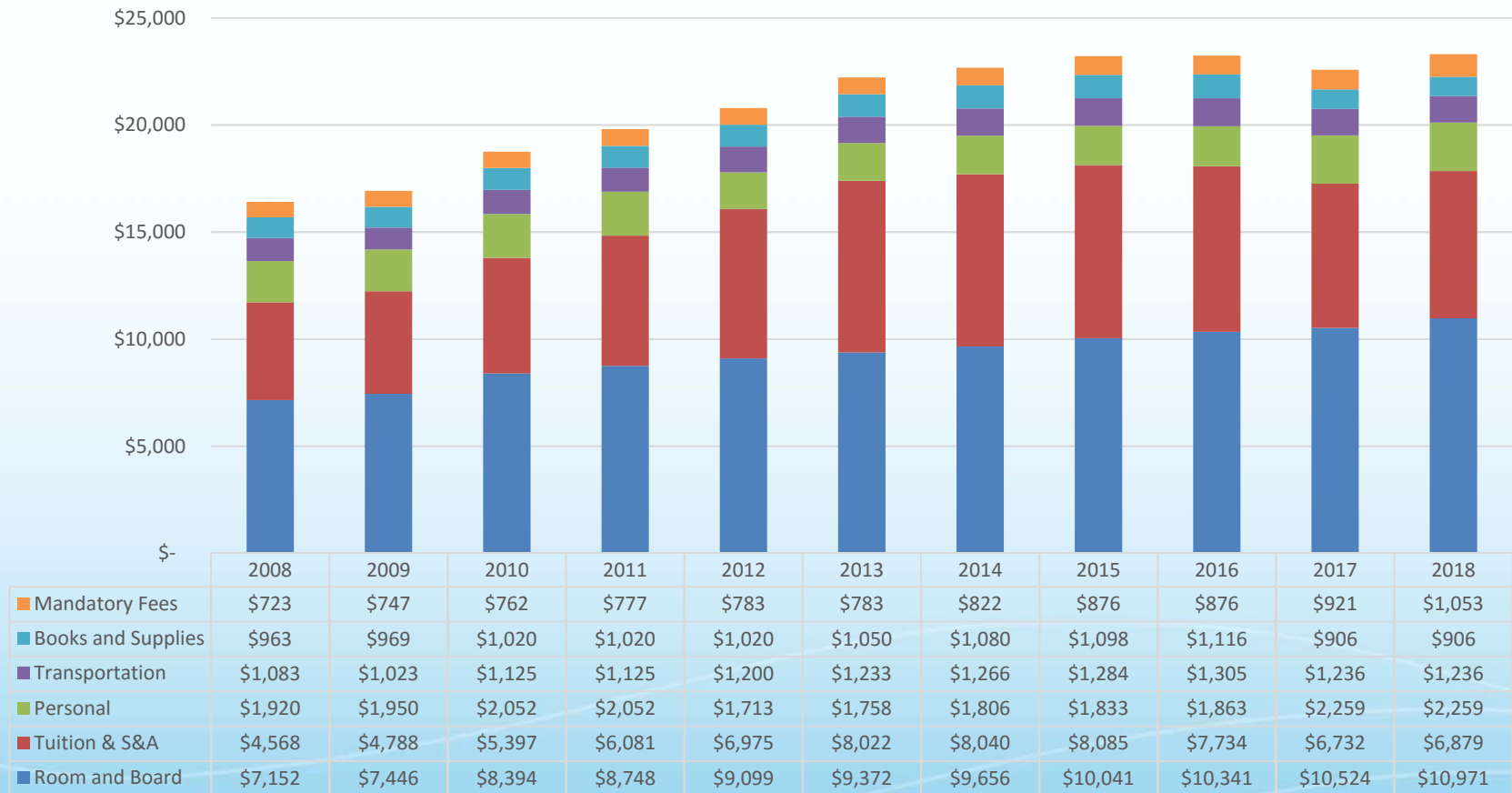
<b>TUITION FEES</b>				
<b><u>Operating Fee</u></b>	2016-17	2017-18	\$ Change	% Change
<b>Resident Undergraduate</b>	<b>\$5,822</b>	<b>\$5,950</b>	<b>\$128</b>	<b>2.2%</b>
Non-Resident Undergraduate	\$19,265	\$19,939	\$674	3.5%
Resident Graduate	\$8,735	\$9,041	\$306	3.5%
Non-Resident Graduate	\$18,667	\$19,320	\$653	3.5%
Resident MBA	\$10,126	\$10,481	\$355	3.5%
Non-Resident MBA	\$20,093	\$20,797	\$704	3.5%
Resident Speech Language Pathology	\$0	\$13,734	NEW	NEW
Non-Resident Speech Language Pathology	\$0	\$25,380	NEW	NEW
Resident Audiology - Au.D.	\$0	\$18,498	NEW	NEW
Non-Resident Audiology - Au.D.	\$0	\$27,600	NEW	NEW
<b><u>Capital Building Fee</u></b>	2016-17	2017-18	\$ Change	% Change
<b>Resident Undergraduate</b>	<b>\$294</b>	<b>\$300</b>	<b>\$6</b>	<b>2.2%</b>
Non-Resident Undergraduate	\$795	\$823	\$28	3.5%
Resident Graduate	\$232	\$240	\$8	3.7%
Non-Resident Graduate	\$584	\$605	\$21	3.5%
Resident MBA	\$248	\$257	\$9	3.6%
Non-Resident MBA	\$619	\$641	\$22	3.5%
Resident Speech Language Pathology	\$0	\$425	NEW	NEW
Non-Resident Speech Lanugage Pathology	\$0	\$785	NEW	NEW
Resident Audiology - Au.D.	\$0	\$572	NEW	NEW
Non-Resident Audiology - Au.D.	\$0	\$854	NEW	NEW
<b><u>TOTAL TUITION (Operating Fee and Capital Building Fe</u></b>	2016-17	2017-18	\$ Change	% Change
<b>Resident Undergraduate</b>	<b>\$6,116</b>	<b>\$6,251</b>	<b>\$135</b>	<b>2.2%</b>
Non-Resident Undergraduate	\$20,060	\$20,762	\$702	3.5%
Resident Graduate	\$8,967	\$9,281	\$314	3.5%
Non-Resident Graduate	\$19,252	\$19,925	\$673	3.5%
Resident MBA	\$10,374	\$10,738	\$364	3.5%
Non-Resident MBA	\$20,713	\$21,438	\$725	3.5%
Resident Speech Language Pathology	\$0	\$14,159	\$14,159	NEW
Non-Resident Speech Language Pathology	\$0	\$26,165	\$26,165	NEW
Resident Audiology - Au.D.	\$0	\$19,070	\$19,070	NEW
Non-Resident Audiology - Au.D.	\$0	\$28,454	\$28,454	NEW

## Western Washington University

### Washington State Higher Education Sector Tuition Comparison - FY 2018

Resident Undergraduate		Resident Graduate		Non-Resident Undergraduate		Non Resident Graduate	
UW	\$ 9,909.00	UW	\$ 15,207.00	UW	\$ 34,473.00	UW	\$ 27,255.00
WSU	\$ 9,530.00	WSU	\$ 11,224.00	TESC	\$ 24,138.00	EWU	\$ 25,323.00
TESC	\$ 6,677.00	EWU	\$ 10,543.00	WSU	\$ 23,956.00	WSU	\$ 24,656.00
<b>WWU</b>	<b>\$ 6,250.00</b>	TESC	\$ 10,039.00	EWU	\$ 22,299.00	TESC	\$ 23,230.00
CWU	\$ 6,037.00	<b>WWU</b>	<b>\$ 9,281.00</b>	<b>WWU</b>	<b>\$ 20,762.00</b>	CWU	\$ 20,555.00
EWU	\$ 5,577.00	CWU	\$ 8,775.00	CWU	\$ 20,144.00	<b>WWU</b>	<b>\$ 19,925.00</b>

## Historical Resident Undergraduate Total Cost of Attendance



**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by:  
Richard Van Den Hul, Vice President, Business and Financial Affairs  
Linda Teater, Director, Budget Office

**DATE:** July 20, 2017

**SUBJECT:** **Approval 2017-18 Annual Operating Budget**

**PURPOSE:** Action Item

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**Purpose of Submittal:**

Based on the conference committee budget passed during the third 2017 thirty-day special session of the Legislature, and as signed by the Governor, the Board is now asked to approve the 2017-18 State Operating Budget for WWU.

In addition, the Board will be asked to approve 2017-18 tuition rate increases at its July 20, 2017 meeting, providing revenue necessary to support the 2017-18 annual operating budget.

**Proposed Motion:**

***MOVED*, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve a 2017-18 Annual State Operating Budget of \$168,863,755 consisting of a State Appropriations in the amount of \$79,953,000; WWU net tuition operating fee revenue of \$84,448,460; and administrative services assessment revenue of \$4,462,295.**

**Supporting Information:**

See attached memo on the 2017-18 Operating Budget.

**Source of Funding:**

State appropriations (general fund-state, education legacy trust funds, and capital projects account); net tuition operating fee revenue; and administrative services assessment revenue.

Attachment:

*Memo of Supporting Information on the 2017-18 Annual Operating Budget*

**WESTERN WASHINGTON UNIVERSITY  
SUPPORTING INFORMATION  
SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by:  
Richard Van Den Hul, Vice President, Business and Financial Affairs  
Linda Teater, Director, Budget Office

**DATE:** July 20, 2017

**SUBJECT:** **Supporting Information for Board Approval of the  
2017-18 Annual Operating Budget**

**Schedule of Approvals for 2017-18 Annual Operating Budgets**

On July 20, 2017, the Board will be requested to approve tuition rates for all student categories for the 2018 academic year. At this same meeting, the Board will be asked to approve the 2017-18 Annual Operating Budget, which relies on the projected tuition operating fee revenues generated from these tuition rate proposals.

**Introduction**

In order to fund the basic instructional and academic support missions of the institution, we are proposing, for Board approval, a 2017-18 budget for state funded operations which reflects revenue and expenditure estimates available for university operations from state appropriations, net tuition operating fees, and the administrative services assessment.

**Proposed FY 2017-18 Annual Operating Budget**

A summary of all revenue sources is included in the table below. Please note that tuition operating fee revenue is presented net of tuition waivers and Western's student loan/grant fund contribution at 4.0%.

2017-18 Fiscal Year		
WWU State Operating Budget		
by Funding Source		
Funding Source	Proposed for Board Approval FY 2018	% of Budget
<i>State Appropriations</i>	\$79,953,000	47%
<i>Net Tuition Operating Fees</i>	\$84,448,460	50%
<i>Administrative Services Assessment</i>	\$4,462,295	3%
<b>State Operating Budget</b>	<b>\$168,863,755</b>	<b>100%</b>

Western's state operating expenditures have been historically supported by a combination of state appropriations and tuition operating fees. In the 2016-17 budget, state appropriations represented 48% of WWU's state operating budget compared to 49% in net tuition operating fees, maintaining the progress made toward the goal of a 50%-50% split.

### **Western's Student Loan/Grant Fund**

Gross tuition operating fees collected are currently subject to a 4.0% minimum set-aside for the WWU student loan and grant fund. The capital building fee (part of tuition) and student activities fee are assessed at 3.5%. For the 2017-18 fiscal year, Western will allocate close to \$5.0M for this form of financial aid.

### **Western's Budget Process**

While Western's request for new biennial funding was submitted to the Governor's office in September 2016, the campus's bottom-up budget building process started in earnest in January. Campus Planning Unit Leaders submitted proposals for new campus initiatives and funding requests for the 2017-19 operating budgets. Proposals and presentations were made by Deans and Vice Presidents to the campus via audiocast meetings of the University Planning and Resources Council (UPRC). Feedback for improvements was solicited from campus, proposals were voted on by UPRC, and top priorities were recommended to the President and Vice Presidents.

### **Budget Recommendation Detail**

For the operating budget, this extended Legislative session ended with an infusion of new funding for higher education:

- \$6.0M in salary increase funding for all employees,
- \$2.0M for maintenance and operations of new capital projects and the debt service payments for the renovation of the Carver Academic Facility.
- \$1.4M representing inflation on the previous years' tuition backfill, and
- \$1.0M for programs or initiatives designed to improve student academic success and increase degree completion

Months of deliberations on campus produced a recommendation from the Vice Presidents and the Deans for the utilization of these new funds which may be reviewed at the following web page. <https://budgetoffice.wvu.edu/files/Communication.pdf>

We now recommends the Board of Trustees approve the state operating budget in the amount of \$168,863,755 for the 2017-18 Fiscal Year.

**4. EXECUTIVE SESSION**

Executive Session may be held to discuss personnel, real estate, and legal issues as authorized in RCW 42.30.110.



**5. DATE FOR NEXT REGULAR MEETING**

- **August 18, 2017**

## **6. Adjournment**