

**Date:** May 1, 2025 [UPDATED May 21, 2025 following Governor action]  
**Subject:** Final Compromise 2025-27 Biennial Operating and Capital Budgets

The state legislature reached a compromise on the state's 2025-27 biennial [operating](#) and [capital](#) budgets, as well as a second supplemental 2025 operating budget (embedded within the biennial budget) and approved them on the last day of the legislative session. As a result, the legislature ended their work on time, on Sunday, April 27. In May, the Governor vetoed one provision that applied to the University in the operating budget. This brief has been updated to reflect respective changes, which are [highlighted](#). Previous legislative proposals are described in previous briefs on the [FPB Briefs page](#).

The outcomes of the state operating budget will be incorporated into the UW's Fiscal Year 2026 (FY26) operating budget, which will be presented to the Board of Regents as an action item in June. The legislature will have an opportunity to amend this two-year budget during the next legislative session, set to begin in January 2026.

For more information regarding the UW's request for state funding, please see our 2025-27 operating and capital submissions on the [State Budget Information page](#). All budget proposals and supplemental documents are made available on the state's [Fiscal Information website](#).

## EXECUTIVE SUMMARY

At a high level, the compromise biennial budget would appropriate \$1.07 billion over the biennium (compared to \$1.08 billion and \$1.05 billion in the Senate and House proposals, respectively). This represents \$40.7 million over the base budget. In addition to overall funding levels, here are several key takeaways:

- The state is facing a \$12+ billion deficit over four years but must pass a balanced budget. The compromise budget does so through a mix of budget cuts and new revenue.
- Given significant budget constraints, none of the University's non-compensation requests for 2025-27 are included.
- The compromise budget cuts state funding to the University by 1.5%.
- The budget authorizes salary increases for non-represented employees of 3% in FY26 and 2% in FY27. However, the budget walks back recent progress made on our "fund split," the proportion of UW's compensation and benefit costs covered by state funding vs. tuition, providing only 42% of the total needed to fund these increases. This is compared to a 60% fund split in recent years, and far lower than what other higher education institutions receive.
- Given funding reductions, the net incremental funding provided for salary and benefits changes is insufficient to implement those changes for non-represented state-funded employees.
- In FY27, the budget will remove \$400 million of state general funding (GF-S) from the University and replace it with Workforce Education Investment Account (WEIA) funding. We are assessing the impact of this shift.
- In the capital budget, the University's request for a new Chemical Sciences Building and renewal for Bagley Hall was funded.

## OPERATING BUDGETS

### Economic Forecast and Revenue Proposals

At the end of the 2024 legislative session, the economic outlook in Washington state was uncertain. The Economic Revenue Forecast Council (ERFC) reported to lawmakers throughout the 2023-25 biennium that revenue collections were continuing to slow, and projections remained relatively flat. Lawmakers faced even more uncertainty as they entered the 2025 regular session. Continued unfavorable revenue forecasts were coupled with a projected \$10-12 billion budget deficit over the next four years. The [March 2025 Revenue Forecast](#) revised revenue projections down further for the upcoming 2025-27 and 2027-29 biennia and the four-year budget deficit was projected to exceed \$12 billion. The legislature's operating proposals have aimed to balance the budget as projected in the March forecast.

The compromise budget relies on new revenue from an increase in the Business and Occupation (B&O) tax (\$5.6 billion over four years). Additionally, the compromise budget eliminates some sales tax exclusions related to digital and other services and expands the nicotine tax to cover previously-excluded tobacco products (\$2.7 billion over four years). Smaller revenue streams are generated by creating a 2.9% excise tax on individually-held capital gains over \$1 million and increasing the exclusion amount for estate taxes to \$3 million (\$635.5 million over four years) and eliminating some tax deductions (\$385.2 million over four years). Finally, the compromise shifts fund transfers from transportation accounts and repays non-toll accounts that funded deferred sales and use taxes. While this generates \$609.4 million in the 2025-27 biennium, it corresponds to an overall reduction in funding of \$605 million across four years.

### Direct Impacts to the UW

Overall, the final compromise biennial operating budget proposal reflects an increase of **\$40.6** million over the carry-forward level (cost of continuing the 2023-25 budget into 2025-27).

Table 1, below, shows the total funding provided over the 2023-25 biennium (FY24 and FY25), the proposed 2025 supplemental budget (affecting FY25), the assumed base funding (the cost of continuing appropriations from the previous biennium into the upcoming biennium), and the proposed biennial operating budgets (FY26 and FY27). Amounts are lower than the previous biennium, largely due to the expiration of one-time funding supporting UW hospitals (\$180 million).

**Table 1: UW State Funding - 2025 Supplemental and 2025-27 Biennial Operating Budget Proposals**  
Near General Fund State (in \$1,000s)

Budget	FY1	FY2	Total
<b>Current Biennium (affecting FY25)</b>			
2023-25 Base Funding (Biennial Budget + 2024 Supplemental)	585,215	609,922	<b>1,195,137</b>
Governor's 2025 Supplemental Budget	585,215	611,138	<b>1,196,353</b>
<b>Final Compromise 2025 Supplemental Budget (matches House/Senate)</b>	585,215	610,613	<b>1,195,828</b>
<b>Upcoming Biennium (FY26 and FY27)</b>			
2025-27 Base Funding (2023-25 + 2024 Supp + CFL)	514,894	514,042	<b>1,028,936</b>
Governor's 2025-27 Biennial Operating Budget	559,124	567,364	<b>1,126,488</b>
Senate 2025-27 Biennial Operating Budget	545,410	536,232	<b>1,081,642</b>
House 2025-27 Biennial Operating Budget	528,279	521,148	<b>1,049,427</b>
<b>Final Compromise 2025-27 Biennial Operating Budget</b>	<b>542,261</b>	527,278	<b>1,069,539</b>

Table 2, below, shows a line-by-line breakdown of the funding levels and policy changes proposed in the 2025 supplemental operating budget, amending the current budget for the final months of FY25. Table 3 details the 2025-27 biennial operating budget. Line items are described in more detail in the following pages.

**Table 2: 2025 Supplemental Operating Budget Proposals**  
Near General Fund State (in \$1,000s)

	Governor Proposed	Senate	House	Legislative Compromise		
	2023-25 Total	2023-25 Total	2023-25 Total	FY24	FY25	2023-25 Total
<b>2023-25 Base Funding (2023-25 + 2024 Supp.)</b>	<b>1,195,137</b>	<b>1,195,137</b>	<b>1,195,137</b>	585,215	609,922	<b>1,195,137</b>
<b>Maintenance &amp; Policy Level Changes</b>	<b>1,216</b>	<b>691</b>	<b>691</b>	-	691	<b>691</b>
Tuition Backfill Inflation Adjustment	824	299	299	-	299	299
College in the High School Adjustment	392	392	392	-	392	392
<b>Total Funding</b>	<b>1,196,353</b>	<b>1,195,828</b>	<b>1,195,828</b>	585,215	610,613	<b>1,195,828</b>

**Table 3: 2025-27 Operating Budget Proposals  
Near General Fund State (in \$1,000s)**

		Governor Proposed	Senate	House	Legislative Compromise		
		2025-27 Total	2025-27 Total	2025-27 Total	FY26	FY27	2025-27 Total
<b>2025-27 Base Funding (2023-25 + 2024 Supp + CFL)</b>		<b>1,028,936</b>	<b>1,028,936</b>	<b>1,028,936</b>	514,894	514,042	<b>1,028,936</b>
<b>Maintenance Level Changes</b>		<b>8,028</b>	<b>7,110</b>	<b>2,494</b>	2,955	3,606	<b>6,561</b>
Tuition Backfill Inflation Adjs.		5,255	4,116	-	1,480	2,636	4,116
ML Central Service Adjs.		(5,028)	(1,214)	(1,214)	(379)	(884)	(1,263)
Worker's Compensation		6,195	2,602	2,602	1,301	1,301	2,602
College in the High School		784	784	784	392	392	784
Ramp-up Funding		322	322	322	161	161	322
Funding Fix: SB 6286		500	500	-	-	-	-
<b>Policy Level Changes</b>		<b>89,524</b>	<b>45,596</b>	<b>17,997</b>	<b>24,412</b>	9,630	<b>34,042</b>
PL Central Service Adjs.		869	504	882	399	129	528
Compensation	SEIU 925	4,100	2,870	2,870	1,215	1,655	2,870
	WFSE 1488 & 3488	3,005	2,103	2,103	906	1,197	2,103
	Teamsters 117	288	202	202	74	128	202
	WFSE Police Management	146	102	102	41	61	102
	UAW 4121 (ASEs)	-	-	-	-	-	-
	Non-Rep General Wage Increases	31,017	22,104	22,104	8,380	13,724	22,104
	Non-Rep Targeted Pay Increase	21	15	15	8	7	15
	Total Employee Benefits Changes	11,512	6,502	7,474	2,956	3,352	6,308
BHTF Support (CBHL)		40,000	40,000	10,000	15,000	-	15,000
State Funding Targeted Reduction		(1,434)	(9,048)	(20,579)	(7,723)	(7,711)	(15,434)
Temporary Salary Reduction		-	(2,158)	-	-	-	-
Transpo. Electrification (SB 5528)		-	24	-	21	3	24
Boiler Operator Cert. (SB 5694)		-	34	-	-	-	-
Harry Bridges Center		-	300	-	150	150	300
Housing Mini Academy		-	63	-	63	-	63
Nordic Nations Pilot		-	200	-	-	-	-
Friday Harbor Laboratories		-	100	-	100	-	100
Tuition Operating Fee		-	(18,631)	-	-	-	-
WA Population Data Repository		-	300	-	300	-	300
Ibogaine Assisted Therapy		-	10	-	5	5	10
Collective Bargaining/AI Use (HB 1622)		-	-	700	-	-	-
Burke Museum		-	-	160	80	80	160
Clean Energy Test Beds		-	-	(4,000)	(2,000)	(2,000)	(4,000)
Clean Energy Community Engagement		-	-	(2,500)	(1,250)	(1,250)	(2,500)
Environmental Forensic Science Center		-	-	(886)	-	-	-
Online Courses for SD Staff		-	-	(400)	(200)	(200)	(400)
Latino Center for Health		-	-	300	150	150	300
Computer Science/Engineering Enrollment		-	-	(600)	-	-	-
Computer/Engineering Tacoma		-	-	(600)	-	-	-
UW Trueblood		-	-	650	650	-	650
Crisis Co-Response (HB 1811)		-	-	-	150	150	300
Behavioral Health Institute		-	-	-	1,500	-	1,500
Complex Discharge		-	-	-	3,500	-	3,500
<b>Total Funding</b>		<b>1,126,488</b>	<b>1,081,642</b>	<b>1,049,427</b>	<b>542,261</b>	527,278	<b>1,069,539</b>

## Tuition Policy

The current tuition policy (enacted by [2ESSB 5954](#), 2015) has allowed resident undergraduate tuition increases of 2.2-3.3% each year. As it stands, the allowable increase for 2025-26 will be 3.3%. The compromise budget proposal would not modify the state's tuition policy, despite an earlier proposal from Senate leaders to allow an additional 5% increase in tuition rates in FY27 and the capture of a portion of assumed incremental tuition revenue by the state.

Part of the state's tuition policy requires an inflationary adjustment to tuition backfill amounts provided in previous budgets. The backfill adjustment in the compromise budget proposal would result in an additional \$299,000 in the 2025 supplemental budget, \$1.48 million in FY26, and \$2.6 million in FY27. Leadership in the House previously proposed a \$299,000 adjustment in 2025 but would have suspended the state-required adjustments in FY26 and FY27.

## 2025 Supplemental Budget (proposed changes to current fiscal year)

- **College in the High School Adjustment:** \$392,000 was added in FY25 as provided in [2SSB 5048](#), 2023. Funding is intended to provide enrollment and registration in College in the High School courses at no cost for students in grades 9-12 at public high schools. The initial proposed budget for College in the High School was based on projections of the total number of courses administered by an institution. This adjustment is intended to align funding with the actual number of courses taught by the institution for the academic year immediately prior to the current fiscal year.

## 2025-27 Biennial Budget (proposed budget for upcoming biennium)

### *Targeted Reductions*

- **Target Reduction:** The compromise budget reduces the University's base funding by 1.5% (\$15.4 million over the biennium), which splits the difference between previous proposals by the Senate (1%) and House (2%). As explored below, these cuts will make incremental salary and benefits changes challenging, as they effectively reduce funding provided for those items.

### *Compensation and Benefits*

#### **Compensation:**

Salary increases for faculty and staff were the University's highest priority requests for the 2025-27 biennial budget. Compensation funding provided by the state only covers a portion of what is needed to provide salary increases for UW employees. These salary increases are paid for by the combination of state funding and tuition revenue (our General Operating Fund) only and account for a small fraction of our employee base. Salary increases for all other employees are funded from other sources of revenue. Combined with proposed cuts to overall state funding and uncertainty with federal funding, the compensation and benefits changes in these budgets would be extraordinarily challenging to implement for the University.

- For represented staff, the compromise budget would approve all 2025-27 collective bargaining agreements (CBAs) submitted by the University, except for UAW 4121 which represents Academic Student Employees (ASE).
  - Approved CBAs resulted in \$5.2 million in funding over the 2025-27 biennium (42% state funded and 58% assumed tuition revenue for state-funded employees), a substantial decrease relative to Governor Inslee's proposal which would have funded these agreements at 60% state funding.
  - The ASE contract did not require state approval or funding, but it does present significant costs to the University, \$19.5 million in the 2025-27 biennium and \$36.7 million in the 2027-29 biennium. This will result in increased strain on budgets for units that employ ASEs.
- For non-represented faculty and staff, the compromise budget authorizes salary increases of 3% in FY26 and 2% in FY27. The UW requested that the state fund 100% of the costs to implement these increases. However, the compromise budget provides only 42% of the total cost through state funding, a substantial decrease from the fund split in recent biennia and in Governor Inslee's budgets (60% state).
- **Temporary Salary Reductions:** the compromise budget **does not implement a salary reduction or furlough** for higher education employees (Senate leaders proposed temporary 4.95% salary reductions and furloughs for most state employees).

### Benefits:

The compromise budget would update monthly employer contribution caps to \$1,333 per eligible employee in FY26 and \$1,350 in FY27. The current cap is set at \$1,170, so this corresponds to increases of \$163 and \$180, respectively. These benefit assumptions represent significant costs across all UW activities and are passed through to unit budgets via benefit load rates.

While some incremental state funding would be provided for compensation and benefits changes (\$18.3 million over the biennium after state funding reductions), the total cost to the UW is estimated to be \$78.4 million across all UW funds reflected in the state budget. Therefore, the effective state funding share (fund split) is approximately 23%.

### Maintenance Level Changes

The compromise budget included funding for some UW budget requests at the maintenance level. The following requests were included at the maintenance level:

- **Ramp-Up Funding:** \$161,000 in FY26 and each year thereafter to continue planned funding ramp-ups of legislation passed during the state's 2023-25 biennial and 2024 supplemental budgets. These are important investments that were intended to ramp up into the 2025-27 biennium, including support for reproductive health access and the Allen Scholars program. Absent additional state appropriations, these activities would not expand as intended by previous legislatures.
- **College in the High School Adjustment:** \$784,000 was added to CHS funding in the 2025-27 biennium as a result of the changes made in the 2025 supplemental budget proposal. OFM and legislative staff will continue to adjust CHS funding annually, and adjustments will be carried forward in each fiscal year thereafter.

Of the UW budget requests at the maintenance level, the compromise budget **did not include** a request to shift \$25.8 million per biennium of student building fees from the operating budget back to the capital budget for deferred maintenance, and cover maintenance and operations costs using state general funds. In addition, the proposal **did not include** funding for a request to transition legal support staff within the UW Attorney General's Office (AGO) division from being employees of the UW to employees of the AGO. Finally, the compromise did not include a funding fix for Senate Bill 6286, which would have provided funding for the UW Center for Health Workforce Studies to study workforce shortages in anesthesia care.

### Policy Level Changes

#### UW Budget Requests:

The compromise budget included funding at the policy level for compensation but would not fund any of the University's other policy level requests for tri-campus student support services, high-demand enrollments (artificial intelligence, computer science and nursing), or the Office of the Washington State Climatologist. The compromise budget included one policy-level item that was a maintenance-level request:

- **Center for Behavioral Health and Learning (CBHL, formerly BHTF):** The legislature would provide only \$15 million in the 2025-27 biennium of the \$40 million request to support the costs of delivering behavioral health care to patients in long-term civil commitment beds at the CBHL. The state partnered with UW Medicine and has committed to fund the operation of these beds.

#### Included in Compromise Budget Proposal

- **Transportation Electrification:** \$21,000 in FY26 and \$3,000 in FY27 for the implementation of SB 5528, which would require the installation of electric vehicle supply equipment to be performed by electricians certified by the electric vehicle infrastructure training program or an equivalent alternative. This funding would allow UW electricians to receive this training. Funding is ongoing.
- **Harry Bridges Center for Labor Studies:** \$150,000 in each FY26 and FY27 for the Harry Bridges Center for Labor Studies to work in collaboration with the state board for community and technical colleges. Funding is one-time.
- **Housing Mini Academy:** \$63,000 in FY26 for a housing mini-academy. Funding is one-time.
- **Friday Harbor Laboratories:** \$100,000 in FY26 for the University of Washington Friday Harbor labs to help fund an ongoing project to restore a critically endangered species of starfish and help stabilize local marine ecosystems. Funding is one-time.
- **WA Population Data Repository:** \$300,000 in FY26 to continue establishing WashPop, a statewide integrated data repository for population and policy research on criminal justice and safety, economic prosperity and equity, and health and social wellbeing. Funding is one-time.

- **Ibogaine Assisted Therapy:** \$5,000 in each FY26 and FY27 to conduct a study on the use of ibogaine to treat opioid use disorder. Funding is one-time.
- **Burke Museum:** \$80,000 in each FY26 and FY27 for the Burke Museum to make programs more accessible to local students. This is one-time funding.
- **Latino Center for Health:** \$150,000 in each FY26 and FY27 to support the Latino Center for Health. This is one-time funding.
- **UW Trueblood:** \$650,000 in FY26 for the continued implementation of E2SSB 5440, which provides timely competency evaluations for people suffering from behavioral health disorders. This is one-time funding.
- **Crisis Co-Response (HB 1811):** \$150,000 in each FY26 and FY27 to implement a crisis care delivery system that aims to respond to behavioral health emergencies and divert people from criminal justice and emergency medical settings. Funding is ongoing.
- **Behavioral Health Institute:** \$1.5 million in FY26 to the Behavioral Health Institute at Harborview Medical Center to continue and enhance its efforts related to training and workforce development. Funding is one-time.
- **Complex Discharge:** \$3.5 million in FY26 to address the challenges with discharging patients from acute care settings into post-acute care community settings at Harborview Medical Center and UW Medical Center. Funding is one-time.
- **Reductions in Proviso Allocations:** The compromise budget reduces ongoing proviso funding for the following items:
  - **Clean Energy Testbeds and Community Engagement:** \$6.5 million reduction to two ongoing provisos originally provided in 2022. However, \$2 million of the cut to the Clean Energy Testbeds portion would be restored with CCA funds.
  - **Online courses** currently offered at the UW Bothell campus for school district staff: a cut of \$200,000 in each fiscal year.

#### Other Notable Changes:

- **GF-S/WEIA Fund Shift:** The compromise budget would make a significant shift in FY27, removing \$400 million in GF-S and swapping it with \$400 million of WEIA funding. The University's base general funding is approximately \$400 million, but we will need to assess the administrative burden of this change, and if needed, request revision in the supplemental budget.
- **Surcharge for Computer Science Enrollments:** Beginning in 2028, the advanced computing surcharge outlined in ESHB 2081 may be used to fund resident enrollments in computer science and engineering programs where qualified applicants exceed available enrollments by 100. The Allen School may qualify for this funding.
- **De-Provisoed Funding:** A number of items were de-provisoed from the budget, meaning specific language is removed from the budget document but the same level of funding continues to support their ongoing implementation within the University's base budget. Specifically, support for engineering enrollments at UW-Seattle, UW-Tacoma's mechanical and civil engineering program, and the STARS program, which provides support for underrepresented students in STEM fields were all de-provisoed. Additional compensation support and tuition backfill inflation were also de-provisoed.
- **Transportation Budget:**

The Legislature adopted the [transportation budget](#) for the 2025-27 biennium on April 28, as well as a measure to raise revenue for transportation related projects. UW received funding for several projects in this budget, which are discussed below.

- **Burke-Gilman Trail Improvements:** The compromise budget accelerates funding for access, safety, and efficiency improvements to the Burke-Gilman Trail near the UW Seattle campus. \$9.4 million is provided for the 2025-27 biennium and \$6.6 million is provided for the 2027-29 biennium.
- **Sidewalk Inventory and Accessibility Mapping Project:** The compromise budget reappropriates \$2.3 million for this project from the 2025 supplemental budget while providing \$5 million in new funding for a total of \$7.3 million over the biennium.
- **Engineering Pathways and Programs:** The compromise budget provides \$540,000 to the Washington State Transportation Center to continue the WSDOT-UW professional master's degree fellowship program, expand internships, and encourage more students to explore careers in transportation, engineering, and related fields.
- **Noise Reduction Study:** The compromise budget provides \$657,000 to the UW Department of Engineering via the Department of Transportation to study noise reduction measures for expansion joints on SR 520.

- **Mobility Innovation Center:** The compromise budget provides \$200,000 to conduct transportation-related research in partnership with the Department of Transportation, local transit agencies, and the private sector.
- **Ferry Customer Advisory Process:** The compromise budget provides \$75,000 for the UW Evans School via the Department of Transportation to conduct a study and develop recommendations to design a modernized and more inclusive ferry customer advisory process.

### Financial Aid

Table 4 outlines the financial aid provisions for the Washington Student Achievement Council (WSAC). Summaries of those items are included below.

	<b>Governor</b>	<b>Senate</b>	<b>House</b>	<b>Compromise</b>
Washington College Grant Bridge Grants	-	(27,627)	(55,254)	(55,254)
Washington College Grant Eligibility MFI Adjustment	46,102	23,325	21,617	21,617
Washington College Grant Financial Aid Eligibility	-	(31,165)	-	-
Washington College Grant Tuition Operating Fee	-	20,531	-	-
Washington College Grant Apprenticeship	-	-	-	(10,897)
Washington College Grant Financial Aid	-	-	-	(3,409)
Career and College Pathways Grants	-	(16,000)	-	(16,000)
College Bound Scholarship MFI Adjustment	(11,059)	(7,820)	(7,447)	(7,447)
College Bound Scholarship Award Time Limit	-	(4,001)	-	(4,000)
College Bound Scholarship Financial Aid Eligibility	-	(3,536)	-	-
College Bound Scholarship Award Time Limit – Washington College Grant	-	(2,716)	-	-
College Bound Scholarship Tuition Operating Fee	-	1,933	-	-
Washington Health Corps	-	-	(2,600)	-
WAVE Scholarship	1,000	-	(2,416)	(2,416)
Career Launch Grants	-	(2,000)	(2,000)	(2,000)
National Guard Grants	-	-	(1,600)	(1,600)
Undocumented Student Support	-	(792)	-	(792)
Students Experiencing Homelessness	-	204	204	204
Apprenticeship and Higher Ed	-	(133)	(133)	(133)
For-Profit Inst. Financial Aid	-	-	-	(4,322)
Private Not-for-Profit Financial Aid	-	-	-	(8,074)
Other	(262)	(1,540)	(600)	(1,540)
<b>Total Funding</b>	<b>36,381</b>	<b>(51,337)</b>	<b>(50,229)</b>	<b>(96,063)</b>

The Compromise Budget will make the following adjustments to financial aid investments:

- **Washington College Grant (WCG) Bridge Grants:** The Compromise Budget would eliminate funding for Bridge Grants, starting in FY26, corresponding to a \$55.3 million reduction and consistent with the House’s budget proposal.
- **Washington College Grant (WCG) MFI Adjustments:** \$21.6 million over the biennium to fund the maximum WCG award to students with a family income up to 60% of the median.
- **Washington College Grant (WCG) Apprenticeship:** \$10.9 million is reduced from WCG for students in apprenticeship programs by reducing maximum college grant awards for these students.
- **Washington College Grant (WCG) Financial Aid:** \$3.4 million is reduced from WCG by shifting eligibility for the maximum award from families with incomes up to 60% of the median compared to 65% in recent years.
- **College Bound Scholarship (CBS) MFI Adjustment:** \$7.5 million is reduced to adjust for the 56-65% median family income award levels.
- **Career and College Pathways Grants:** \$16 million is reduced by eliminating the Career and College Pathways Program.

- **College Bound Scholarship (CBS) Award Time Limit:** \$4 million is reduced by implementing PSSB 5785, which would limit the usage of CBS awards to 6 years following receipt.
- **WAVE Scholarship:** \$2.4 million is reduced by suspending the Washington Award for Vocational Excellence program in the 2025-27 biennium.
- **Career Launch Grants:** Consistent with the House and Senate budgets, the Compromise Budget would eliminate funding for Career Launch Grants, corresponding to a \$2 million reduction.
- **National Guard Grants:** \$1.6 million is reduced by suspending funding for National Guard Grants in the 2025-27 biennium.
- **Students Experiencing Homelessness:** \$204,000 for expanding participation in the Students Experiencing Homelessness and Foster Youth program to a public tribal college, as provided in SB 5304.
- **Undocumented Student Support:** \$792,000 would be reduced by eliminating the ongoing state match for private donations and suspending funding for administrative costs in the 2025-27 biennium for the Undocumented Student Support Loan Program.
- **Apprenticeship and Higher Ed:** \$133,000 is reduced from the Ruckelshaus Center for providing apprenticeships and higher education study.
- **For-Profit Institutes Financial Aid:** \$4.3 million is reduced for financial aid to students at for-profit institutes of higher education.
- **Private Not-for-Profit Institutes Financial Aid:** \$8.1 million is reduced for financial aid to students at private not-for-profit institutes of higher education.

For information about the operating budget, contact [Jed Bradley](#) or [Lauren Hatchett](#). For more information about financial aid, please contact [Christine Leibbrand-Lapinsky](#).

## CAPITAL BUDGET

The House and Senate approved the final compromise [2025-27 capital budget](#) on April 28. This budget appropriates \$7.6 billion for state construction projects, grant and loan programs for local governments, and building and improving K-12 schools and facilities for higher education.

For the UW, the final compromise provides funding to support several major University capital priorities. Most notably, it provides **\$124 million** for a new Chemical Science building and renewal for Bagley Hall at UW Seattle to expand lab and teaching space. UW had originally requested \$125 million for this project, but this was reduced by OFM due to updated inflation data.

Additionally, the capital budget authorizes **\$111.4 million** in expenditures from the UW Building Account for Asset Preservation, Infrastructure Renewal, Major Infrastructure (Seismic Improvements), and Preventive Maintenance projects. **\$3.9 million** of this amount is for UW Tacoma to permanently fix electrical infrastructure destroyed in a July 2024 car accident.

The compromise budget also provides **\$1.7 million** for soccer practice field upgrades in advance of the 2026 World Cup, appropriated directly to the UW. This is in addition to the \$2.58 million provided last session via the Department of Commerce.

Finally, the compromise budget includes funding for three projects involving UW. **\$8.05 million** is provided for the [Sunbreak Tower](#) affordable housing project on University-owned property. Meanwhile, **\$3.25 million** is provided to support a new Airlift Northwest hangar in Chelan County. **\$440,000** is also provided for a UW Air Quality Monitoring project in south King County from the Climate Commitment Account via the Washington State Department of Commerce. These projects are not included in the table below as they are not directly appropriated to the University.

Unfortunately, the capital budget does not include new funding for the University's [Clean Energy Transformation](#). UW had originally requested \$292.6 million for 10 energy-related projects in the 2025-27 biennium. The University will continue to explore funding sources for this effort, including during future legislative sessions, to ensure UW can meet its clean energy targets.

New funding was also not provided for soil remediation at UW Tacoma, which is an ongoing need and has received consistent support in recent years. However, the University has sufficient funds to continue this work in the near term with additional support from the Legislature expected in future years.

Finally, the expenditure limit for minor works projects was increased from \$2 million to \$4 million for higher education institutions. This threshold has not increased for many years and will allow better flexibility in what can be funded by minor works dollars.

Please see the table below for a comparison of the final compromise capital budget to UW's capital budget request. For more information about the capital budget, contact [Michael Lantz](#).

**Table 5: 2025-27 Capital Budget Proposals**  
(in \$1,000s)

Appropriations (Requested Projects)	Final 2025-27 UW Request				Compromise Budget			
	State Funds	UW Building Account	CCA	State Toxics Control Account	State Funds	UW Building Account	CCA	State Toxics Control Account
Chemical Science & Bagley Hall	125,000	-	-	-	124,000	-	-	-
UW Tacoma Electrical Repair - Phase 3	3,900	-	-	-	-	3,900	-	-
Asset Preservation (Minor Works & Major Preservation)	-	36,500	-	-	-	32,025	-	-
Infrastructure Renewal	-	50,700	-	-	-	39,350	-	-
Major Infrastructure (Seismic Improvements)	-	10,300	-	-	-	10,300	-	-
Preventive Maintenance <sup>1</sup>						25,825		
UW Tacoma - Soil Remediation	-	-	-	2,000	-	-	-	-
FIFA World Cup Improvements	-	-	-		1,700	-	-	-
<b>Clean Energy Transformation Sub Projects:</b>								
District Energy Standards/Basis of Design	-	-	1,900	-	-	-	-	-
Micro District - South of Pacific	-	-	31,100	-	-	-	-	-
Chiller Installation	-	-	13,500	-	-	-	-	-
Micro District - West Campus	-	-	76,400	-	-	-	-	-
Sewer Heat Recovery Site Piping	-	-	14,700	-	-	-	-	-
WCUP Heating System Improvements	-	-	28,600	-	-	-	-	-
Chilled Water Thermal Energy Storage	-	-	73,300	-	-	-	-	-
West Receiving Station Electrical Infrastructure Upgrades	-	-	50,100	-	-	-	-	-
Lake Interface Advancement	-	-	1,000	-	-	-	-	-
Power Plant Boiler Removal	-	-	2,000	-	-	-	-	-
<b>Total Funding</b>	<b>128,900</b>	<b>97,500</b>	<b>292,600</b>	<b>2,000</b>	<b>125,700</b>	<b>111,400</b>	<b>-</b>	<b>-</b>

<sup>1</sup>This amount is shifted to the operating budget to cover maintenance and operations expenses. See the Maintenance Level Changes section above for further discussion about the University's request to modify this approach.