

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Approval of University of Washington 2006 State Supplemental Budget RequestRECOMMENDED ACTION

It is the recommendation of the administration and of the Finance, Audit and Facilities Committee that the Board of Regents approve the 2006 State Supplemental Budget Request described in body of this item. As this Supplemental Budget Request is discussed with the State Office of Financial Management during its review of the request, the Board of Regents delegates to the President the authority to revise elements of this supplemental budget request in light of future discussions with the Governor's Office or updated information that changes amount of support requested for a particular item.

Background

Potential items that could be included in the University of Washington's 2006 State Supplemental Budget Request were discussed with the Finance, Audit and Facilities Committee at both the July 2005 and the September 2005 committee meetings. The administration has had ongoing discussions with the Governor's Office and with the other public four-year universities about potential 2006 State Supplemental Budget items.

Under the instructions that agencies have received, the State Office of Financial Management has asked that supplemental operating budget requests be limited to:

- a critical or emergent situation;
- a change in mandatory caseload or workload;
- a technical correction related to the enacted 2005-07 budget; or
- an opportunity to reduce state government costs.

In the supplemental budget process, the State Office of Financial Management does not specifically solicit capital budget requests. Instead, agencies are asked to identify technical or financial capital budget issues that need to be addressed in the upcoming legislative session.

As was discussed with the Finance, Audit and Facilities Committee in July and September, these guidelines are not binding and many state agencies that do not

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report directly to the governor submit supplemental budget requests that may not technically meet the criteria specified by the Office of Financial Management.

The administration is proposing that the University of Washington submit supplemental budget requests that meet at least one of three other criteria in addition to those listed by the Office of Financial Management:

State investments that support the instructional mission of the University as well as access to the University;

State investments that support the economic development/research mission of the University;

State investments that help address disaster response and safety issues.

2006 State Supplemental Budget Requests

Support for the Instructional Mission of the University and for Access to the University

Three supplemental budget requests are included in this area:

Operating Budget Request – Improving the Retention and Graduation Rates of Undergraduate Students. The University will request funding that will support a variety of activities to help address retention and graduation rates of undergraduate students. The activities that could be supported include: improving access to high demand/bottleneck courses; support for additional advising for transfer students; support for additional advising to facilitate acceptance into majors; and support for group study activities for large undergraduate classes. Size of Request: \$2,000,000

Capital Budget Request - UW/Tacoma Land Acquisition and Soils Remediation. \$4.7 million will be requested for acquisition and required soils remediation for additional properties within the campus master plan footprint at the UW/Tacoma campus. \$5.5 million for this purpose was requested but not funded in the 2005-07 legislative session. \$4 million is needed during 2006 for acquisition of certain target properties within the UWT campus boundaries. These properties are identified as targets for immediate purchase because they will be needed for future development

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and they are poised to be developed or marketed for sale. An additional \$700,000 is needed to complete necessary remediation of contaminated soils, and to stabilize and provide urgent roof repairs to the Joy Building. Size of Request: \$4,700,000

Capital Budget Request - Undergraduate Chemistry Laboratory Remodels. The University has initiated a phased plan to remodel and modernize the undergraduate chemistry laboratories in Bagley Hall. These laboratories, many of which have not been significantly modernized since their original construction in 1930, are heavily utilized by students from across all academic disciplines. The University has approved \$3 million from local funds to complete a portion of the next phase of the modernization project, and will request a \$3 million match from the state to complete this phase. Size of Request: \$3,000,000

Support of the Economic Development/Research Mission of the University

Nine supplemental budget requests are included in this area:

Operating Budget Request - Operations and Maintenance Funding for the Bioengineering and Genome Sciences Buildings. The administration will resubmit its request to the State for operations and maintenance funding for the Bioengineering and Genome Sciences Buildings. Size of Request: \$3,400,000

Operating Budget Request - Operations and Maintenance Support for the South Lake Union Phase 2 Project. The administration will resubmit its request for State support for operations and maintenance funding for the School of Medicine's South Lake Union Phase 2 research building. Size of Request: \$2,400,000

Operating Budget Request - Support for the Global Health Initiative. The University has decided to proceed with establishing a Global Health Department that will be a joint School of Medicine/School of Public Health and Community Medicine department. The University is seeking and expects that there will be substantial donor/foundation support for initiatives to be undertaken by this department. Global health is also an area where there are many opportunities for federal grant support. The administration is asking the State to support expansion of teaching and research efforts in this significant area. Size of Request: \$2,000,000

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Operating Budget Request - Support for the Joint UW/WSU Coordinated Technology Transfer Proposal. The UW and WSU will resubmit the Coordinated Technology Transfer budget request. This request provides funding for three purposes: to enhance the transfer of new discoveries to companies based in the State of Washington; to establish a “Prototype Fund” to enhance the potential of early-stage university discoveries; and to increase the ability to support various company creation activities. Size of Request: \$500,000

Operating Budget Request - Support for the Policy Consensus Center. For the last few years, the University of Washington and Washington State University have used local funds to support the Policy Consensus Center – which was formed to bring neutral analytical expertise and collaborative approaches to analysis of important public policy initiatives facing the state. In conjunction with Washington State University, the University of Washington is seeking permanent funding for this effort. The presidents of the two institutions will continue to discuss with the Governor the relationship between this effort and the Washington Academy of Sciences that was created in the 2005 legislative session. Size of Request: \$200,000

Operating Budget Request – Support for the E-Science Institute. Nationally and internationally, we are at the dawn of a new era of “e-science” – or alternatively, “cyber-science” or “computational science” or “technical computing”. This area brings science and computing together to address major research problems. The E-Science Institute would build upon the University of Washington’s expertise in computer science, computing infrastructure and life and environmental sciences to pursue significant research and educational initiatives in this critical area. Size of Request: \$3,000,000

Capital Budget Request – Support for the Nanotechnology Research Program. The University will request \$4.5 million in renovation funds to allow for the expansion of the nanotechnology research program. Pending new research recruitments will require renovation of existing space to create laboratories and offices to support this growing program. The State funding requested will leverage university investment in renewal of space to support nanotechnology research. Size of Request: \$4,500,000

Capital Budget Request - Biological Structures Federal Grant Match. The University will request \$4 million as a 1:1 match for the proposed

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UW federal NCRR facilities grant for the Biological Structures Renovation project, which includes some space in the phased H-Wing renovation project. Size of Request: \$4,000,000

Capital Budget Request – Magnuson Health Sciences Complex H-Wing Renovation. An additional \$4 million will be requested for phase 2a of the H-Wing remodel in order to complete infrastructure improvements on the fifth floor and achieve considerable economies in surge costs for the overall H-Wing project. This work is being accelerated in order to realize significant efficiencies in the use of the Biological Structures renovation project funds described above. Size of Request: \$4,000,000

Critical or Emergent Situations

One supplemental budget request is included in this area:

Operating Budget Request - Pacific Northwest Seismic Network. The University has been working with the State Military Department (which houses the State emergency management function) on a joint or coordinated budget request related to improving the ability of the State to respond to earthquake and tsunami hazards. The UW's portion of this request would provide funding for additional staffing for the Pacific Northwest Seismic Network. This additional staffing would allow the UW to provide improved monitoring of natural hazards and to develop improved products to provide warning and rapid notification of earthquake and tsunami hazards. Size of Request: \$400,000.

Disaster Response and Safety Issues

Four supplemental budget requests are included in this area:

Operating Budget Request – Improving the University of Washington's Disaster Response Capability. Both the tsunami that occurred recently in Indonesia and the impacts of hurricanes Katrina and Rita are resulting in government agencies across the country assessing their disaster response capabilities. Last summer University of Washington staff participated in a disaster preparedness drill at the Federal Emergency Management Administration's national training headquarters. This drill simulated the Seattle campus' response to 6.7 magnitude

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earthquake on the Seattle fault with an epicenter two miles south of the university.

While the University has significant disaster response capability in place, the FEMA drill identified a number of areas which require improvement. Examples of improvements needed include: emergency generators; security devices at electrical receiving stations and utility tunnels; enhancement of communication systems; laboratory safety systems; enhanced training for additional Campus Emergency Responders Teams and Pre-entry Entry Assessment Teams. The University is requesting one-time funding of \$2.5 million to implement a number of the recommended disaster response capability improvements that were identified in the FEMA drill. Size of Request: \$2,500,000 (one-time funds)

Capital Budget Request - Replace Earthquake Damaged and Non-Compliant Library Shelving. Most of the shelving in the Engineering Library and a significant amount of shelving in the Social Work Library was damaged/compromised as a result of the Nisqually Earthquake. Following the Nisqually Earthquake, the University completed a survey of all Seattle campus library shelving and determined that shelving in 14 of the University's libraries does not meet current code and would likely be compromised during a future earthquake. The University sought support through the Federal Emergency Management Agency mitigation grant program but was not selected for funding. A phased program for replacing non-compliant shelving has been developed. The University has allocated minor works preservation funds in the amount of \$350,000 for Phase I of the shelving replacement during 2005-07. An additional \$2,650,000 million will be requested from the state to fund the remaining phases of shelving replacement. Size of Request: \$2,650,000

Capital Budget Request - Friday Harbor Dock Replacement. The existing dock and breakwater structures at Friday Harbor Laboratories have been evaluated for safety and structural integrity issues, including an underwater survey, and it has been determined that significant portions of the dock, including decking and utilities, should be replaced. \$2 million is requested for safety repairs to the dock and completion of associated structural and utility work to ensure that the dock will support required vehicular and research vessel uses, and that the three floating breakwaters will be stable during a severe storm event. Size of Request: \$2,000,000

Capital Budget Request – UW Emergency Operations Center. The

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UW Emergency Operations Center is in a building that does not meet current seismic standards – and recent analysis has shown that it is probably not financially feasible to bring the building up to current seismic standards. The University is submitting this request with the expectation that the analysis of alternatives for relocating the Emergency Operations Center can be completed prior to the end of 2005. The UW is asking the State to match an institutional allocation that will support either the upgrading of the current Emergency Operations Center or the relocation of Emergency Operations Center. Size of Request: \$1,000,000.

Technical Issues

Two supplemental budget requests are included in this area:

Operating Budget Request – Unplanned Energy Cost Increases. The Governor’s Office has indicated that they will consider one-time funding in the 2006 Supplemental Budget for unplanned energy cost increases that are occurring in the aftermath of hurricanes Katrina and Rita. Higher education institutions have been asked to work jointly with K-12 institutions. The university will participate in this joint request. Size of Request: \$1,000,000 (will be updated as additional information becomes available)

Capital Budget Request - Release of Restoration Phase II Design Funds. As required by the 2005-07 capital bill, the University will request release of Phase II design funding for the University’s restoration program (Savery Hall, Clark Hall and the Playhouse Theatre). Pre-design documents for these major restoration projects will be submitted to the legislative fiscal committees and to the Office of Financial Management in December for review and approval. This item is simply requesting the release of the already appropriated design funds for these projects. Size of Request: \$0