

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session With*

### B. Finance, Audit and Facilities Committee

## University of Washington 2007-09 State Operating and Capital Budget Requests

### RECOMMENDED ACTIONS

It is the recommendation of the administration, the Academic and Student Affairs Committee, and the Finance, Audit and Facilities Committee that the Board of Regents approve the 2007-09 capital and operating budget requests to the state as they are presented in the following text and tables. In this action item, the Board of Regents:

- Approves the 2007-09 State Capital Budget Request.
- Approves the 2007-09 Consolidated Capital Project List for the six public 4-year colleges and universities. In approving this list, the University of Washington acknowledges that this approach to prioritization, combined with the current structural state capital funding constraints, will leave substantial critical capital funding needs unmet. The University of Washington will therefore be submitting policy requests to address the current structural issues in the State capital budget and to bring more funds to the overall UW capital program.
- Approves the 2007-09 State Operating Budget Request.
- Approves the pursuit of state policy changes that will provide tuition authority necessary to implement a six-year pilot resource plan, address the current structural issues in the state capital budget, provide general revenue bonding authority to the UW, and increase need-based state financial aid.
- Authorizes the Office of Planning and Budgeting to further develop the descriptions of selected 2007-09 budget requests and to prepare and submit other supporting materials that are required by the Office of Financial Management. In addition, the Office of Planning and Budgeting is authorized to continue to work with Washington State University and Eastern

Washington University on how the costs associated with the WWAMI/RIDE Spokane site request will be reflected in the three institutions budgets.

### **Previous Discussion of the 2007-09 State Operating and Capital Budget Requests**

The University of Washington 2007-09 State Operating and Capital Budget Requests were presented as an information item to a joint session of the Academic and Student Affairs Committee and the Finance, Audit and Facilities Committee at the June 2006 meeting of the Board of Regents.

The only numbers that have been changed materially from those in the June presentation are the request numbers associated with the UW/Medicine and UW/Dentistry – Spokane Expansion Request and the request numbers associated with the global health research and teaching activities request. The request numbers for the University of Washington associated with the UW/Medicine and UW/Dentistry – Spokane Expansion Request initiative were reduced because the earlier figures included expenses that are being requested by Washington State University in their state budget request. The request numbers for the global health research and teaching activities have been increased because the university has received feedback from legislative and Office of Financial Management staff that they consider the supplemental budget appropriation for this program for the current fiscal year to be a temporary allocation.

The order in which the 2007-09 State Operating and Capital Budget Requests are presented in this document has also been changed here – with the State Capital Budget Request presented first, and the State Operating Budget Request presented second, and policy requests presented third.

### **Vision/Goals/Objectives**

The 2007-09 Operating and Capital Budget Requests reflect discussions held throughout 2006 regarding the vision, goals and objectives for the University of Washington. The vision statement for the UW is:

The University of Washington educates a diverse student body to become responsible global citizens and future leaders through a challenging and inclusive learning environment informed by cutting-edge scholarship. Discovery is at the heart of our university. We discover and advance timely and useful solutions to the world's most difficult and complex problems of our times, serving and enriching the lives of all people throughout Washington state, the nation, and the world. We are committed to integrity, diversity, excellence, collaboration, and innovation in all that we do.

Among the characteristics that make the UW unique are commitments to: academic excellence; be educators; be world leaders in research; take action to preserve and

enhance the State of Washington; be an academic community that is committed to scholarly exploration in a wide array of academic endeavors; actively pursue global engagement and connectedness; be a public university that serves all of the citizens of the State of Washington.

Specific goals that are guiding the university's actions are:

Goal 1: attract a diverse and excellent student body and provide a rich learning experience

Goal 2: attract and retain an outstanding and diverse faculty and staff

Goal 3: expand the reach of the UW across the globe

Goal 4: strengthen interdisciplinary research and scholarship to tackle "grand challenge" problems that will benefit society and stimulate economic development

Goal 5: insure the highest level of integrity, compliance and stewardship

The UW's 2007-09 State Operating and Capital Budget Requests are structured to support achieving these goals.

### **Program Benchmarks**

As part of the "Creating UW's Future" discussion that has been presented to the Board, the administration is developing key benchmark indicators that will be used to measure and evaluate the success toward achieving the five goals that are discussed above. A draft of these benchmark indicators will be presented to the Board at the September meeting.

### **Funding Benchmarks**

Funding for the University of Washington must be set at a competitive level if the university is to continue to provide a high quality education to students and to achieve the vision and goals set for the institution. One way to assess the ability to achieve these goals is to compare the UW to other universities on various benchmark measures. In developing the 2007-09 State Operating and Capital Budget Requests, several benchmarks were identified. The UW's current status relative to those benchmarks, the potential progress that could be achieved in 2007-09, and the long-term goal on these benchmarks were all identified. A table showing this information is presented on the following page.

**University of Washington**  
**Short-Term and Long-Term Funding Benchmarks**

Benchmark	Current Gap	2007-09 Progress	Long Term Goal (Fiscal Year 2017)
Funding Per FTE Student	\$3,000 to \$5,000 Less Per FTE Than Competitors	Reduce Difference to \$1,000 to \$3,500 Per FTE Less Than Competitors	Funding Per FTE Equal To Competitors by 2013 and Thereafter
Competitive Compensation			
Faculty	Average Salary \$5,000 to \$9,500 Less Than Market Survey	Average Salary \$3,000 to \$7,500 Less Than Market Survey	0% to 5% Above Market Survey
Librarians	Average Salary \$1,000 to \$4,000 Less Than Market Survey	Average Salary \$0 to \$3,000 Less Than Market Survey	0% to 5% Above Market Survey
Professional Staff	Average Salary \$5,000 to \$6,000 Less Than Market Survey	Average Salary \$3,700 to \$5,000 Less Than Market Survey	0 to 5% Above Market Survey
Classified Staff	Market Survey Being Conducted	Labor Negotiations Have Started	0 to 5% Above Market Survey
Facilities			
Operations and Maintenance of Physical Plant	47% of Benchmark Funding Standard	Move New + Renovated Space To 100% of Funding Standard	80% of Benchmark Funding Standard
Capital Investment Deferred Renewal and Modernization Backlog	Facilities Condition Index at 24%	Progress If Policy Requests Acted Upon	Facilities Condition Index at 10%
Information Systems			
Oper. & Maintenance	to be developed		to be developed
System Development	to be developed		to be developed

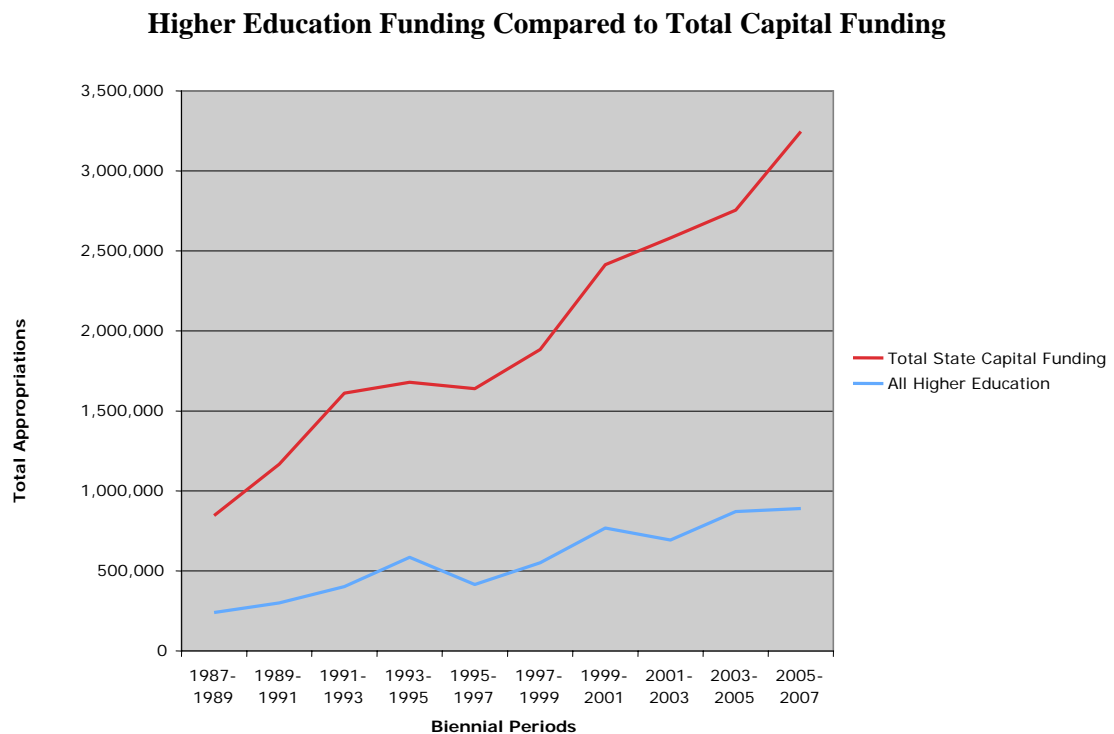
## **2007-09 Capital Budget Request**

### **Investing in the University of Washington's Future Will Require Alternative Capital Funding Models**

Information regarding the decline in higher education capital funding relative to total state capital funding during the past two decades was provided as part of the June 2006 Academic and Student Affairs Committee/Finance, Audit and Facilities Committee meeting materials.

The accumulated demands on the state capital budget have outpaced the capacity of the state to respond adequately to the needs of higher education; these pressures are creating significant and growing structural problems in the capital budget. Since 1985, major new programs in transportation, K-12 education, corrections, and the environment have placed significant demands on the capital budget, and although higher education makes up about two-thirds of all state-owned facilities, the higher education portion of the budget has not kept up with the needs, and in fact has recently declined relative to total capital funding as shown in Figure 1 below.

**Figure 1**

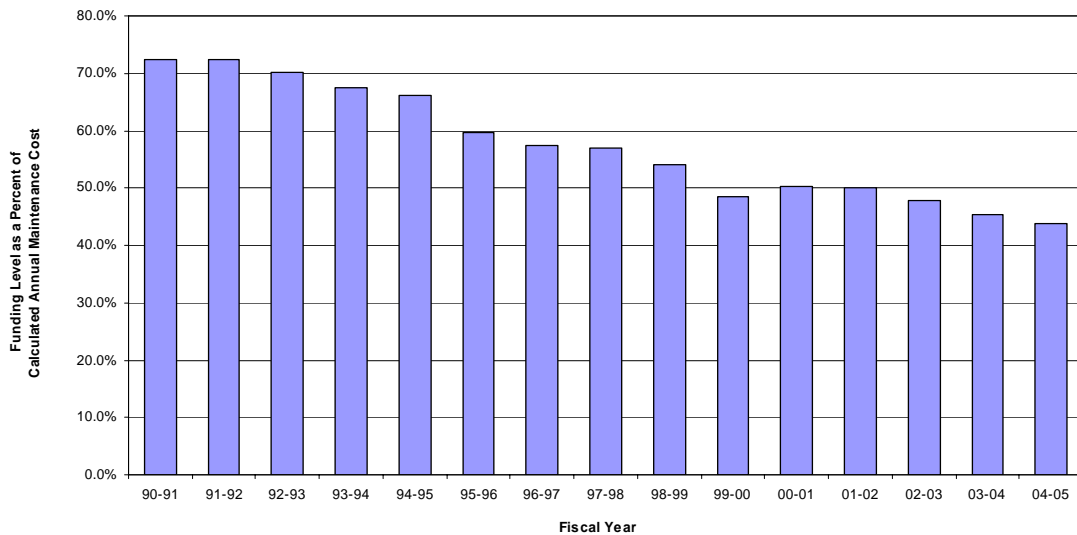


New capital needs in higher education have also placed demands on the capital budget. In 1991, the state's community college system was expanded by the addition of five technical colleges, for which funding was moved from the local school districts and a local bond funding model, to the state funded community and technical college program. In addition to these five technical colleges, Pierce and Cascadia Community Colleges were also added to the state system, increasing the total number of 2-year campuses from 27 in 1991 to the current 34. During this same time frame, "branch" campuses of Washington State University and the University of Washington have been developed in Vancouver, Spokane, Tri-Cities, Tacoma and Bothell, totaling over 1.6 million gross square feet. Capital funding for this expansion has put increasing pressure on the funds needed by the existing campuses and facilities which were generally built prior to the mid-1980's.

The current state capital budgeting approach is unable to generate the amount of capital funds necessary to adequately address the needs of higher education and the needs of the University of Washington specifically. Declining capital support from the state is seriously jeopardizing our long term ability to modernize and maintain our significant capital assets, while meeting the demands of enrollment and program growth. We are not alone in experiencing this state facilities funding shortfall. Many other states have recognized this problem and have developed alternative funding approaches. (Refer to the 2007-09 Policy Requests).

In addition to these capital investments in facilities, operating budget funding for ongoing maintenance and operations has declined significantly over the past several decades. Over time, state operations and maintenance funding has declined to the point that the University of Washington currently receives less than 50% of the recommended formula funding level as illustrated in Figure 2 on the following page.

**Figure 2**  
**Operations and Maintenance Funding has Declined to Less Than Half of the Recommended Funding Formula**



Budget composed of Facilities Services Building and Utility Maintenance (program category 092) budgets. Annual maintenance cost based on calculated Plant Operations and Maintenance formula.

When building maintenance is not completed according to recommended schedules, systems fail and often create the need for more expensive capital projects. For example, when water pipes are not periodically replaced, they fail, causing water damage and creating the need for not only replacing the system, but also repairing the water damage. The long-term underfunding of operations and maintenance has contributed to the significant backlog of deferred renewal projects at the University of Washington. While it may be unrealistic to achieve 100% of the recommended funding level for ongoing operations and maintenance, clearly the current funding level is inadequate. The ten-year plan establishes a goal of increasing the operations and maintenance funding level to an average of 80% of the recommended formula for all state supported space to ensure that our physical plant assets are maintained in good working order. If the 80% goal had been met in 2005-07, the University of Washington would have received about \$70 million in operations and maintenance funding compared to the \$40 million that was budgeted.

### **Catching Up and Keeping Up**

Support for our facilities is critical to the delivery of our programs and to maintaining a nationally competitive research university. In 2003-05 the university set in motion a long-term strategy to address the restoration and preservation of our core campus facilities. The “Restore the Core” program of major building renovations is underway and continues to form a foundation element in our ten-year capital plan. However, to provide the necessary facilities to fully realize our goals, a comprehensive approach of “catching up” and “keeping up” is needed. As we continue implementation of the restoration program to catch up with our backlog, we will also need to increase our ongoing investment in the physical plant in order to keep up with our maintenance and modernization needs.

In 2005-07, the UW’s capital budget request to the state included approximately \$195 million for investments in the existing physical plant. The UW, which accounts for 34% of all higher education total square footage and 28% of all state-supported program space in the state, hit a historic low point in state capital budget support, receiving only about 10% of state higher education capital funding. This funding level does not even approach a “depreciation” funding level.

While public agencies do not budget for depreciation *per se*, budgeting for renewal and modernization as a percentage of current replacement value (CRV) is a nationally recognized approach. This depreciation allowance is intended to maintain the physical plant in good condition for its present use, and allow for modernization to alter facilities for changes in program use and address building and safety codes. Applying a range of 2% to 3% depreciation funding, and using a CRV of approximately \$4.7 billion in UW state-supported space (excluding our auxiliary units such as housing and dining services, parking, athletics, and the hospital), the level of depreciation funding that would be required for the University of Washington would be roughly \$90 to \$140 million annually.

Higher education facilities managers frequently use a benchmark known as the Facilities Condition Index or “FCI” to monitor overall building condition. FCI is the cost of the backlog of facility repairs divided by the current replacement value of the facility. At the University of Washington we track our backlog of repair and modernization needs and currently report a campuswide average of around 24% FCI for our state-supported facilities (excluding auxiliaries).

As part of our ten-year capital plan, the University of Washington has established a goal of achieving and maintaining an overall facilities condition index, or needs index of around 10% for our state-supported facilities. In round numbers, in order to reduce the current backlog of about \$1.3 billion to about \$500 million over the ten-year plan period (approximately 10% of our \$4.7 billion physical plant assets) we would want to invest approximately \$160 million each biennium. Therefore, as shown in the table below, the total capital investment required to catch-up with our facilities needs,



including depreciation and backlog reduction is approximately \$350 million per biennium.

**Depreciation and Backlog Reduction Funding  
for Existing UW State-Supported Facilities  
(in millions)**

	<b><u>Current 2005-07</u></b>	<b><u>2007-09</u></b>	<b><u>Six-Year Plan</u></b>	
			<b><u>2009-11</u></b>	<b><u>2011-13</u></b>
Depreciation @ 2% of CRV	\$188	\$195	\$200	\$205
Backlog Reduction	\$160	\$160	\$160	\$160
<b>Total Need</b>	<b>\$348</b>	<b>\$355</b>	<b>\$360</b>	<b>\$365</b>
Budget/Planned Request	\$160	\$210	\$213	\$175
<b>Remaining Need</b>	<b>\$188</b>	<b>\$145</b>	<b>\$147</b>	<b>\$190</b>

If our proposed 2007-09 capital request to the state were to be fully funded it would be a record high level of UW capital support from the state, and as shown above would still leave a shortfall of approximately \$150 to \$200 million a biennium in the six-year plan before addressing new growth. Clearly the current state system of capital funding is unable to generate sufficient capital funds to meet the University of Washington's needs. The recommended policy requests will initiate discussion between the University of Washington and the state and aimed at finding new approaches to address these needs.

**Capacity and Program Growth**

Our capital facilities needs are much more than just maintaining our existing physical plant. In order to achieve our goals with regard to capacity and program growth, new facilities at the Seattle campus, and continued expansion at Bothell and Tacoma are also necessary. We are requesting planning and design funding for a new interdisciplinary academic building on the Seattle campus which will provide program expansion space for research in molecular engineering and related disciplines. We are also requesting funding for computing and communications infrastructure including a state contribution to expansion of our data center capacity. Our request includes pre-design and design funding for Phase 3 of the capacity expansion at Bothell and completion of the pre-design for Phase 3 at Tacoma. We are also requesting pre-design funding for an expansion to Gould Hall to modernize and expand program space for the College of Architecture and Urban Planning. In total (as shown in the table below), the request includes \$30 million in capital investment

for capacity and program growth, which will place important new construction projects in the funding schedule for the next two biennia.

**Capital Investment Needed to Increase Capacity and Support Program Growth  
(in millions)**

	<b>Current <u>2005-07</u></b>	<b><u>2007-09</u></b>	<b>Six-Year Plan <u>2009-11</u></b>	<b><u>2011-13</u></b>
<b>Capacity and Program Growth</b>	\$4	\$30	\$112	\$62

**Six Year Capital Plan**

The 2007-09 six-year capital plan has been developed in the context of the current state capital budget structure, and in recognition of the fact that the state is currently not capable of providing adequate capital funding to meet the needs of catching up, keeping up, and growing our capacity and programs. Details of the proposed six-year state funded capital plan for the UW are shown in Table 1 on the following page.

**Table 1**  
**2007-09 Six-Year Capital Plan**

		<b>2007-2009 State Funds</b>	<b>Local Funds UW BLDG.</b>	<b>2007-2009 All Sources Total</b>	<b>Total Anticipated Need 2009-2011</b>	<b>Total Anticipated Need 2011-2013</b>	<b>6 yr. Request Total</b>
<b>State-Funded Projects</b>							
1	Minors "A"		28,000	<b>28,000</b>	50,000	50,000	128,000
2	Restoration Phase III ( IV & V) <sup>1</sup>	97,042		<b>97,042</b>	99,100	62,000	258,142
3	Interdisc. Academic Bdg #2, P/D	5,000		<b>5,000</b>	57,000		62,000
4	Computing & Comm/Data Center	25,000		<b>25,000</b>	15,000	5,000	45,000
5	Agg. Intermd. Stdnt. Svs. & Classrm. Imprv	15,000		<b>15,000</b>	5,000	2,000	22,000
6	UW Tacoma Phase 3, P	150		<b>150</b>	6,000	54,000	60,150
7	UW Bothell Phase 3, P/D	5,000		<b>5,000</b>	48,000		53,000
8	Agg. Intermd. Infrastructure Project	15,000	3,000	<b>18,000</b>	8,000	8,000	34,000
9	Preservation Minors "B"	20,000		<b>20,000</b>	20,000	20,000	60,000
10	Program Minors "B"	10,000		<b>10,000</b>	10,000	10,000	30,000
11	Gould Hall Build Out, P	150		<b>150</b>	600	7,500	8,250
12	UW Tacoma Assembly Hall C	1,600		<b>1,600</b>			1,600
<b>Total Request</b>		<b>193,942</b>	<b>31,000</b>	<b>224,942</b>	<b>318,700</b>	<b>218,500</b>	<b>762,142</b>

<sup>1</sup> The Restoration phases consist of the projects below from the Building Restoration and Renewal Prioritization Study

<b>Phase III 2007-2009</b>		<b>Phase IV 2009-2011</b>	
Savery Hall - Construction	54,910	Denny Hall - Construction	45,000
Clark Hall - Construction	15,554	Lewis Hall - Construction	11,600
Playhouse Theater - Construction	6,578	Balmer Hall - Construction	36,000
H-Wing - Construction	10,000	Miller Hall - Predesign/Design	4,000
Denny Hall - Predesign/Design	4,000	Anderson - Predesign/Design	2,500
Lewis Hall - Predesign/Design	2,000	<b>TOTAL</b>	<b>99,100</b>
Balmer Hall - Predesign/Design	4,000		
<b>TOTAL</b>	<b>97,042</b>		
		<b>Phase V 2011-13</b>	
		Miller Hall - Construction	40,000
		Anderson Hall - Construction	16,000
		Hutchinson Hall - Predesign/Design	3,000
		Harris Hydraulics - Predesign/Design	2,000
		Eagleson Hall - Predesign/Design	1,000
		<b>TOTAL</b>	<b>62,000</b>

<b>UW Building Account Projection</b>	<b>2007-2009</b>
<b>Sources:</b>	
Metro Tract	16,000
Building Fee	21,000
Timber Revenue	1,000
	<b>\$ 38,000</b>
<b>Uses:</b>	
Existing Debt	7,000
	<b>\$ (7,000)</b>
<b>Available for Appropriation</b>	<b>\$ 31,000</b>

## **Washington State Public Baccalaureate Institution Prioritized Capital Project List**

For the second biennium, Washington's six public baccalaureate institutions have been required by the state to prepare a single prioritized list of capital project requests. The important information collected as part of this exercise is the level of total state needs for the four-year institutions, relative to the size of the statewide capital budget. If taken collectively, the ten-year plan needs of the baccalaureate institutions would exceed \$5 billion. The proportionality reflected in the 2007-09 prioritized list is summarized in the table below.

### **4-Year Institution Prioritized Capital Project List Funding Percentages at Various State Capital Budget Funding Levels**

	<b><u>\$300M</u></b>	<b><u>\$350M</u></b>	<b><u>\$400M</u></b>
<b>UW</b>	<b>\$93M (31%)</b>	<b>\$127M (35%)</b>	<b>\$142M (34%)</b>
<b>WSU</b>	<b>\$103M (34%)</b>	<b>\$118M (33%)</b>	<b>\$147M (36%)</b>
<b>WWU</b>	<b>\$35M (12%)</b>	<b>\$35M (10%)</b>	<b>\$43M (10%)</b>
<b>CWU</b>	<b>\$33M (11%)</b>	<b>\$40M (11%)</b>	<b>\$43M (10%)</b>
<b>EWU</b>	<b>\$26M (9%)</b>	<b>\$26M (7%)</b>	<b>\$26M (6%)</b>
<b>TESC</b>	<b>\$10M (3%)</b>	<b>\$12M (3%)</b>	<b>\$12M (3%)</b>

The University of Washington has complied with this required action and the prioritized list is shown in Table 2 (on the following two pages). However, the creation and use of this list does not address the fundamental problem of the insufficient level of state capital funding for the UW in particular and for the higher education sector in general.

**Table 2**  
**Public Baccalaureate Institution Prioritized Capital Project List**  
(page 1)

INSTIT	PROJECT	STATE FUNDS REQ	TYPE	PHASE	COP RANK	RUNNING TOTAL
UW	MINOR WORKS PRESERVATION A	0				0
WSU	MINOR WORKS PRESERVATION A	18,900,000				18,900,000
CWU	MINOR WORKS PRESERVATION A	6,000,000				24,900,000
EWU	MINOR WORKS PRESERVATION A	12,000,000				36,900,000
WWU	MINOR WORKS PRESERVATION A	10,000,000				46,900,000
TESC	MINOR WORKS PRESERVATION A	4,100,000				51,000,000
UW	MINOR WORKS PROGRAM A	0				51,000,000
WSU	MINOR WORKS PROGRAM A	0				51,000,000
CWU	MINOR WORKS PROGRAM A	4,000,000				55,000,000
EWU	MINOR WORKS PROGRAM A	4,000,000				59,000,000
WWU	MINOR WORKS PROGRAM A	3,000,000				62,000,000
TESC	MINOR WORKS PROGRAM A	930,000				62,930,000
WSU	Life Sciences (R&EC #2)	58,000,000	Program	C	1	120,930,000
WWU	Miller Hall Renovation	5,523,000	Preserv	D	2	126,453,000
WWU	Carver Academic Renovation	400,000	Preserv	P	3	126,853,000
WSU	Utilities Extension	11,536,000	Preserv	C	4	138,389,000
WWU	(A I) Academic Facility Modernization Projects	16,000,000	Program	D C	5	154,389,000
UW	Savery Hall	54,910,000	Preserv	C	6	209,299,000
WSU	Library Rd. Infrastructure	15,000,000	Preserv	C	7	224,299,000
TESC	CAB Building	4,900,000	Preserv	C	8	229,199,000
CWU	Dean Hall	23,200,000	Preserv	C	9	252,399,000
EWU	Hargreaves Hall	10,821,000	Preserv	C	10	263,220,000
UW	Clark Hall	15,554,000	Preserv	C	11	278,774,000
UW	Playhouse Theater	6,578,000	Preserv	C	12	285,352,000
UW	MHSC H-Wing	10,000,000	Preserv	C	13	295,352,000
UW	Denny Hall	4,000,000	Preserv	P D	14	299,352,000
UW	Lewis Hall	2,000,000	Preserv	P D	15	301,352,000
UW	Balmer Hall	4,000,000	Preserv	P D	16	305,352,000
UW	Interdisciplinary Academic Building # 2	5,000,000	Program	P D	17	310,352,000
UW	Computing & Communications/Data Center	25,000,000	Program	C	18	335,352,000
TESC	Longhouse Expansion	1,700,000	Program	C	19	337,052,000
CWU	Combined Utilities	6,800,000	Preserv	D C	20	343,852,000
WSU	(A I) University-Wide Infrastructure	14,360,000	Preserv	C	21	358,212,000
WSU	(A I) Preservation Projects	4,740,000	Preserv	C	22	362,952,000
CWU	Hogue Renovation/Addition	3,000,000	Program	D	23	365,952,000
UW	(A I) Student Services and Classroom Improvements	15,000,000	Program	C	24	380,952,000
WWU	(A I) Safety & Risk Reduction Projects	8,000,000	Preserv	D C	25	388,952,000
WSU	Vancouver: Undergraduate Classroom Bldg	24,350,000	Preserv	C	26	413,302,000
EWU	Robert Reid Lab School Renovation	3,500,000	Preserv	C	27	416,802,000
EWU	Patterson Hall Renovation	2,000,000	Program	D	28	418,802,000
WWU	(A I) Systems Modernization Projects	6,400,000	Program	D C	29	425,202,000
WSU	Dana Renovation	3,700,000	Preserv	D	30	428,902,000
TESC	COMM Building	8,700,000	Program	D C	31	437,602,000
UW	Tacoma 3	150,000	Program	P	32	437,752,000
UW	Bothell 3	5,000,000	Program	P D	33	442,752,000
UW	(A I) Infrastructure Projects	15,000,000	Preserv	P D C	34	457,752,000
WSU	Biomedical Sciences (R&EC#4)	7,400,000	Program	D	35	465,152,000
WSU	Multi-discipline Facility Renovation	15,200,000	Preserv	C	36	480,352,000
EWU	Riverpoint (OFM Proviso)	0	Program	P D	37	480,352,000
CWU	(A I) Building Renovation/System Modernization/Consolidation	4,800,000	Program	D C	38	485,152,000
CWU	(A I) Academic Facility & Systems Modernization	7,600,000	Preserv	D C	39	492,752,000
EWU	Martin-Williamson Hall	2,000,000	Program	D	40	494,752,000
WWU	Wilson Library Renovation	350,000	Preserv	P	41	495,102,000
WWU	Art Annex Renovation	4,850,000	Preserv	D C	42	499,952,000
WWU	Campus Roadways Development	3,500,000	Program	D	43	503,452,000

**Table 2**  
**Public Baccalaureate Institution Prioritized Capital Project List**  
(Page 2)

WWU	Rec/PE Fields Phase II	4,900,000	Program	D C	44	508,352,000
WSU	Wastewater Reclamation	12,700,000	Preserv	C	45	521,052,000
WSU	Washington Building	5,600,000	Preserv	C	46	526,652,000
TESC	CRC	200,000	Program	P	47	526,852,000
WSU	Prosser: Multipurpose Bldg. Phase 2	1,500,000	Program	C	48	528,352,000
WSU	Riverpoint: S. Campus Facility, Phase 2	3,800,000	Preserv	C	49	532,152,000
WSU	(AI) University-Wide Network Infrastructure	8,000,000	Preserv	C	50	540,152,000
WSU	Animal Diagnostic & Research Biocontainment	7,200,000	Program	D	51	547,352,000
EWU	Physical Education Facility Improvements	3,000,000	Program	C	52	550,352,000
WSU	Troy Renovation	1,800,000	Preserv	D	53	552,152,000
EWU	Recreation Facilities Improvements	3,500,000	Program	C	54	555,652,000
UW	Gould Hall Buildout	150,000	Program	P	55	555,802,000
UW	UW-Tacoma Assembly Hall	1,600,000	Program	C	56	557,402,000
WSU	Vancouver: Library 2nd Floor	3,700,000	Preserv	C	57	561,102,000
EWU	Washington Street Boulevard Improvements	5,000,000	Program	C	58	566,102,000
TOTAL REQUEST ALL PUBLIC BACCALAUREATE INSTITUTIONS		566,102,000				566,102,000
UW	Minor Works Preservation B	40,000,000				606,102,000
UW	Minor Works Program B	15,000,000				621,102,000
WSU	Minor Works Preservation B	15,000,000				636,102,000
WSU	Minor Works Program B	22,000,000				658,102,000
CWU	Minor Works Preservation B	9,500,000				667,602,000
CWU	Minor Works Program B	8,500,000				676,102,000
EWU	Minor Works Preservation B	5,000,000				681,102,000
EWU	Minor Works Program B	2,000,000				683,102,000
WWU	Minor Works Preservation B	8,000,000				691,102,000
WWU	Minor Works Program B	8,000,000				699,102,000
TESC	Minor Works Preservation B	9,600,000				708,702,000
TESC	Minor Works Program B	1,700,000				710,402,000

## **2007-09 State Operating Budget Request**

Funding requests proposed by the administration for inclusion in the UW's 2007-09 State Operating Budget Request are presented in the sections that follow this introduction. The proposed budget requests are categorized by institutional goals.

For the 2007-09 Operating Budget Requests, the administration does not intend to present to the Board the actual text that will be submitted to the Office of Financial Management for these requests. Instead, the administration is asking the Board to approve the budget request categories and the amounts that will be requested.

An overall summary of the UW's 2007-09 Operating Budget Request is shown in the table below.

### **Summary of UW 2007-09 State Operating Budget Request**

<b>Fiscal Year 2007 State General Fund Base:</b>	<b>360,892,000</b>
	<b>FY 2009 Increase in General Fund Appropriation</b>
<b><u>UW 2007-09 State Operating Budget Request</u></b>	<b><u>UW 2007-09 State Operating Budget Request</u></b>
<b>Goal 1: Attract a Diverse and Excellent Student Body and Provide a Rich Learning Experience</b>	17,720,000
<b>Goal 2: Attract and Retain and Outstanding and Diverse Faculty and Staff</b>	40,550,000
<b>Goal 3: Expand the Reach of the UW Across the Globe</b>	2,500,000
<b>Goal 4: Strengthen Interdisciplinary Research and Scholarship to Tackle "Grand Challenge" Problems that will Benefit Society and Stimulate Economic Development</b>	9,362,000
<b>Goal 5: Insure the Highest Level of Integrity, Compliance and Stewardship</b>	5,860,000
<b>Total FY 2009 Funding for New Requests:</b>	<b>75,992,000</b>
<b>FY 2009 General Fund Base with New Requests:</b>	<b>436,884,000</b>
Percentage Increase over FY 2007 level:	21%
<b>Restoration of Shift of Funds from Operating to Capital:</b>	13,000,000
<b>General Fund Base for FY 2009 if All Requests Funded:</b>	<b>449,884,000</b>

Goal 1: Attract a Diverse and Excellent Student Body and Provide a Rich Learning Experience

Five budget requests related to this goal are summarized below:

- a consolidated UW new enrollment request;
- an undergraduate experience request;
- a support services for diverse populations request;
- a graduate/professional student career advising/mentoring request; and
- a K-12 outreach activities request.

These five requests combined would add \$8,860,000 of State General Fund support in FY 2008, \$17,720,000 of State General Fund support in FY 2009 – for a total of \$26,580,000 for the 2007-09 biennium.

**Consolidated UW New Enrollment Request**

Proposed new student enrollments by campus and type are shown in table on the following page. The UW is requesting \$7,360,000 of State General Fund support in FY 2008 and \$14,720,000 of State General Fund support in FY 2009 for enrollment growth on all three campuses.



**2007-09 Biennium State Operating Budget Request  
Requested New Enrollments**

<b>UW/Campus</b>	<b>FY 2007 Student FTE</b>	<b>New FTE in FY 2008</b>	<b>New FTE in FY 2009</b>	<b>FY 2009 Student FTE</b>
<u>UW/Seattle</u>				
Undergraduate		250	250	
Graduate		75	75	
Professional		25	25	
Total UW/Seattle:	33,367	350	350	34,067
<u>UW/Bothell</u>				
Undergraduate - lower division		125	125	
Undergraduate - upper division		95	95	
Graduate		30	30	
Total UW/Bothell:	1,540	250	250	2,040
<u>UW/Tacoma</u>				
Undergraduate - lower division		125	125	
Undergraduate - upper division		115	115	
Graduate		30	30	
Total UW/Tacoma:	1,869	270	270	2,409
Three campus total:	36,776	870	870	38,516

As can be seen in the table, the UW is requesting a total of 870 additional student FTE in each year of the 2007-09 biennium. To the extent possible, the undergraduate expansion at UW/Seattle will be in areas that have been discussed as “high demand” areas (i.e. math, science, engineering and health sciences). The requested new enrollments at UW/Bothell and UW/Tacoma are large additions compared to the current student base – approximately 15% growth per year at both campuses.

Although the UW’s 2007-09 new enrollment request is shown by campus for this discussion with the Board, in the materials actually submitted to the Office of Financial Management the administration intends to present a consolidated new enrollment request – in the hope of initiating a discussion

with the Office of Financial Management about giving the UW greater flexibility in determining how new enrollments allocated to the UW are assigned by campus.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	7,360,000	14,720,000	22,080,000

**Undergraduate Experience Request**

The UW is requesting \$750,000 in State General Fund support in FY 2008 and \$1,500,000 of State General Fund support in FY 2009 for initiatives to improve the undergraduate experience.

The request for state support for initiatives to improve the undergraduate experience at the UW will have a number of components that could include:

support for a virtual/physical Student Resource Center;

student advising reform and expansion of pool of advisors;

further development/expansion of the honors program.

This request will focus on elements that either improve the ease with which students can conduct transactions that they need to do, provide access to alternative options for receiving advising, increase the availability of advising, or expand the availability of special programs available to undergraduates.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	750,000	1,500,000	2,250,000

**Support Services for Diverse Populations Request**

The UW is requesting \$250,000 in State General Fund support in FY 2008 and \$500,000 of State General Fund support in FY 2009 for initiatives to better support the diverse student population at the UW.

Overall the UW has been successful at recruiting a student population that includes: students from low income families; students from almost every state in the nation; international students; and students from various ethnic, racial

and religious groups. In order to increase the likelihood that the university both

retains students from these diverse groups and maximizes the likelihood that these students are academically successful, the university will seek state funding to expand the availability of support services for these diverse populations.

**2007-09 State General Fund Support Request**

	<b>FY 2008</b>	<b>FY 2009</b>	<b>2007-09 Biennium</b>
UW Request	250,000	500,000	750,000

**Graduate/Professional Student Career Advising/Mentoring Request**

The UW is requesting \$250,000 in State General Fund support in FY 2008 and \$500,000 of State General Fund support in FY 2009 for initiatives to provide better advising and mentoring services to graduate and professional students.

A number of the university's professional schools have established programs that provide career advising services to their students. However, the Graduate and Professional Student Senate has consistently highlighted that the availability of services in this general area is not coming close to meeting the needs that many graduate and professional students have identified. While the university has made some investments in this area in recent years from local funds, much more could be accomplished with additional funding.

**2007-09 State General Fund Support Request**

	<b>FY 2008</b>	<b>FY 2009</b>	<b>2007-09 Biennium</b>
UW Request	250,000	500,000	750,000

**Support for K-12 Outreach Activities Request**

The UW is requesting \$250,000 in State General Fund support in FY 2008 and \$500,000 of State General Fund support in FY 2009 for initiatives to expand selected activities with the K-12 educational sector.

The university has many activities that either directly or indirectly support the K-12 education system including programs that: assist students in being

better prepared to apply for college; involve undergraduate students in tutoring and other activities that support K-12 students; and provide teacher training. For many years, the state has been interested in how the state’s higher education institutions can assist the K-12 system even more than they do now in smoothing the transition of students from the K-12 system to the higher education system. This is currently a topic of the governor’s “Washington Learns” initiative. The university will seek additional state funding to expand its efforts in this realm.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	250,000	500,000	750,000

## Goal 2: Attract and Retain an Outstanding and Diverse Faculty and Staff

The success of the university is a combination of the quality of its faculty, staff and facilities. The university is proposing three operating budget requests that relate to the goal of attracting and retaining an outstanding and diverse faculty and staff:

a competitive compensation request;

a request for funding for salary awards for teaching excellence; and

a request to support the Leadership, Community and Values Initiative.

These three requests combined would add \$20,850,000 of State General Fund support in FY 2008, \$40,550,000 of State General Fund support in FY 2009 – for a total of \$61,400,000 for the 2007-09 biennium.

### **Competitive Compensation Request**

The UW is requesting \$20,500,000 in State General Fund support in FY 2008 and \$40,100,000 of State General Fund support in FY 2009 for competitive compensation.

In order to attract and retain the best faculty and staff, the university must pay competitive salaries for all classes of employees. Currently salaries for all classes of employees at the UW lag behind relevant comparison groups. If the UW is to continue to be competitive, progress must be made at closing the salary gaps that currently exist. In the 2007-09 State Operating Budget Request the UW will ask for funding to support a 5% average salary increase in both FY 2008 and FY 2009 for all employee groups.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	20,500,000	40,100,000	60,600,000

### **Salary Awards for Teaching Excellence Request**

The UW is requesting \$100,000 in State General Fund support in FY 2008 and \$200,000 of State General Fund support in FY 2009 so that permanent salary awards can be provided for distinguished teaching.

Faculty members who receive a distinguished teaching award currently receive a one-time monetary award. The university will seek state funding so

that during the 2007-09 biennium it can provide permanent salary increases to faculty members who receive distinguished teaching awards or other awards recognizing their academic or service excellence (such as being named to a national academy).

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	100,000	200,000	300,000

**Leadership/Community/Values Initiative Request**

The UW is requesting \$250,000 in State General Fund support in FY 2008 and \$250,000 of State General Fund support in FY 2009 for the Leadership, Community and Values Initiative.

The Leadership, Community and Values Initiative focuses on several key issues for the university: effective leadership and decision-making, engagement, job satisfaction and provision of resources, and the climate for diversity. The university has supported this effort for several years with both permanent and temporary local funds. The university will seek state support for an expansion of efforts in this area.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	250,000	250,000	500,000

### Goal 3: Expand the Reach of the UW Across the Globe

The university is proposing two operating budget requests that relate to the goal of expanding the UW's reach across the globe:

a request for support to expand the international opportunities available to students; and

a request for additional support for global health teaching and research activities.

These two requests combined would add \$1,500,000 of State General Fund support in FY 2008, \$2,500,000 of State General Fund support in FY 2009 – for a total of \$4,000,000 for the 2007-09 biennium.

#### **Expansion of International Programs/Opportunities Request**

The UW is requesting \$500,000 in State General Fund support in FY 2008 and \$1,000,000 of State General Fund support in FY 2009 to expand the international opportunities available to students.

While UW students currently have many opportunities to participate in international programs, the potential to expand these opportunities is almost endless. International experiences provide valuable educational perspective to students. In addition, as companies become “multi-national” and the economy becomes more global, international experiences are important in helping graduates become more competitive candidates for employment. The university will seek state support for an expansion of efforts in this area.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	500,000	1,000,000	1,500,000

#### **Global Health Research and Teaching Activities Request**

The UW is requesting \$1,000,000 in State General Fund support in FY 2008 and \$1,500,000 of State General Fund support in FY 2009 for global health research and teaching activities.

The School of Medicine and the School of Public Health and Community Medicine have formed a new Global Health Department.

In the 2006 legislative session, state funding was provided to the university to initiate this effort. Many of the issues that will be addressed by the faculty in this department are critical to the state, the nation and the world. In addition to state support, the university is seeking donor/foundation support for critical initiatives that might be undertaken by this department. Furthermore, the university believes that additional state investment in this area will leverage a substantial amount of federal research support. The university will seek further support from the state for this important effort.

The request figures have been adjusted upward to reflect the current view of legislative and Office of Financial Management staff that the supplemental budget funding approved for this initiative for FY 2007 was intended to be temporary funding.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	1,000,000	1,500,000	2,500,000



Goal 4: Strengthen Interdisciplinary Research and Scholarship to Tackle “Grand Challenge” Problems that will Benefit Society and Stimulate Economic Development

The university is proposing three operating budget requests related to the goal of strengthening interdisciplinary research:

- a request for support of expansion of medical and dental student education in Spokane;
- a request for funds to support research efforts in cutting-edge fields, and
- a request for increased operations and maintenance funding for research space.

These three requests combined would add \$3,884,000 of State General Fund support in FY 2008 and \$9,362,000 of State General Fund support in FY 2009 – for a total of \$13,246,000 for the 2007-09 biennium.

**UW/Medicine and UW/Dentistry – Spokane Expansion Request**

The UW is requesting \$884,000 in State General Fund support in FY 2008 and \$3,362,000 of State General Fund support in FY 2009 for the expansion of UW/Medicine and UW/Dentistry programs in Spokane.

Both the UW School of Medicine and the UW School of Dentistry have been engaged in feasibility studies of expanding their programs in the Spokane area. For the School of Medicine, this would involve adding a WWAMI site in Spokane and expanding the number of medical students educated in the state. For the School of Dentistry, a new Regional Initiatives in Dental Education (RIDE) program would be initiated. Both of these proposed program expansions are described in more detail in Appendix 1.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	884,000	3,362,000	4,246,000

Note that there is a capital component of this request as well. Approximately \$6.5 million of additional capital would have to be allocated out of the “minor works” capital allocation to pay for remodels of School of Medicine and School of Dentistry teaching space in Seattle.

### **Interdisciplinary Research Support Request**

The UW is requesting \$1,000,000 in State General Fund support in FY 2008 and \$2,000,000 of State General Fund support in FY 2009 for interdisciplinary research efforts.

In the past, the university has been successful at receiving state support for research efforts in cutting-edge fields. The university will once again seek state support for new interdisciplinary research initiatives. The concept is basically the same as that in past budget requests – the university would hire a small cluster of faculty members in an up and coming interdisciplinary research area. Among the interdisciplinary research areas that are possibilities for this funding are: a nanotechnology institute; the NEPTUNE Project; molecular engineering; regenerative sciences; computational intensive research efforts; or selected environmental stewardship projects.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	1,000,000	2,000,000	3,000,000

### **Request for Increased Support for Operations and Maintenance of Research Space**

The UW is requesting \$2,000,000 in State General Fund support in FY 2008 and \$4,000,000 of State General Fund support in FY 2009 for operations and maintenance of research space.

For a number of years, the university has been in an ongoing discussion on the importance of state support for research activities of the UW. One element of such support is operations and maintenance funding for research buildings. In the 2006 legislative session, the university was successful in receiving additional state funds to support the operations and maintenance of research buildings. The university will again seek incremental state support for the operations and maintenance of research space.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	2,000,000	4,000,000	6,000,000

### Goal 5: Insure the Highest Level of Integrity, Compliance and Stewardship

The university is proposing four operating budget requests that relate to the goal of insuring the highest level of integrity, compliance and stewardship:

a request for funding to support the university's enterprise risk management efforts;

a request for funding to support technology advisory committee recommendations;

a request to increase building operations and maintenance funding for selected buildings toward a benchmark level; and

a request to restore building operations and maintenance funding temporarily paid for from the capital budget during the 2005-05 and 2005-07 biennia.

These four requests combined would add \$4,360,000 of State General Fund support in FY 2008 and \$5,860,000 of State General Fund support in FY 2009 – for a total of \$10,220,000 for the 2007-09 biennium.

#### **Enterprise Risk Management Request**

The UW is requesting \$500,000 in State General Fund support in FY 2008 and \$1,000,000 of State General Fund support in FY 2009 for the expansion of enterprise risk management activities.

A university committee been assessing enterprise risk management practices. A number of recommendations have come out of this effort. Some local funding is being allocated to this purpose as part of the UW's FY 2007 budget. However, if the state provided additional support, it would be possible to expand efforts even further in critical areas like information technology security and internal audit staffing.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	500,000	1,000,000	1,500,000

### **Support for Implementation of Technology Advisory Committee Recommendations**

The UW is requesting \$2,000,000 in State General Fund support in FY 2008 and \$3,000,000 of State General Fund support in FY 2009 for the implementation of recommendations of campus technology advisory committees.

The university has established technology advisory committees that regularly assess the status and needs in both the academic technology realm and in the administrative computing realm. The university will seek state support for implementation of some of the recommendations coming from these advisory committees. Some of this funding could be for the replacement/expansion of classroom technology and for expansion of programs that help faculty integrate new technology into their teaching. The funding could also be used for support of maintenance of existing administrative computing systems, enhancements to those systems, and to support initial planning for the eventual replacement of those systems.

#### **2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	2,000,000	3,000,000	5,000,000

### **Request to Increase Building Operations and Maintenance Funding Toward Benchmark Level**

As was presented in the “funding benchmarks” section above, the university has established a funding target for building operations and maintenance expenses. As part of the 2007-09 State Operating Budget request, the university will request state support to move building operations and maintenance funding for selected buildings to the benchmark that has been identified. The trigger point for making such an operations and maintenance funding request will be when a new facility is constructed or when a major renovation of an existing facility is completed. The university will request that new operations and maintenance funding be provided to bring the operations and maintenance funding for such buildings up to the funding goal of 80% of the recommended formula level.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	1,860,000	1,860,000	3,720,000

**Request to Restore Building Operations and Maintenance Funding  
Temporarily Funded from the Capital Budget During the 2003-05 and  
2005-07 Biennia**

In the 2003-05 and 2005-07 state budgets, the legislature transferred a substantial amount of building operations and maintenance expenses for all higher education institutions from the operating budget to the capital budget. As the appropriations in the state capital budget are two-year appropriations, the state support for these critical building operations and maintenance expenses expires at the end of the biennium. The state must make the choice to either: continue to fund these expenses from the 2007-09 capital budget; restore these funds in the operating budgets of the higher education institutions; or do neither of these two options which would be significant budget cut for all of the higher education institutions.

**2007-09 State General Fund Support Request**

	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>2007-09 Biennium</u></b>
UW Request	13,000,000	13,000,000	26,000,000

## **2007-09 Policy Requests**

During the 2007 legislative session, the Board of Regents authorizes the administration to pursue a number of policy initiatives.

### **Undergraduate Resident Tuition Increase Authority**

For a number of years, the university has discussed the importance of competitive funding with the governor and the legislature. As this discussion is continued during the 2007 legislative session, the UW's funding gap relative to comparison institutions is \$3,000 - \$5,000/student FTE. The university will again point out that if the UW is to continue to provide the quality of education students and their parents expect and deserve, the size of this funding gap needs to close. In order to make progress on closing the funding gap, both State General Fund investment and tuition revenue need to increase – and the greater the increase in State General Fund investment the less pressure there is to increase tuition.

If most of the requests for funding that are included in the university's 2007-09 State Operating Budget Request were funded, the pressure to raise undergraduate resident tuition in order to maintain a competitive funding level would be reduced. To the extent that the governor and legislature are unable to provide sufficient additional State funds to make progress on competitive funding, there will be greater pressure to raise undergraduate resident tuition. If this is the situation faced during the 2007 legislative session, the university will ask that the governor and legislature provide some additional local authority over the level of undergraduate resident tuition for a test period of six years. Such time-limited authority would give the governor, the legislature and the university time to work on achieving an agreed upon balance of State General Fund support, tuition support, access and agreed upon program goals.

### **Investigation of Alternative Capital Funding Mechanisms**

During the 2006 legislative session, the university started a discussion with the legislature about the inability of the State's current capital funding mechanisms to adequately address the significant capital funding needs of its higher education institutions. The administration wants to continue this discussion during the 2007 legislative session. The university will make the case that if the State is unable to address the UW's capital funding needs because of the problem in the State's capital funding structure, alternative options for raising critically needed capital funds need to be considered. The option of simply letting the UW's existing facilities deteriorate and not constructing new facilities to meet new educational/student service needs is not a viable choice for the state.

There are alternative funding models that we can consider to help ensure that we can invest wisely and responsibly, and continue to serve the state as effective stewards of the University of Washington's capital assets. In order to do this, the administration will enter into discussions with the state about ways to bring new funds to the capital program, including:

- Providing new state general funds
- Creating a new dedicated tax or bond to support higher education capital needs
- Providing state dollars as a matching pool for private funds
- Providing more flexibility to the University of Washington to raise and use local funds (e.g., increase the Building Fee).

#### UW General Revenue Bonding Authority

In order to maximize the University of Washington's ability to utilize these funding options (e.g. private gifts, fees, etc.), the administration will seek legislative authority to issue bonds backed by UW general revenues (excluding state general funds). This general revenue bonding authority would give the UW much greater flexibility to address the institution's capital needs, and would reduce the cost of borrowing.

#### Need-Based State Financial Aid

A critical component of the need-based financial aid that supports students from low income families at the UW is the State Need Grant Program – which is part of the Higher Education Coordinating Board budget. In order for necessary financial aid to be available to needy UW students, the university will support two elements of increased funding for the State Need Grant Program for the 2007-09 biennium:

incremental funding for State Need Grant program to cover increased need resulting from anticipated tuition increases for FY 2008 and FY 2009 for students currently eligible for the program; and

expansion of State Need Grant program eligibility (graduated awards for students from families with family incomes above 65% State Median Income).

As a component of Creating UW's Future, the UW is formulating a new institutional commitment to financial aid to complement the State Need Grant program. The goal of this expanded financial aid commitment would be to insure the adequacy of access to the UW for children from low and middle income families even as tuition increases over the next six years.

## **Appendix 1**

### **Description of UW/Medicine WWAMI Expansion and UW/Dentistry RIDE Expansion in Spokane**

WWAMI Expansion. The idea of expanding publicly supported medical education in Spokane and across Eastern Washington has been discussed for many years among politicians, medical educators, local citizens, and others. Beginning in 2003, a group of Spokane community leaders representing business, higher education, health care, biomedical research, and government assembled to consider options for expanding publicly supported medical education in Spokane. A number of alternatives were evaluated. Under the aegis of the Spokane County Regional Chamber of Commerce, consensus was achieved to pursue the feasibility of expanding the University of Washington School of Medicine's (UWSOM) WWAMI program to include a first-year site based in Spokane at the Riverpoint campus in conjunction with Washington State University, Eastern Washington University, and potentially other Spokane-area colleges.

Three goals were identified:

1. To increase the number of physicians trained in the Spokane area, thereby increasing the supply of physicians in the state, with particular emphasis on Spokane and eastern Washington;
2. To respond to the need to train physicians for underserved rural areas in Washington;
3. To increase local support for biomedical research and, correspondingly, to increase economic development and establishment of new industry within the Inland Northwest.

The first two goals are consistent with the emerging national consensus that a shortage of physicians is predicted in the United States. This emerging shortage is based on the continued growth and diversity of the population within the United States, the aging of the population, the continued shortage of healthcare professionals, especially in rural areas, and other changes within the physician workforce.

The proposed expansion of WWAMI in Spokane builds on the outstanding national reputation of the University of Washington School of Medicine and the success of its regional medical education programs across the states of Washington, Alaska, Montana, Idaho and Wyoming over the past three decades.



The proposed expansion would increase the class size of the University of Washington School of Medicine (UWSOM) by 20 medical students per year. These students would begin their medical education in Spokane at the Riverpoint campus. They would be selected from an already highly qualified applicant pool of over 650 students from Washington who apply to the University of Washington School of Medicine on an annual basis. The first year of matriculants' medical education would be spent in Spokane, and the second year would be spent in Seattle, along with the approximately 180 students who currently constitute the UW School of Medicine class drawn from Washington (currently 120 students), Wyoming (currently 12 students, expanding to 16 students over the next three years), Alaska (currently 10 students), Montana (currently 20 students), and Idaho (currently 18 students). The students' third and fourth years would be spent at sites distributed across the five-state region. A particular emphasis would be placed on the expansion of community clinical sites within Spokane and rural sites in eastern Washington. This would include a continued emphasis on the expansion of the "Spokane track" that allows students to complete a majority of their third-year clinical graduation requirements within Spokane and/or eastern Washington.

RIDE Expansion. The Regional Initiatives in Dental Education (RIDE) will increase access to publicly-funded dental education for Washington students without major new capital expenditures. The proposed RIDE site in Spokane assumes the concurrent development of a new first-year site for medical students at the Riverpoint campus, as part of the WWAMI (Washington, Wyoming, Alaska, Montana and Idaho) program for regional medical education. The new Spokane Riverpoint Campus houses branch campuses of Washington State University (WSU) and Eastern Washington University (EWU), providing both biomedical science resources and a School of Dental Hygiene (EWU) with clinical facilities and dental faculty. The RIDE program will share resources developed for medical and other health professional students at the Riverpoint campus, creating cost-efficiencies while enhancing interdisciplinary training of medical, dental and other health professional students.

A first-year program at the Riverpoint campus with clinical rotations in Eastern Washington will facilitate wider distribution of the dental workforce to less served regions of the State. The choice of the Spokane location is ideal, given its centrality to the rural populations of eastern Washington, its existing educational infrastructure, and the support of its dental community for the RIDE program. The expansion of dental education in this region will also promote the recruitment of dental students from underserved and rural areas, as well as provide additional clinical services for underserved populations, both missions of the School of Dentistry. RIDE will take advantage of the latest in distance learning technologies to ensure equivalency of dental education without duplication of resources.