

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**

*in Joint Session With the*

**A. Academic and Student Affairs Committee****Approval of University of Washington 2008 State Supplemental Budget Request****RECOMMENDED ACTION**

It is the recommendation of the administration and of the Finance, Audit and Facilities Committee and the Academic and Student Affairs Committee that the Board of Regents approve the 2008 state supplemental budget request described in the body of this item. As this supplemental budget request is discussed with the State Office of Financial Management, 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 the amount of support requested for a particular item.

**Background**

Potential items that could be included in the University of Washington's 2008 State Supplemental Budget Request were discussed at a joint meeting of the Finance, Audit and Facilities Committee and the Academic and Student Affairs Committee at the September 2007 Board of Regents meeting. The administration has had ongoing discussions with the Governor's Office and with the other public four-year universities about potential 2008 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 2007-09 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.

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The administration is proposing that the University of Washington submit supplemental budget requests that meet at least one of two 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; and
- State investments that support new opportunities to advance research and teaching.

#### **2008 Supplemental Capital and Operating Budget Request**

The University is requesting a total of \$21.1 million in state operating funds and \$18.9 million in state capital funds in the 2008 state supplemental budget.

#### Emergent Issues and Critical Infrastructure (\$1.1 million operating and \$17.4 million capital)

- Safe Campus Initiative (\$862,000 operating and \$4.5 million capital)
- Improve Animal Research Facilities (\$4.5 million capital)
- UW Tacoma Land Acquisition and Soils Remediation (\$7.4 million capital)
- Expand Access to Child Care (\$250,000 operating and \$1.0 million capital)

Recent tragic events at the UW, Virginia Tech and the University of Arizona have raised awareness of the need to assess emergency response plans and develop effective communication plans to prevent and respond to events on campus. The University is requesting \$4.5 million in one-time funding for capital improvements to enhance mass-notification systems on the Seattle campus. Operating funds of \$862,000 will be used to support efforts on campus to prevent and respond to violent incidents, provide counseling and referral services to students, and implement an outdoor public alert system for the Seattle campus.

The University is also requesting \$4.5 million in capital funds to make improvements to several animal facilities that have been identified by the Association for Assessment and Accreditation of Lab Animal Care as having deficiencies. These improvements are necessary to ensure compliance and accreditation of related UW programs.

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A total of \$7.4 million in capital funds is requested to allow the University to take advantage of opportunities to purchase new parcels of land within the boundaries of the UW Tacoma campus. The University understands that the owners of a number of parcels are ready to sell and funding is needed in 2008 to secure the property for future development of the campus. A portion of the funding will also be used to remediate contaminated soils.

Finally, a combination of \$250,000 in operating funds and \$1.0 million in capital funds are requested to provide students, staff, and faculty with enhanced child care options. As of September 2007, over 700 children are on a waitlist for child care at UW Children's Centers. This situation will be significantly aggravated with the October 31<sup>st</sup> proposed closure of the Able Child facility in University Heights Center.

#### Higher Education Quality and Access (\$13.9 million operating and \$1.5 million capital)

- Restore Non-Resident Graduate Student Subsidy Reduction (\$1.9 million operating)
- Recruitment and Retention Funding for Faculty, Professional Staff, and Librarians (\$11.1 million operating)
- Expand Nursing Educators (\$883,000 operating)
- House of Knowledge Longhouse (\$1.5 million capital)

The UW is requesting \$1.9 million in operating funds to restore funding associated with a reduction to the non-resident graduate student subsidy that was included in the 2007-09 enacted budget. This policy adversely impacts the ability of the University to attract the best and brightest students and achieve the Washington Learns goal of educating more students to higher levels. As implemented, the reduction affects all students regardless of student type or residency status.

Salaries are the largest component of operating costs for education institutions. The caliber of the faculty, staff, and librarians has been instrumental in creating a high-quality academic environment and allowing the UW to successfully compete for research funding. A total of \$11.1 million in operating funds is requested to establish a three percent pool to assist the University in recruiting and retaining outstanding faculty, professional staff, and librarians.

A total of \$883,000 in operating funds is requested to expand nursing enrollments on all three UW campuses. With new funding, the nursing Ph.D. program at the Seattle campus will be expanded by 10 additional students each year for four years –

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ultimately resulting in 40 additional Ph.D. nursing students at UW Seattle. Once fully implemented, the cost of these new nursing Ph.D. enrollments will be less than \$20,000/FTE. The Master of Nursing programs at UW Bothell and UW Tacoma will be expanded by 25 additional part-time students (or five full-time FTEs) over the next two to five years. Additional nursing educators are needed in order to help educate additional nurses to meet state workforce needs.

A total of \$1.5 million in capital funds is requested for predesign and design funding for the construction of a House of Knowledge on the Seattle campus. The House of Knowledge will provide a culturally responsive learning environment for students, faculty, and staff.

#### New Opportunities to Advance Research and Teaching (\$6.0 million operating)

- Institute for Health Metrics & Evaluation – Domestic Health Issues (\$1.9 million operating)
- e-Science Institute (\$2.0 million operating)
- Ports, People, and Puget Sound (\$2.1 million operating)

Strong interest generated by the creation of the Institute for Health Metrics and Evaluation has presented an opportunity where with additional state support, the University believes that it can act quickly and recruit additional faculty with expertise in the area of domestic health metrics. A total of \$1.9 million in operating funds is requested in fiscal year 2009 to expand analytical work at the Institute to include interventions that will improve “domestic” health measures while providing high-quality, proven, and cost-effective healthcare interventions in the United States.

A total of \$2.0 million in operating funds is being requested to establish a core e-Science infrastructure program at the UW. The e-Science Institute initiative will begin with an initial focus on environmental e-Science. State funding will be used to develop core infrastructure and services, hire a director for the overall initiative, and hire key faculty members who will work closely with existing faculty on environmental applications of e-Science.

Finally, \$2.1 million in operating funds is being requested to build additional research capacity in the area of sustainable port development through an integrated effort across the Seattle, Bothell, and Tacoma campuses. The linked effort will address marine water quality in Puget Sound, sustainable port development, and the economic

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impacts of using ports for multiple purposes. This effort will contribute to national and state efforts, such as Homeland Security funding for port management and the recent creation of the Puget Sound Partnership.

#### **UW North Campus**

The 2007 Legislature directed the Washington State Office of Financial Management (OFM) and the UW to recommend sites and develop an preliminary academic plan for a new UW campus in North Puget Sound by November 15, 2007. Work is underway on both the site selection and academic plan. However, these efforts are not sufficiently developed for the UW to submit a 2008 state supplemental budget request for the new campus at this time. The University will continue to work closely with OFM to develop operating and capital budget proposals, provided the legislature is able to identify a permanent site for the campus in the upcoming legislative session.

#### **Policy Requests:**

The University has no agency request legislation for the 2008 legislative session.

The UW strongly supports the efforts of the Council of Presidents, State Board for Community and Technical Colleges, and the Higher Education Board to reauthorize the Washington Futures Act (Gardner-Evans-Locke) bond authority for higher education capital improvements.