

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee**

in joint session with the

B. Finance, Audit and Facilities Committee**Action Item****2009-11 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 2009-11 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 2009-11 state operating budget request;
- Approves the 2009-11 state capital budget request;
- Endorses the framework for certain policy initiatives that the UW may seek during the 2009 legislative session; and
- Authorizes the Office of Planning and Budgeting to further develop the budget and descriptions of selected 2009-11 budget requests and to prepare and submit other supporting materials that are required by the Office of Financial Management.

Previous Discussion of the 2009-11 State Operating and Capital Budget Requests

The University of Washington 2009-11 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 2008 meeting of the Board of Regents.

Several of the requests have changed from those in the June presentation. Major changes are as follows:

- Reduced the number of new enrollments requested for the Seattle campus by 100 each year and requested additional funding to convert 100 general enrollments each year to enrollments that support areas of critical state need.
- Reduced the funding for Life Sciences Research by \$500,000 and requested the funding for FY2011 only.
- Added a request for \$2,000,000 for the biennium to expand the analytical work of the Institute for Health Metrics to include interventions that will improve domestic health measures. This request is similar to one that was approved by the Board of Regents in the UW's 2008 supplemental budget request to the state.
- Increased the amount of funding for Support for Training Health Professionals by \$3,000,000 and added two items under this request. The new request is for \$9,000,000 for the biennium. Of this amount, \$3,000,000 is to support training health professionals at University of Washington Medical Center and \$6,000,000 is to train other health professionals, including dentistry, nursing, pharmacy, public health, and social work.
- Added a request for a total of \$1,500,000 for the biennium for operations and maintenance support for the Business School Building – Phase 1.

Major wording and numerical changes are highlighted throughout the document.

Vision/Goals/Objectives

The 2009-11 state operating and capital budget requests reflect the University's vision statement and core values:

The University of Washington educates a diverse student body to become responsible global citizens and future leaders through a challenging learning environment informed by cutting-edge scholarship.

Discovery is at the heart of our university.

We discover timely solutions to the world's most complex problems and enrich the lives of people throughout our community, the state of Washington, the nation, and the world.

The core values are:

Integrity ~ Diversity ~ Excellence ~ Collaboration ~ Innovation ~ Respect

In keeping with the vision and values, the 2009-11 budget requests are based on three overriding themes:

- maintaining the UW standard of excellence;
- being world leaders in research; and
- being a public university.

More specific budget goals that are addressed in the proposed requests are:

- attracting and retaining an outstanding and diverse faculty and staff;
- attracting a diverse and excellent student body and providing a rich learning experience;
- investing in new leadership of both academic and administrative units;
- expanding the reach of the UW across the globe;
- strengthening interdisciplinary research and scholarship to tackle “grand challenge” problems that will benefit society and stimulate economic development; and
- insuring the highest level of integrity, compliance and stewardship.

Background

▪ **State Fiscal Outlook for 2009-11**

The state has entered a period of fiscal uncertainty. The February 2008 revenue forecast was reduced by more than \$400 million and the most recent forecast of General Fund revenues was adjusted downward in June by \$167 million. The projected gap between estimated expenditures and forecasted revenues for the 2009-11 biennium is expected to be more than \$2 billion according to an analysis by the staff of the Senate Ways and Means committee. State support for new initiatives in 2009-11 is expected to be minimal.

• **Global Challenge State per Student Funding Gap**

The University's operating budget request is intended to advance the goal of closing our per student funding gap to the 60th percentile of our public research university peer institutions in the global challenge states as required under the Washington LEARNS legislation. By October 1 of this year, the Office of Financial Management will provide its official calculations of our current per student funding gap and will develop a required funding trajectory to close the gap within at least the next eight years.

▪ **Performance Agreements**

Beginning in 2008, EHB 2641 creates a pilot-program to test performance agreements in the state's baccalaureate institutions over a six-year period. The purpose of these agreements is to develop and communicate a six-year plan developed jointly by state policymakers and an institution of higher education that aligns goals, priorities, desired outcomes, flexibility, institutional mission, accountability, and levels of resources. These agreements will incorporate the per student funding targets noted above, long-term capital needs and the enactment of certain statutory enabling legislation for the university while specifying the specific outcomes required by the state (i.e., number of high demand degrees, percent of low income students; etc.) A draft performance agreement will be presented to the Regents at the July meeting. Discussions and negotiations with the State will commence in September and another information item is planned for the September Regents meeting. It is anticipated that a final performance agreement would be completed with the State by November.

▪ **I-960 process**

As required by Initiative 960 (approved by the voters in November 2007), all state agency fees increases (including tuition) must receive legislative approval prior to implementation. The Office of Financial Management has asked agencies to include any fees expected to be initiated or increased during the 2009-11 biennium to be justified as part of the 2009-11 budget submittal. For the UW, this includes all categories of tuition and related fees not yet adopted by the Board of Regents for the 2009-10 and 2010-11 academic years, in addition to a variety of other student and course fees.

2009-11 State Operating Budget Request

The University of Washington's 2009-11 state operating and capital budget requests are due to the Office of Financial Management on September 2, 2008. Funding requests proposed by the administration for inclusion in the UW's 2009-11 state operating budget request are presented in the sections that follow this introduction. As required by the State Office of Financial Management, the proposed budget requests are listed in proposed priority order. For the 2009-11 state operating budget request, the administration does not intend to present to the Board the actual text that will be submitted to the Office of Financial Management for each request. Instead, the administration is asking the Board to approve the items that will be included in the policy request and the amounts that will be requested.

The University is requesting a total of \$119,900,000 in state operating funds for new proposals in the 2009-11 state budget. A summary of the UW's 2009-11 operating budget request is shown in the table below:

Summary of UW 2009-11 State Operating Budget Request

Fiscal Year FY 2007-09 State General Fund Base:	\$ 792,417,000
	Biennial Increase in General Fund Appropriation
<u>UW 2009-11 State Operating Budget Request:</u>	
Competitive Compensation	\$ 60,000,000
College of the Environment	\$ 6,000,000
Increased Access and Degrees in Areas of Critical State Need	\$ 22,400,000
Admissions/Recruitment/Retention of Students	\$ 2,600,000
Improving the Undergraduate Learning Environment	\$ 2,200,000
Investments in Research	\$ 14,500,000
Improve Campus Safety/Student Care	\$ 1,200,000
Expand Childcare for the University Community	\$ 500,000
Support for Training Health Professionals	\$ 9,000,000
Operations and Maintenance for Business School Phase 1	\$ 1,500,000
Total 2009-11 Funding for New Requests:	\$ 119,900,000
2009-11 General Fund Base with New Requests:	\$ 912,317,000
Percent Increase over 2007-09 Level:	15%

Individual requests are summarized in the sections that follow:

Competitive Compensation Request

The UW is requesting \$20,000,000 in state general fund support in FY2010 and \$40,000,000 in FY 2011 to provide an average salary increase of 5 percent for all faculty and professional staff in both fiscal years. Salary increases for represented classified staff will be negotiated through collective bargaining and the negotiated agreements will be approved by the Board of Regents and submitted to the State for approval as part of the 2009-11 budget process.

In order to attract and retain the best faculty and staff, the university must pay competitive salaries for all classes of employees. Salaries continue to lag behind relevant comparison groups. If the UW is to remain competitive with other institutions, progress must be made at closing the salary gaps that currently exist.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$20,000,000	\$40,000,000	\$60,000,000

College of the Environment

At the June Regent’s meeting, the Board of Regents approved the administration’s proposal to create a College of the Environment. The College will bring together seven existing academic units to form the foundation of one of the strongest UW colleges with respect to human capital, research, and education capacities. In addition, the new College will have an interdisciplinary institute that takes advantage of the collective strengths of the academic units within the college to engage in collaborative and innovative approaches to interdisciplinary research and development.

The College of the Environment will be funded and sustained from federal, state, university and private sources. The University is requesting a total of \$6,000,000 in new state funding in the 2009-11 biennium to enhance the research and development capacity of the College, develop the programming of the central Institute, and increase student opportunities to become involved in significant, real-world research and application problems.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$2,000,000	\$4,000,000	\$6,000,000

Increased Access and Degrees in Areas of Critical State Need

The University requests funding for general enrollment, as well as enrollment in fields of study **in areas of critical state need**. In addition, funds to train K12 teachers are requested to help address shortages in math and science.

Enrollments

Proposed new student enrollments by campus and type are shown in the table on the following page. **In addition, the University is requesting additional funding to convert 100 general enrollments each year to enrollments that will address areas of critical state need.** The University is requesting a total of **\$22,400,000** in state general fund support for enrollment growth on all three campuses.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$7,800,000	\$14,600,000	\$22,400,000

The UW is requesting a total of 465 additional student FTEs in each year of the 2009-11 biennium. The undergraduate expansion at UW/Seattle will be in areas of critical state need. The requested new enrollments at UW/Bothell and UW/Tacoma reflect approximately 5 percent growth each year at UW/Bothell and 9 percent growth each year at UW/Tacoma. Most of the growth is at the undergraduate level in general enrollments, plus some targeted increases in areas of critical state need and graduate FTE.

**2009-11 Biennium State Operating Budget Request
New Enrollments**

UW Campus	FY 2009 Student FTE	New FTE FY 2010	New FTE FY 2011	FY 2011 Student FTE
<u>UW/Seattle</u>				
Undergraduate - Areas of Critical State Need		100	100	
Undergraduate - Convert 100 General FTE to 100 Areas of Critical State Need FTE each year		-	-	
Graduate - Areas of Critical State Need		50	50	
Total UW/Seattle:	34,067	150	150	34,367
<u>UW/Bothell</u>				
Undergraduate - General		65	65	
Undergraduate - Areas of Critical State Need		10	10	
Graduate		20	20	
Total UW/Bothell:	2,045	95	95	2,235
<u>UW/Tacoma</u>				
Undergraduate - General		180	180	
Undergraduate - Areas of Critical State Need		20	20	
Graduate		20	20	
Total UW/Tacoma:	2,414	220	220	2,854
All Campus Total:	38,526	465	465	39,456

Address Critical Teacher Shortages

The UW is requesting a total of \$2,000,000 in state general fund support in the 2009-11 biennium to expand teacher education programs at the UW's three campuses. Under this proposal, the teacher education programs at the campuses will expand efforts to produce teachers trained in areas identified by the state as in need of high-quality, well-trained teachers, including math, science, special education, and ELL/bilingual/world languages. In

addition, the teaching programs at the three campuses will develop advanced training for beginning teachers through their first two years of practice.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$1,000,000	\$1,000,000	\$2,000,000

Admissions/Recruitment/Retention of Students

The UW is requesting a total of \$2,600,000 in the 2009-11 biennium for initiatives that will improve the recruitment and retention of students. Two budget requests related to this goal are summarized below:

- Earlier Freshman and Transfer Admission Decisions
- Recruitment of a Diverse Student Body

Earlier Freshman and Transfer Admission Decisions

A total of \$1,200,000 in state funding is requested in the 2009-11 biennium to accelerate undergraduate admissions processing. The University has been experiencing increasing needs in the areas of enrollment services. In 2008, admissions experienced a 12 percent increase in applications from prospective students. Increased funding would allow the Admissions Office to provide more timely notice of admission to prospective students.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$600,000	\$600,000	\$1,200,000

Recruitment of a Diverse Student Body

The UW is requesting \$1,400,000 in state support in the 2009-11 biennium to enhance recruitment and outreach efforts to undergraduate students. The request for state support will have a number of components that could include:

- Enhancing recruiting efforts within Washington state;
- Enhancing recruiting efforts related to transfer students;
- Expanding University publications and mailings to prospective students;
- Increasing the quality and quantity of campus visit programs.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$700,000	\$700,000	\$1,400,000

Improving the Undergraduate Learning Environment

Three budget requests related to improving the undergraduate learning environment are summarized below, including:

- Support to expand access to premier learning experiences;
- Further development/expansion of the Honors program;
- Development of learning environments beyond the classroom.

These three requests would add \$1,100,000 in state general fund support in both FY 2010 and FY 2011 -- for a total of \$2,200,000 for the biennium.

Expand Access to Learning, Research, and International Experiences

The UW is requesting a total of \$800,000 in state general fund support in the 2009-11 biennium to expand student access to enhanced learning experiences. Under this proposal, an even greater number of students will be provided opportunities for undergraduate research, internships and community-based learning. By providing a more diverse set of experiences, the University will strengthen the ability to attract a diverse and excellent student body and provide them with a rich learning experience.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$400,000	\$400,000	\$800,000

Additional Support for the Honors Program

The UW is requesting a total of \$400,000 in state general fund support in the 2009-11 biennium for further development and expansion of the Honors program.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$200,000	\$200,000	\$400,000

Living and Learning Communities

The UW is requesting a total of \$1,000,000 in state general fund support in the 2009-11 biennium to bring academic support services and academic courses into students’ living communities. Components of the proposal may include:

- Seminars and workshops held in residence hall classrooms;
- Gathering spaces for group activities and academic tutoring;
- Advising and mentoring services.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$500,000	\$500,000	\$1,000,000

State Investments in University Research

Seven budget requests related to investing in cutting edge research are proposed:

- Support for Life Sciences Research
- Health Metrics and Evaluation – U.S. and Washington state
- NSF DataNet/Global Research Alliance for Digital Data
- eScience Initiative
- Sensor Networks/Environmental Science
- Clean Technology/Alternative Energy
- Safe Nanotechnology Initiative

These seven requests would add \$5,000,000 in state general fund support in FY 2010 and \$9,500,000 in FY 2011 -- for a total of \$14,500,000 for the biennium.

Life Sciences Research

Biomedical research conducted by the UW brings a significant amount of federal and private research funding to the University. This research activity has a positive economic impact on the state directly through the jobs it supports and indirectly through encouraging other organizations to conduct related research in this area. Biomedical facilities require considerable resources to operate. The State of Washington has been generous in providing a portion of the operations and maintenance support needed to operate biomedical research facilities, including operations and maintenance funds for the Bioengineering Building, the Genome Sciences Building, and the School of Medicine research facilities at South Lake Union. For the 2009-11 biennium, the University is requesting \$4,500,000 in FY2011 for additional operations and maintenance funding to support the operation of biomedical research facilities at South Lake Union 3.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$0	\$4,500,000	\$4,500,000

Health Metrics and Evaluation – U.S. and Washington State

The University is requesting a total of \$2,000,000 in state general fund support in the 2009-11 biennium to expand the analytical work of the Institute for Health Metrics to include interventions that will improve domestic health measures for the U.S. and Washington State.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$1,000,000	\$1,000,000	\$2,000,000

NSF DataNet/Global Research Alliance for Digital Data

The University is requesting a total of \$1,000,000 in state general fund support in the 2009-11 biennium to support the University Libraries proposal to the National Science Foundation to address large-scale data preservation. The libraries have submitted a proposal called Global Research Alliance for Digital Data (GRADD). GRADD will bring together universities, scientific data centers, non-profits, businesses, and local, state, and national government agencies to create a platform for data resources.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$500,000	\$500,000	\$1,000,000

eScience Initiative

In the 2008 state supplemental budget, the UW received \$1,000,000 to establish an eScience Institute. The Institute will help make the University a leader in advancing the technology, tools and consulting expertise to help scientists with data-related research problems. Additional funding of \$2,000,000 in the 2009-11 biennium is requested to further advance the efforts that are already underway by funding additional faculty members and core infrastructure.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$1,000,000	\$1,000,000	\$2,000,000

Sensor Networks/Environmental Science

The University is requesting a total of \$2,000,000 in state general fund support in the 2009-11 biennium to leverage current investments and expertise in eScience to the environmental sciences. This proposal will build upon UW research strengths in eScience, sensor chemistry, nanodevices, ecogenomics, and basic environmental sciences. It will also take advantage of work related to the NSF Regional Scaled Network, the NSF National Environmental Observatory Network, and the emerging College of the Environment.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$1,000,000	\$1,000,000	\$2,000,000

Clean Technology/Alternative Energy

The UW is requesting a total of \$2,000,000 in state general fund support in the 2009-11 biennium to create a broad interdisciplinary program in clean technology, with a focus on alternative energy. This proposal will build upon UW research strengths in fuel cells, solar cells, nanophotonics, nanodevices, and bioenergy.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$1,000,000	\$1,000,000	\$2,000,000

Safe Nanotechnology Initiative

The UW is requesting a total of \$1,000,000 in state general fund support in the 2009-11 biennium to establish a Safe Nanotechnology Initiative. Nanotechnology can transform many industries and has numerous applications in medicine, agriculture, and manufacturing, however little is known about the environmental, health, and safety risks of the technology. Under this proposal, the School of Public Health and the College of Engineering will launch a research initiative in the health risks of nanotechnology.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$500,000	\$500,000	\$1,000,000

Expand Childcare for the University Community

The UW is requesting \$500,000 in state general fund support in the 2009-11 biennium to provide students, faculty, and staff with enhanced child care options.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$250,000	\$250,000	\$500,000

Improve Campus Safety/Student Care

The University is requesting a total of \$1,200,000 to support efforts on all three campuses to prevent and respond to violent incidents, provide counseling and referral services to students, and provide other essential student support services.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$600,000	\$600,000	\$1,200,000

Support for Training Health Sciences Professionals

A portion of the training of various health professionals occurs at the UW Medical Center, Harborview Medical Center and other clinics operated by various health sciences schools. Because of the costs associated with training these professionals, as well as the benefits to the state and region, the state and University have historically provided some support for clinical operations, but that level of support has remained essentially flat for many years. The University requests an additional \$9,000,000 in state general fund support in the 2009-11 biennium for teaching these up-and-coming health professionals. Of this amount, \$6,000,000 is to support UW Medical Center and Harborview Medical Center and \$3,000,000 is for other clinical professional training programs at the UW including dentistry, nursing, pharmacy, public health, and social work.

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$3,000,000	\$6,000,000	\$9,000,000

Operations and Maintenance Funding – Business School Building Phase 1

The UW is requesting a total of \$1,500,000 in state general fund support in the 2009-11 biennium for operations and maintenance funding for the Business School Building Phase 1

2009-11 State General Fund Support Request

FY 2010	FY 2011	2009-11 Biennium
\$0	\$1,500,000	\$1,500,000

Background for the Capital Budget Request

Some elements of the UW's 2009-11 capital budget request must be submitted to the State Office of Financial Management prior to the September 2, 2008 budget submission deadline. In order to comply with selected legislatively imposed requirements, the University's prioritized capital projects list is due to OFM by August 15, 2008 (see below).

- **State capital funding in the current biennium**

In the 2007-09 biennium, the UW received \$146,900,000 in state capital funds – which was the highest level of state capital funding that the UW had received in many years.

- **OFM state capital prioritization process**

In the 2008 session, the legislature passed Engrossed Substitute House Bill 3329 which created a new capital prioritization process for public baccalaureate institutions. The previous capital project prioritization process by the Higher Education Coordinating Board (HECB) and public baccalaureate institutions was repealed and the new process is now led by the Office of Financial Management (OFM) and is as follows:

- OFM develops common definitions, a new scoring system based on the system employed by the community colleges and process for prioritizing institutions' capital projects.
- OFM consults with the legislative fiscal committees and the Joint Legislative Audit and Review Committee (JLARC) on the scoring system.
- Projects must be independently scored based on whether they are addressing:
 - (1) Enrollment growth;
 - (2) Replacement/renovation;
 - (3) Infrastructure;
 - (4) Research promoting economic growth and innovation; or
 - (5) Other categories determined by OFM and legislative fiscal committees; and
- On a pilot basis, OFM may choose one research institution to submit two prioritized lists of capital projects – one for branch campuses and one for all other campus projects.

This bill also directs OFM to conduct a higher education capital financing study that includes funding methods in other states (especially other Global Challenge States), alternatives for reducing facility construction and maintenance, and possible new revenue sources/financing mechanisms for capital construction.

- **State capital and performance agreements**

OFM's capital prioritization will be included in the draft performance agreement with each institution.

2009-11 State Capital Budget Request

The University is requesting a total of \$281,345,000 in state capital funds in the 2009-11 state budget. A summary of the UW's 2009-11 capital budget request is shown in the table below:

University of Washington 2009-11 State Budget Request - Capital

#	Item	2009-11 State Funds	2009-11 Local Funds	2011-13 State Funds	2013-15 State Funds
Currently in the Pipeline					
1	UW Minor Works - Facilities Preservation	\$ -	\$ 34,000,000	\$ -	\$ -
2	UW Minor Works - Program	\$ -	\$ 5,000,000	\$ -	\$ -
3	Molecular Engineering Building Phase I - Construction	\$ 57,500,000		\$ -	\$ -
4	Denny Hall - Construction (Restore the Core)	\$ 52,915,000		\$ -	\$ -
5	Balmer Hall - Construction (Restore the Core)	\$ 42,800,000		\$ -	\$ -
6	Lewis Hall - Construction (Restore the Core)	\$ 23,130,000		\$ -	\$ -
7	UW Tacoma Phase III - Construction	\$ 54,000,000		\$ -	\$ -
8	UW Tacoma Phase IV - Pre-design	\$ 500,000		\$ 7,500,000	\$ 72,000,000
9	Miller Hall - Pre-design/Design (Restore the Core)	\$ 4,000,000		\$ 40,000,000	\$ -
10	Anderson Hall - Pre-design/Design (Restore the Core)	\$ 2,500,000		\$ 16,000,000	\$ -
11	UW Bothell Phase III			\$ 5,000,000	\$ 58,000,000
12	Hutchinson Hall (Restore the Core)	\$ -		\$ 3,000,000	\$ 32,400,000
13	Harris Hydraulics (Restore the Core)	\$ -		\$ 2,000,000	\$ 12,600,000
14	Eagleson Hall (Restore the Core)	\$ -		\$ 1,000,000	\$ 11,000,000
	<i>subtotal</i>	\$ 237,345,000	\$ 39,000,000	\$ 74,500,000	\$ 186,000,000
Other					
15	Major Infrastructure Upgrade Projects	\$ 8,000,000		\$ 8,000,000	\$ 8,000,000
16	House of Knowledge Longhouse - Pre-design/Design	\$ 1,500,000		\$ 1,500,000	
17	Biological & Environmental Sciences Building - Pre-design/Design	\$ 8,000,000		\$ 72,000,000	
18	Public Health/Global Health/Pharmacy Building	\$ 8,000,000		\$ 72,000,000	
19	Molecular Engineering - Phase II	\$ -		\$ 6,000,000	\$ 56,500,000
20	UW Tacoma Land Acquisition/Remediation	\$ 5,000,000		\$ 5,000,000	\$ 5,000,000
21	UW Technology - Data Network	\$ 5,000,000		\$ 5,000,000	\$ 5,000,000
22	Guthrie Hall Renovation	\$ 8,500,000		\$ -	\$ -
23	UW Seattle - Interdisciplinary Academic Building	\$ -		\$ 8,000,000	\$ 72,000,000
	<i>subtotal</i>	\$ 44,000,000	\$ -	\$ 177,500,000	\$ 146,500,000
	TOTAL	\$ 281,345,000	\$ 39,000,000	\$ 252,000,000	\$ 332,500,000

**In the 2007-09 biennium, the UW received \$146.9 million in state capital funds (State Construction Account, Gardner-Evans, State Toxics & Education Construction Account)

UW Building Account Projection (Fund Code 064)	
Sources:	
Metro Tract	16,000,000
Building Fee	21,000,000
Timber Revenue	2,000,000
TOTAL	39,000,000

“Pipeline” Projects – Currently in the Queue

The UW is requesting \$237,345,000 in state capital funds in the 2009-11 biennial budget for capital projects that are already in the pipeline. Five of these projects are currently in design – and the design work will be completed by the end of the 2007-09 biennium and all five projects are slated to go into construction in the 2009-11 biennium. These five projects are: Molecular

Engineering Phase 1; Denny Hall; Balmer Hall; Lewis Hall; and UW Tacoma Phase 3. Pre-design funding is requested in 2009-11 for UW Tacoma Phase 4. Pre-design/Design funding is requested in 2009-11 for the next two “Restore the Core” building renovations: Miller Hall and Anderson Hall.

Other Capital Project Initiatives

The UW is requesting \$44,000,000 in state capital funds in the 2009-11 biennial budget for other capital project initiatives. Pre-design/design funding is requested in 2009-11 for the House of Knowledge Longhouse, a new **biological and environmental sciences building** and a new Public Health/Global Health/Pharmacy building. Funds to continue land acquisition and remediation activities at the UW Tacoma campus during 2009-11 are requested. Funding is also requested in 2009-11 for necessary infrastructure upgrades, ongoing upgrades to the UW data network and for renovation of a portion of Guthrie Hall.

2009-11 Policy Requests

During the 2009 legislative session, the administration is seeking an endorsement from the Board of Regents to consider pursuit of several policy initiatives.

Reauthorization of Tuition Increase Authority – All Categories Other Than Undergraduate Residents

In the 2003 legislative session, the Board of Regents was given local authority to set tuition for all tuition categories except undergraduate resident. This authority was granted for six years and the 2008-09 academic year is the last year in which undergraduate non-resident, graduate and professional tuition levels are established using this authority.

Public Funding for Renovation of Husky Stadium

In the 2008 session, the University sought \$150 million in public financing for one half of the projected cost of renovating Husky Stadium. Although the requested funding was not received, the legislature has established a task force to look at various alternatives for spending tourism revenues generated in King County for professional stadiums and to make recommendations to the 2009 legislature. At the same time, the University is planning to issue a new request for proposal this July for the project. As new cost estimates are developed, the University is likely to resubmit a request for public financing for Husky Stadium in the 2009 session.

Capital Projects Alternatives

The University faces perennial challenges to finance a myriad of capital projects in light of state capital budget funding constraints. The legislature has asked for a study by December 1, 2008 of how other states finance higher education construction with particular emphasis on reducing future needs for capital projects by employing distance learning and alternative classroom scheduling as well as using new revenue sources such as student fees and local tax revenues to pay for needed capital projects. It is possible that the University, in concert with other public higher education institutions, will seek statutory changes to either provide new ways of financing or procuring capital projects.

Protecting Certain Private Investment Information

The University is considering asking the 2009 legislature for an exemption to the public disclosure act to improve its ability to maximize the performance of its private endowment funds. Many public endowments (including the UW's) are being screened out of the most desirable private funds because we cannot guarantee protection of proprietary information. This puts the University at a competitive disadvantage with other public research institutions in California, Michigan, Texas, Virginia, Florida, Colorado, Illinois, Massachusetts and Pennsylvania which have enacted laws to protect this information.

I-960 Process

As required by the recently voter-approved Initiative 960, all state agency fees increases (including tuition) must receive legislative approval prior to implementation. The Office of Financial Management has asked agencies to include any fees expected to be initiated or increased during the 2009-11 biennium to be justified as part of the 2009-11 budget submittal. For the UW, this includes all categories of tuition and related fees not yet adopted by the Board of Regents for the 2009-10 and 2010-11 academic years, in addition to a variety of other student and course fees.

The table below shows the categories of fees and the increases that the UW submitted for approval by the legislature for the UW in 2009 and estimates of the increases the administration anticipates submitting to the Office of Financial Management for 2009-11. For most programs, the actual increases will be less than the maximum percent projected in the table below.

Source (Fee)	FY 2009	Projected FY 2010	Projected FY 2011
Tuition-Undergraduate Resident	Up to 7%	Up to 7%	Up to 7%
Tuition Categories Other than Undergraduate-Resident	Up to 15%	Up to 15%	Up to 15%
Course, Application, Special Program, and Other Miscellaneous Academic/Administrative Fees	Up to 10%	Up to 10%	Up to 10%
Services and Activities Fees-All Students	Up to 7%	Up to 7%	Up to 7%
Technology Fees-All Students	Up to 7%	Up to 7%	Up to 7%
Fee-Based Degree Programs	Up to 43%	Up to 20%	Up to 20%
Fee-Based Credit Certificate Programs	Up to 12%	Up to 20%	Up to 20%
Fee-Based Non-Credit Certificate Programs	Up to 20%	Up to 20%	Up to 20%
Fee-Based Credit Courses	Up to 25%	Up to 20%	Up to 20%
Fee-Based Non-Credit Courses	Up to 25%	Up to 20%	Up to 20%
Fee-Based Special Contract Programs	Up to 30%	Up to 20%	Up to 20%
Summer Quarter Tuition - Resident Undergraduates	Up to 7%	Up to 7%	Up to 7%
Summer Quarter Tuition - Non-Resident Undergraduates and Graduates	Up to 15%	Up to 15%	Up to 15%

*Fee-based programs do not receive any state support.