

UNIVERSITY OF WASHINGTON

2010 Operating Budget Supplemental Request



October 2009



October 22, 2009

Andrea Duane
Office of Financial Management
State of Washington
300 Insurance Building
Box 43113
Olympia, WA 98504-3113

Re: 2010 UW Operating Budget Supplemental Request

Dear Ms. Duane:

Attached are seven copies of the 2010 UW Operating Budget Supplemental Request for the Office of Financial Management. Additionally, copies of the 2010 UW Operating Budget Supplemental Request are in the process of being delivered directly to the following:

Higher Education Coordinating Board- HECB (Jim Reed)
Council Of Presidents- COP (Terry Teale)

The UW is only submitting two operating budget supplemental requests. One of these supplemental requests is a decision package that OFM required all state agencies to submit that reflects the General Fund State budget reduction target that OFM has specified for the UW for FY 2011. The second decision package requests funding for the geoduck aquaculture research program that was established by the legislature in 2007 in SSHB 2220; the UW considers this decision package to be a technical correction to its adopted 2009-11 budget.

If you have any question please call Gary Quarfoth at 206-616-2425. Thanks.

Sincerely,

Gary Quarfoth
Associate Vice Provost and Budget Director

Attachments

Recommendation Summary

Agency: **360 University of Washington**

1:57:03PM

10/21/2009

Dollars in Thousands	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2009-11 Current Biennium Total	(95.8)	(5,463)		(5,463)
Total Carry Forward Level Percent Change from Current Biennium	(95.8)	(5,463)		(5,463)
Carry Forward plus Workload Changes Percent Change from Current Biennium	(95.8)	(5,463)		(5,463)
Total Maintenance Level Percent Change from Current Biennium	(95.8)	(5,463)		(5,463)
PL GH Geoduck Aquaculture Research Prog	2.1	422		422
Subtotal - Performance Level Changes	2.1	422		422
2009-11 Total Proposed Budget Percent Change from Current Biennium	(93.7) (2.2)%	(5,041) (7.7)%		(5,041) (7.7)%

CB BI GFS Budget Savings

It is not known at this time how the University will implement these cuts in FY 2011.

PL GH Geoduck Aquaculture Research Prog

Funding is requested to continue the University of Washington (UW) Geoduck Research Program, a six-year scientific study to assess possible effects of geoduck aquaculture on the Puget Sound and Strait of Juan de Fuca environments. The program was established by the Legislature in 2007 and must be completed by December 1, 2013, in order to inform adaptive management of geoduck aquaculture, protect Puget Sound natural resources and balance economic benefits to Washington's citizens.

Agency: **360 University of Washington**
Decision Package Code/Title: **BI GFS Budget Savings**

Budget Period: **2009-11**
Budget Level: **CB - Current Biennium**

Recommendation Summary Text:

It is not known at this time how the University will implement these cuts in FY 2011.

Agency Total

Fiscal Detail

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Operating Expenditures			
001-1 -General Fund - Basic Account-State	0	(5,463,000)	(5,463,000)
Staffing	<u>FY 2010</u>	<u>FY 2011</u>	<u>Annual Average</u>
FTEs	(95.5)	(96.0)	(95.8)

Package Description:

These totals reflect estimated 2009-11 GF-S reductions outlined for the University of Washington in the July 1, 2009 OFM memo entitled 'Implementation Instructions For GFS Budget Savings' from Victor Moore.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Performance Measure Detail

Activity

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Does this decision package provide essential support to one of the Governor's priorities?

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Agency:	360	University of Washington
Decision Package Code/Title:	BI	GFS Budget Savings

What are the other important connections or impacts related to this proposal?

What alternatives were explored by the agency, and why was this alternative chosen?

What are the consequences of not funding this package?

What is the relationship, if any, to the state's capital budget?

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Expenditure and revenue calculations and assumptions

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Object Detail

Total

Total Objects

State of Washington
Decision Package

FINAL

Agency: **360 University of Washington**
Decision Package Code/Title: **GH Geoduck Aquaculture Research Prog**

Budget Period: **2009-11**
Budget Level: **PL - Performance Level**

Recommendation Summary Text:

Funding is requested to continue the University of Washington (UW) Geoduck Research Program, a six-year scientific study to assess possible effects of geoduck aquaculture on the Puget Sound and Strait of Juan de Fuca environments. The program was established by the Legislature in 2007 and must be completed by December 1, 2013, in order to inform adaptive management of geoduck aquaculture, protect Puget Sound natural resources and balance economic benefits to Washington's citizens.

Agency Total**Fiscal Detail**

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	0	422,213	422,213
Staffing	<u>FY 2010</u>	<u>FY 2011</u>	<u>Annual Average</u>
FTEs	0.0	4.2	2.1

Program 020-Research

Operating Expenditures	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	0	422,213	422,213
Staffing	<u>FY 2010</u>	<u>FY 2011</u>	<u>Annual Average</u>
FTEs	0.0	4.2	2.1

Package Description:

The geoduck, *Panopea abrupta*, is a large clam found in soft bottom coastal waters of the Northeast Pacific. It is a long-lived species and can reach the age of a century or more. Geoduck support lucrative commercial fisheries in Washington, Alaska and British Columbia and are cultured in the intertidal regions. Shellfish farmers often culture geoduck by placing young animals into PVC tube sections that are inserted into flat sand beaches and covered by netting to exclude predators. The netting and tubes generally are removed after 12 months and geoducks continue to grow for three to five years prior to harvest. Harvesting is done by hand, using pumps and pressurized water jets that loosen the substrate around individual geoducks prior to extraction. In the Puget Sound region, concerns over possible environmental impacts of geoduck aquaculture practices have grown in recent years, as well as tension between geoduck aquaculture operations and shoreline residents.

The 2007 Washington State Legislature enacted SSB 2220, directing UW's Washington Sea Grant to review existing scientific information and commission scientific research studies to assess possible effects of geoduck aquaculture on the Puget Sound and Strait of Juan de Fuca environments. The bill required that studies examine key uncertainties related to the ecosystem and community effects of geoduck aquaculture and implications for the health of geoduck populations. Assessment of the environmental effects of commercial harvesting was set as the top priority. The University was required to complete the studies and report the results by December 1, 2013. An appropriation of \$750,000 was deposited into the Geoduck Research Account to fund program research and administration.

SSHB 2220 also created a Shellfish Aquaculture Regulatory Committee through the Department of Ecology to provide guidance for

Agency: 360 University of Washington
Decision Package Code/Title: GH Geoduck Aquaculture Research Prog

management of geoduck aquaculture and to ensure that the research satisfies state management needs. Research results are intended to be used to develop and update siting and operation guidelines for geoduck culture on intertidal and shallow subtidal lands.

Consistent with the legislation, UW completed a review of current knowledge about the environmental impacts of geoduck aquaculture and a rigorous peer-review process to select three research projects. Because of funding limitations, the start date for a fourth project to analyze the effects of geoduck aquaculture on surrounding water quality was postponed until after July 2010. Initial projects received funding in May 2008 and are as follows:

1. Geochemical and ecological consequences of disturbances associated with geoduck aquaculture operations in Washington;
2. Cultured-wild interactions: Disease prevalence in wild geoduck populations; and
3. Resilience of soft-sediment communities after geoduck harvest in Samish Bay, Washington.

The Washington Departments of Natural Resources and Ecology, shoreline property owners and shellfish-growing interests have supported the Geoduck Research Program, recognizing that scientific research is essential to achieving the difficult balance among environmental protection, property rights, economic development and aesthetics.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Over the next four years, the Geoduck Aquaculture Research Program will produce the following outcomes:

- " Annual reports that provide interim scientific findings to the Legislature, resource managers, coastal planners, the shellfish industry, shoreline residents and the public;
- " Robust peer-reviewed research to inform recommendations of the state Shellfish Aquaculture Regulatory Committee regarding management of geoduck aquaculture operations through state shoreline management guidelines;
- " A peer-reviewed final report that synthesizes Geoduck Research Program results to the Legislature by December 1, 2013; and
- " Recommendations on effective methodologies for the Department of Natural Resources aquaculture monitoring program.

Performance Measure Detail

Activity	A009	Research	Incremental Changes
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No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Agency: 360 University of Washington
Decision Package Code/Title: GH Geoduck Aquaculture Research Prog

This decision package addresses every element of the University's strategic priorities:

" UW Standard of Excellence: We recruit the best, most diverse, and innovative faculty and staff from around the world, encouraging a vibrant intellectual community for our students. We link academic excellence to cutting edge research through scholarly exploration and intellectual rigor. We hold ourselves to the highest standards of ethics, as a beacon for our community and the world.

" Academic Community: We are educators and learners. We promote access to excellence and strive to inspire through education that emphasizes the power of discovery and the foundation of critical and analytic thinking. We foster creativity, challenge the boundaries of knowledge, and cultivate independence of mind through unique interdisciplinary partnerships.

" World Leaders in Research: We have grown into the most successful public research university in the nation in attracting support for our research. Ours is a proud culture of innovation, collaboration, and discovery that has transformational impact.

" Celebrating Place: The natural beauty of the Pacific Northwest envelops us. This is an important element of who we are, for this awe-inspiring place not only anchors us, it reaffirms our desire to effect positive change in the world around us. We accept gratefully our role in preserving and enhancing Washington: the place, the people, our home.

" Spirit of Innovation: As Washingtonians, we are profoundly optimistic about our future. Based on our past and present, we find inspiration for the future. Ours is a culture with a determined persistence that engenders innovation and a belief that our goals can be realized.

" World Citizens: We are compassionate and committed to the active pursuit of global engagement and connectedness. We assume leadership roles to make the world a better place through education and research. We embrace our role to foster engaged and responsible citizenship as part of the learning experience of our students, faculty, and staff.

" Being Public: As a public university we are deeply committed to serving all our citizens. We collaborate with partners from around the world to bring knowledge and discovery home to elevate the quality of lives of Washingtonians. This measure of public trust and shared responsibility guides our decision-making as well as our aspirations and vision for the future.

Does this decision package provide essential support to one of the Governor's priorities?

The Puget Sound Partnership was created in 2007 and charged by Governor Gregoire and the Legislature with developing an action agenda to restore and protect Puget Sound. This decision package will provide Sound-wide support for the Partnership action agenda priority A.4: Support long-term protection and stewardship of working farms, forests, and shellfish farms to help maintain ecosystem function, sustain quality of life, and improve the viability of rural communities. The agenda calls for promoting working aquatic lands that are protective of ecosystem health to provide abundant shellfish for commercial, subsistence and recreational harvest consistent with ecosystem protection. It calls for the resolution of conflicts between aquaculture and upland uses, particularly in South Sound, continuation of the work of the Shellfish Aquaculture Regulatory Committee and implementation of its recommendations.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This project contribute to the areas of improving the value of postsecondary learning as well as improving the quality of Washington's natural resources.

What are the other important connections or impacts related to this proposal?